

## OFFICIAL STATEMENT DATED APRIL 4, 2024

**New Money Issue - Book-Entry-Only**

**S&P Global Ratings: AAA**  
(See “Ratings” herein)

*In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, as described under Appendix B - “Form of Legal Opinion of Bond Counsel and Tax Exemption for the Bonds” herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.*



### TOWN OF WEST HARTFORD, CONNECTICUT \$15,000,000 General Obligation Bonds, Series 2024A

**Dated: Date of Delivery**

**Due: Serially, January 15, as shown below**

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

The Bonds will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2024. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See “Book-Entry-Only Transfer System” herein.

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

U.S. Bank Trust Company, National Association, Hartford, Connecticut will serve as Registrar, Transfer Agent, Certifying Agent and Paying Agent with respect to the Bonds.

#### MATURITY SCHEDULE AND AMOUNTS

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>
2025	\$1,000,000	5.000%	3.250%	953107BZ1	2033	\$1,000,000	4.000%	2.510%*	953107CH0
2026	1,000,000	5.000	3.000	953107CA5	2034	1,000,000	4.000	2.510*	953107CJ6
2027	1,000,000	5.000	2.810	953107CB3	2035	1,000,000	4.000	2.690*	953107CK3
2028	1,000,000	5.000	2.650	953107CC1	2036	1,000,000	4.000	2.820*	953107CL1
2029	1,000,000	5.000	2.570	953107CD9	2037	1,000,000	4.000	3.010*	953107CM9
2030	1,000,000	5.000	2.510	953107CE7	2038	1,000,000	4.000	3.120*	953107CN7
2031	1,000,000	5.000	2.490	953107CF4	2039	1,000,000	4.000	3.200*	953107CP2
2032	1,000,000	5.000	2.500	953107CG2					

\* Priced assuming redemption on January 15, 2032; however any such redemption is at the option of the Town (see “Optional Redemption” herein).

*The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about April 18, 2024 through the facilities of DTC or its custodial agent.*

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

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

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

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

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

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

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

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

The Bonds were purchased by Jefferies LLC through a competitive bidding process.

**BOND COUNSEL**

**SHIPMAN & GOODWIN LLP**  
Hartford, Connecticut  
(860) 251-5000

**MUNICIPAL ADVISOR**

**MUNISTAT SERVICES, INC.**  
Madison, Connecticut  
(203) 421-2880

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## BOND ISSUE SUMMARY

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

<b>Issuer:</b>	Town of West Hartford, Connecticut (the “Town”).
<b>Issue:</b>	\$15,000,000 General Obligation Bonds, Series 2024A (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Principal Due:</b>	Principal due on January 15 in each of the years 2025 through 2039, inclusive.
<b>Interest Due:</b>	Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2024.
<b>Purpose:</b>	Bond proceeds will be used to finance various capital improvements projects authorized by the Town Council.
<b>Security:</b>	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds are rated “AAA” by S&P Global Ratings (“S&P”). The rating on the Town’s outstanding general obligation bonds has recently been affirmed as “AAA” by S&P.
<b>Tax Exemption:</b>	See Appendix B to this Official Statement.
<b>Bank Qualification:</b>	The Bonds shall <u>not</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Optional Redemption:</b>	The Bonds are subject to redemption prior to maturity, as more fully described herein under “Optional Redemption”.
<b>Continuing Disclosure:</b>	See Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank Trust Company, National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about April 18, 2024, in New York, New York, against payment in Federal funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Mr. Peter Privitera, Director of Financial Services, or Mrs. Lisa Newton, Financial Operations Manager, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, Telephone (860) 561-7460.
<b>Municipal Advisor:</b>	Munistat Services, Inc. 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement is provided for the purpose of presenting certain information relating to the Town of West Hartford, Connecticut (the “Town”), in connection with the original issuance and sale of \$15,000,000 General Obligation Bonds, Series 2024A (the “Bonds”) of the Town.

All quotations from and summaries or explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery, and will mature in annual installments on January 15 in each of the years and in the principal amounts as set forth on the cover page hereof. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable semiannually on January 15 and July 15 in each year until maturity commencing July 15, 2024. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank Trust Company, National Association in Hartford, Connecticut.

### OPTIONAL REDEMPTION

The Bonds maturing on or before January 15, 2032 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2032, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the redemption price (expressed as a percentage of principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 15, 2032 and thereafter	100.00%

### NOTICE OF REDEMPTION

Notice of redemption shall be mailed not less than twenty (20) days prior to the redemption date to the registered owner of such Bonds, designated for redemption in whole or in part, at the address of such registered owner as it last appears on the registration books for the Bonds kept for such purpose. So long as a book-entry system is used for the Bonds, the Town will send any notice of redemption only to DTC (or a successor securities depository) or its nominee.

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

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to The Depository Trust Company, or a successor securities depository, or DTC nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption.

(See “Book-Entry-Only Transfer System herein for discussion of DTC and definitions of “DTC Participant”, “Indirect Participant” and “Beneficial Owner”.) Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent for the Bonds.

## RATINGS

The Bonds have been rated “AAA” by S&P Global Ratings (“S&P”). The Town’s rating on the outstanding general obligation bonds has recently been affirmed as “AAA” by S&P. The rating assigned by S&P express only the views of the Rating Agency. The explanation of the significance of the rating may be obtained from S&P. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of ratings on the Bonds may have an effect on the market price thereof.

## AUTHORIZATION AND PURPOSE

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

<b>Project (Fiscal Year Authorized)</b>	<b>Amount Authorized</b>	<b>The Bonds (This Issue)</b>	<b>Authorized but Unissued</b>
<b><u>General Public Improvements</u></b>			
Animal Shelter (2020, 2022).....	\$ 700,000	\$ 200,000	\$ 500,000
Communications Infrastructure (2019, 2022-2025).....	736,000	386,000	350,000
Document Digitization Project (2025).....	500,000	225,000	275,000
Fern Street Bridge Replacement (2022).....	1,200,000	-	1,200,000
Financial Management System (2019-2022, 2025).....	660,000	-	660,000
Fire Apparatus/Equipment (2022,2024).....	2,090,554	75,000	2,015,554
Fire Training Tower (2024).....	750,000	-	750,000
Flood Mitigation Infrastructure Improvements (2024-2025).....	7,000,000	300,000	6,700,000
Fueling Facility (2024).....	1,000,000	-	1,000,000
Heavy Equipment Storage Facility (2024-2025).....	200,000	-	200,000
Infrastructure Improvement Project (2025).....	200,000	-	200,000
Kennedy Park (2024).....	400,000	-	400,000
Materials Solution Center Modernization (2025).....	1,750,000	-	1,750,000
Miscellaneous Equipment (2022-2024).....	1,276,000	356,000	920,000
New Park Ave Complete Streets Improvement (2023).....	100,000	-	100,000
Park & Playfield Improvements (2017-2025).....	1,100,000	60,000	1,040,000
Pedestrian & Bicycle Management (2019-2025).....	1,558,800	1,108,000	450,800
Police Shooting Range (2021-2023).....	750,000	-	750,000
Property Acquisition (2022-2023).....	3,000,000	1,420,000	1,580,000
12 Brixton St. & 705 Oakwood Ave. Property Purchase (2023)..	1,500,000	-	1,500,000
Public Works Rolling Stock (2022-2025).....	1,155,299	1,013,358	141,941
Public Works Work Order Management System (2024).....	180,000	151,000	29,000
Public Works Time & Attendance System.....	250,000	-	250,000
Recycling Center Modernization (2020-2025).....	1,300,000	-	1,300,000
Rockledge Driving Range (2024).....	700,000	50,000	650,000
Rockledge Irrigation Replacement (2025).....	2,400,000	-	2,400,000

<b>Project (Fiscal Year Authorized)</b>	<b>Amount Authorized</b>	<b>The Bonds (This Issue)</b>	<b>Authorized but Unissued</b>
Sedgwick Road Pavement Rehabilitation (2024).....	250,000	-	250,000
Storm Water Management (2023-2025).....	\$ 1,445,000	\$ 712,000	\$ 733,000
Street Reconstruction (2023-2025).....	3,000,000	1,500,000	1,500,000
Street Resurfacing (2019-2025).....	5,059,113	2,335,765	2,723,348
Town Building Improvements (2018-2025).....	3,633,000	553,000	3,080,000
Town Facilities Paving (2020, 2022, 2024).....	181,059	-	181,059
Townwide Generators (2023-2024).....	2,900,000	-	2,900,000
Traffic System Management (2020, 2022-2025).....	700,000	500,000	200,000
Trout Brook Phase V (2015).....	159,059	-	159,059
Various Police Department Improvements (2025).....	1,200,000	-	1,200,000
Wolcott Park (2019-2020).....	200,000	-	200,000
Eisenhower Park Swimming Pool (2022, 2025).....	4,500,000	-	4,500,000
Sub-Total General Public Improvements .....	55,683,884	10,945,123	44,738,761
<b>School Improvements</b> <sup>1</sup>			
Asbestos Removal (2018-2025).....	720,000	200,000	520,000
Elementary School Air Quality (2023-2025).....	11,029,000	500,000	10,529,000
Exterior School Building Improvements (2014, 2017-2025).....	5,473,271	1,017,877	4,455,394
Heating & Ventilation Systems (2019-2025).....	2,908,000	-	2,908,000
Interior School Building Improvements (2012-2025).....	3,699,045	1,562,000	2,137,045
School Security (2016-2017, 2020-2022, 2025).....	3,203,627	150,000	3,053,627
Site & Athletic Field Improvements (2019-2025).....	1,830,000	580,000	1,250,000
Stage & Auditorium Renovations (2018-2025).....	800,000	45,000	755,000
Sub-Total School Improvements .....	\$ 29,662,943	\$ 4,054,877	\$ 25,608,066
<b>Grand Total .....</b>	<b>\$ 85,346,827</b>	<b>\$15,000,000</b>	<b>\$ 70,346,827</b>

<sup>1</sup> Certain school improvement projects are eligible for progress payments from the State of Connecticut. See "Capital Improvement Program" and "School Projects" herein.

Note: Projects totaling \$36.1 million authorized for fiscal year 2024-25 are included in this listing because they were authorized in April 2023.

## BOOK-ENTRY-ONLY TRANSFER SYSTEM

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

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

DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

## **REPLACEMENT BONDS**

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

Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

## **DTC PRACTICES**

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

## **SECURITY AND REMEDIES**

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

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There were 72.6 acres of certified forest land on the last completed Grand List of the Town.

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

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United States Code thereof or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

## **CYBERSECURITY**

The Town like many other public and private entities relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the Town's government networks. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

## ENVIRONMENTAL FACTORS

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. To mitigate these risks, the Town is undertaking extensive planning and infrastructure improvement projects including \$57 million in flood mitigation improvements and \$10.2 million in storm water management projects over the next twelve years. Additionally, the Town has a very active program of tree inspections and removals, in coordination with the Town's electrical utility provider. However, the Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

## SECTION 265(B) QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

## AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town of West Hartford prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management.

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

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

In the past five (5) years, the Town has not failed to comply, in any material respect, with its undertakings in such continuing disclosure agreements with the exception of the timely submission of audited financial statements for the fiscal year ending June 30, 2023. The Town submitted a notice of failure to provide annual financial information on February 29, 2024 and will submit its audited financial statements when complete.

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

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town is located in central Connecticut adjacent to and west of the City of Hartford, the state capital. The towns of Bloomfield, Newington, Farmington, and Avon also border the Town. West Hartford is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town, a residential suburb in the Hartford metropolitan area, encompasses 22.2 square miles and has a population of 64,088. West Hartford was settled as an agricultural community in the early 1700s and was incorporated as a town in 1854.

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

West Hartford is comprised primarily of residential property with single-family, owner occupied, mid to upper price range homes. The Town has eleven public elementary schools, three middle schools and two public high schools. It also has five parochial schools, ten private schools and two universities.

There are three branch post offices and a public library system with three branch locations. Additionally, the Town has 36 public parks and playgrounds, one playhouse and 35 churches and synagogues. West Hartford has 217 miles of streets, 300 miles of sidewalks, and is almost fully sewered.

### FORM OF GOVERNMENT

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

of the Town. The Town Manager is responsible for the implementation of policies established by the Council. An elected seven-member Board of Education appoints a Superintendent of Schools, who administers the education system of the Town.

## **PRINCIPAL MUNICIPAL OFFICIALS**

<b><u>Office</u></b>	<b><u>Town Council</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
Mayor/President of Council	Shari G. Cantor	Appointed 12/04-11/05 Elected 11/05-11/25
Deputy Mayor/Vice President of Council	Ben Wenograd	Elected 11/15-11/25
Minority Leader	Mark Zydanowicz	Elected 11/21-11/25
	Carol A. Blanks	Elected 11/19-11/25
	Alberto Cortes	Elected 11/21-11/25
	Mary Fay	Elected 11/17-11/25
	Tiffani McGinnis	Elected 11/23-11/25
	Debra Polun	Appointed 11/22-11/23 Elected 11/23-11/25
	Barry Walters	Elected 11/23-11/25
	<b><u>Other Elected Officials</u></b>	
Town Clerk	Leon S. Davidoff	Appointed 4/23-1/24 Elected 1/24-1/28
Registrar of Voters	Elizabeth Rousseau	Elected 11/22-1/25
	Beth Kyle	Elected 11/15-1/25
	<b><u>Manner of Selection and Term of Office</u></b>	
<b><u>Office</u></b>	<b><u>Board of Education</u></b>	
Chairperson	Dr. Lorna Thomas-Farquharson	Elected 11/17-11/25
Vice-Chairperson	Shannon Marimon	Elected 11/23-11/27
	LaToya Fernandez	Elected 11/23-11/27
	Jason Gagnon	Elected 11/23-11/25
	Ethan Goldman	Appointed 11/21-11/23 Elected 11/23-11/27
	Dr. Gayle Harris	Elected 11/21-11/25
	Clare Naseralla	Elected 11/21-11/25

### ***Town Council***

Shari G. Cantor has served as a member of the Town Council since December 2004. She served as Deputy Mayor from 2011-May 2016 at which time she became Mayor of West Hartford. She is a lifelong town resident and a graduate of Hall High School and the University of Connecticut School of Business. She is a registered Certified Public Accountant.

Ben Wenograd, a Conard High School graduate, Wesleyan graduate and Northeastern University School of Law graduate, was elected to the Town Council in November 2015. He has served as Deputy Mayor since November 2023. Ben is currently employed by the American Federation of Teachers as a Union Representative.

Mark Zydanowicz is the Town Council Minority Leader and served 9 years as an elected member of the West Hartford Board of Education prior to his election to the Town Council in November 2021. Mark was an owner and third generation family member of Guida's Dairy, employing 260; it was one of the largest independent dairies in New England. Mark most recently worked as an Independent Consultant, advising and assisting in development and execution in the areas of strategy, marketing and business development. Mark is a retired Engineer Officer Honorable Discharged in 2016 (25 years). He's an Iraq war veteran where he earned the Combat Action Badge and a Bronze Star.

Carol A. Blanks was elected to the Town Council in November 2019. Carol received her undergraduate degree from Mount St. Mary's College and her M.P.A. from the University of Hartford. Carol served as a board member for the West Hartford Board

of Education from 2015 and became Chairwoman in 2018 until being elected to the Town Council. Carol retired from her position as Section Manager for Contracts and Grants Management for the State of Connecticut, Department of Public Health after 34 years of providing public health services to Connecticut residents.

Alberto Cortes was elected to the Town Council in November 2021. He is a retired Corrections Officer with 20 years of experience in the Connecticut Department of Corrections. He is currently a Real Estate agent for Berkshire Hathaway HomeServices New England Properties.

Mary Fay was elected to her first term in 2017. Mary is a senior executive and has held President and CEO positions at Fortune 100 companies, including GE, Sun Life, and AIG. Mary holds a Bachelor's degree in business/government from Skidmore College and an M.B.A. from Rensselaer Polytechnic Institute.

Tiffani McGinnis was appointed to the Town Council in March 2023 and elected in November 2023. Tiffani has a degree in Health Care Administration and Planning from Tennessee State University and has worked for corporations as well as nonprofits, and she has also owned a small business.

Debra Polun was appointed to the Town Council in November 2022, after having served on the Board of Education since 2017. She is a graduate of Tulane University and the University of Connecticut. Debra is the Executive Director of the Connecticut Association for Community Action.

Barry Walters was elected to his first term in 2023. Barry is the Director of External Communications and Policy at APNH: A Place to Nourish your Health, where he builds upon years of working in HIV prevention, Continuum of Care Planning and Implementation, and advocacy to improve delivery of services and build advocacy networks in Connecticut.

### ***Town Administration***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
Town Manager	Richard Ledwith	Appointed-Indefinite
Corporation Counsel	Dallas Dodge	Appointed-Indefinite
Director of Assessment	Joseph Dakers, Sr.	Appointed-Indefinite
Director of Community Development	Duane Martin	Appointed-Indefinite
Director of Financial Services	Peter Privitera	Appointed-Indefinite
Director of Human Resources	Josephine Agnello-Veley	Appointed-Indefinite
Director of Information Technology	Jared Morin	Appointed-Indefinite
Director of Leisure Services & Social Services	Helen Rubino-Turco	Appointed-Indefinite
Director of Library Services	Laura Irmischer	Appointed-Indefinite
Director of Plant and Facilities Services	Robert Palmer	Appointed-Indefinite
Director of Public Works	John Phillips	Appointed-Indefinite
Chief, Fire Department	Greg Priest	Appointed-Indefinite
Chief, Police Department	Vernon Riddick, Jr.	Appointed-Indefinite

Rick Ledwith, Town Manager, holds a Bachelor's degree from Central Connecticut State University and a Master's degree from Boston University. He began his role as Town Manager in February, 2022. Mr. Ledwith has over twenty years of municipal experience in Connecticut, all with the Town of West Hartford. Prior to his appointment as Town Manager, Rick spent fifteen (15) years as the Executive Director of Human Resources for both the Town of West Hartford and West Hartford Public Schools.

Peter Privitera, Director of Financial Services, holds a Bachelor's degree and a Master's degree in Public Administration from the University of Hartford. He was appointed Director of Financial Services on July 15, 2013. Mr. Privitera has over forty (40) years of municipal finance experience in Connecticut. Prior to his tenure with the Town of West Hartford, Mr. Privitera was employed by the City of Stamford as the Director of Management and Budget and Purchasing Agent (10 years) and prior to that worked for the City of Hartford (20 years).

## ***Board of Education Administration***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
Superintendent of Schools	Paul Vicinus, Jr.	Appointed-Indefinite
Assistant Superintendent of Schools	Anne McKernan	Appointed-Indefinite
Assistant Superintendent of Schools	Dr. Andrew Morrow	Appointed-Indefinite

## **MUNICIPAL SERVICES**

### ***Department of Assessment***

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

### ***Department of Community Development***

The Department of Community Development manages those functions associated with private development and public infrastructure improvements within the Town, including engineering, building inspections, planning, zoning, zoning enforcement, wetlands protection, traffic and transportation.

### ***Department of Financial Services***

The Department of Financial Services serves as a central staff and service agency to all Town departments. The Financial Operations, Purchasing Services, Revenue Collection and Risk Management divisions are responsible for the financial affairs of the Town. The department prepares and administers the operating and capital budgets of the Town and is responsible for all financial reporting functions. The Director of Financial Services, together with the Town Manager, is responsible for the issuance of the Town's general obligation bonds. A more detailed description of the operations of the Financial Services Department is included in the "Financial Information" section herein.

### ***Department of Human Resources***

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

### ***Department of Information Technology***

The Department of Information Technology is managed as a consolidated department with the Board of Education. The staff provides information technology services to all Town departments and agencies. The department manages the communications infrastructure, associated systems, applications, and technical support for all staff.

### ***Department of Leisure Services & Social Services***

The Department of Leisure Services & Social Services is responsible for social services and the management of all Town parks, recreational facilities and leisure programs throughout the Town. Case management, information and referral, and crisis intervention are available to residents of all ages by professional social workers. Support services include a food pantry, volunteer services and The Town That Cares charity fund. Recreational facilities include seven major neighborhood parks/playgrounds, five outdoor pools, an indoor aquatics center, several athletic complexes, indoor skating rink, a demonstration farm at Westmoor Park, a meeting and conference center, two golf courses, a community center and two senior centers. Annually, approximately 3,000 recreational instructional programs are scheduled for all ages and abilities.

### ***Department of Library Services***

The West Hartford Public Library system consists of a main library and two branches serving West Hartford residents of all ages. West Hartford cardholders have ready access to the physical collections of twenty-nine (29) area libraries through participation in the Library Connection consortium as well as three major collections of electronic books, audio books, films, music and magazines. Library staff provides information and reference assistance; programs of interest to children (including preschool readiness programming), teens, and adults on a wide range of topics; 24/7 access to nearly seventy online research databases and other electronic materials; and public computers and Wi-Fi access in each facility.

### ***Department of Plant and Facilities Services***

The Department of Plant and Facilities Services is managed as a joint venture with the West Hartford Board of Education. The departmental staff is responsible for the routine operation and upkeep of all Town buildings, maintenance of building equipment and systems, upgrades to mechanical systems, management of setup requirements for elections, enhancements to the physical appearance of public spaces, oversight of energy conservation programs and equipment upgrades, utility usage and budgets. In addition, this department is responsible for the management of capital projects involving Town and school buildings.

### ***Department of Public Works***

The Department of Public Works is responsible for the repair and maintenance of streets, storm drainage systems, public grounds, athletic fields, parking operations, cemeteries, street signs, traffic signals and fiber optic networks, and approximately 375 vehicles and pieces of equipment. Refuse/recycling and leaf collection services are provided by private contractors and managed by this department.

### ***Fire Department***

The Town provides around-the-clock emergency services through a professionally staffed Fire Department. The departmental staff of 94 is deployed in five strategically located fire stations. The Department is comprised of Administrative Management, Fire Fighting/Rescue, Fire Prevention, Emergency Management, Training, Maintenance, and Emergency Medical Services divisions. The Town merits an ISO 2 rating for the purpose of fire insurance premium calculations.

### ***Police Department***

Crime prevention and patrol services are provided by the Town's Police Department. The Chief of Police, with the assistance of two Assistant Police Chiefs, coordinates the efforts of 157 Police Department employees. While there are a number of operations divisions, the Department is divided into four functional areas: patrol services, investigatory services, management, and support services.

### ***Water and Sewer Services***

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water, sanitary sewer and related services to its eight member towns. Water services provided by the MDC are billed directly to the individual users. Sewer services are billed annually to the eight member towns and are apportioned based upon a three-year average of each town's annual tax revenues. The Town's ad valorem sewer assessment for fiscal year 2022-23 was \$11,946,200 which equated to 5.9% of the MDC's adopted 2023 combined water and sewer budget. For fiscal year 2023-24, the Town's assessment increased to \$12,106,065.

## **EDUCATIONAL SYSTEM**

The West Hartford public school system serves approximately 8,800 students. The curriculum exceeds all basic State requirements in both depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. In addition, comprehensive programs in special education are available. The middle schools (grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

The high schools (grades 9-12) are comprehensive high schools, each offering a fully accredited program. Twenty-two units of credit are required for graduation. When possible, a student's program is designed to meet his or her personal interests and future ambitions. Advanced placement courses are available in most academic areas. Work experience programs are offered,

as are several options for community-based experiences in career exploration. A full program of extracurricular activities is available in each school as well as extensive interscholastic and intramural athletic programs for all students.

## SCHOOL ENROLLMENT

<b>School Year</b>	<b>Historical<sup>1</sup></b>			
	<b>Elementary (K-5)</b>	<b>Middle (6-8)</b>	<b>Senior (9-12)</b>	<b>Total Enrollment</b>
2014-2015	4,336	2,201	2,994	9,531
2015-2016	4,193	2,222	3,068	9,483
2016-2017	4,184	2,276	2,975	9,435
2017-2018	4,109	2,259	3,032	9,400
2018-2019	4,028	2,209	3,076	9,313
2019-2020	3,894	2,117	2,992	9,003
2020-2021	3,770	2,087	3,019	8,876
2021-2022	3,848	1,999	2,940	8,787
2022-2023	3,918	1,996	2,898	8,812
2023-2024	3,979	1,989	2,864	8,832

<b>School Year</b>	<b>Projections</b>			
	<b>Elementary (K-5)</b>	<b>Middle (6-8)</b>	<b>Senior (9-12)</b>	<b>Total Enrollment</b>
2024-2025	3,947	2,064	2,834	8,845
2025-2026	3,995	2,094	2,794	8,883
2026-2027	4,014	2,134	2,774	8,922

<sup>1</sup> School populations reported as of October 1st of each school year. Projections represent estimates by the Board of Education. Source: West Hartford Board of Education.

## MUNICIPAL EMPLOYEES

The Town of West Hartford currently has 2,044 full-time positions for general government and education, including two federally funded positions. With the exception of certain employees, all Town employees are represented by a collective bargaining organization. The following table shows the Town's authorized positions for the last five years:

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Board of Education .....	1,607	1,607	1,597	1,587	1,580
General Government .....	470	457	449	444	444
Federally Funded .....	2	2	2	2	2
<b>Total .....</b>	<b>2,079</b>	<b>2,066</b>	<b>2,048</b>	<b>2,033</b>	<b>2,026</b>

## EMPLOYEE BARGAINING ORGANIZATIONS

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

<b>Bargaining Unit</b>	<b>Number of Members<sup>1</sup></b>	<b>Contract Expiration</b>
<u>General Government</u>		
Local 1241 International Association of Firefighters .....	91	6/30/25
West Hartford Police Officers Association .....	122	6/30/24 <sup>2</sup>
Public Safety Dispatcher Union Local 2001 SEIU .....	13	6/30/21 <sup>2</sup>
Local 1142 of Council No. 4 AFL-CIO .....	27	6/30/24 <sup>2</sup>
Professional & Management Union Local 2001 SEIU .....	85	6/30/21 <sup>2</sup>
Grounds Union Local 2001 SEIU .....	21	6/30/25
Buildings Union Local 2001 SEIU .....	5	6/30/21 <sup>2</sup>
Clerical Union Local 2001 SEIU .....	38	6/30/25
Supervisory Union, Local 2001 SEIU .....	7	6/30/21 <sup>2</sup>
Non-Bargaining Employees .....	36	n/a
Sub-Total General Government .....	445	
<u>Board of Education</u>		
West Hartford Education Association .....	890	6/30/25
West Hartford Administrators Association .....	56	6/30/26
West Hartford Federation of Educational Secretaries .....	48	6/30/26
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance .....	15	6/30/27
West Hartford Federation of Educational Personnel .....	235	6/30/26
West Hartford Public Schools Nurses Association .....	21	6/30/24
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians .....	76	6/30/27
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians .....	4	6/30/26
AFL-CIO AFSCME Local No. 1303 Council No.4 Security .....	22	6/30/26
West Hartford BOE Professional Employees Local 760 SEIU .....	34	6/30/25
Non-Bargaining Employees (includes Teaching Assistants) .....	196	n/a
Sub-Total Board of Education .....	1,597	
<b>Total General Government and Board of Education .....</b>	<b>2,042</b>	

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

<sup>2</sup> Contract currently in negotiation.

n/a – not applicable

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of the municipality, there is an irrebuttable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrebuttable presumption that a budget reserve of 15% is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<b>Year</b>	<b>Town of West Hartford</b>	<b>% Change</b>	<b>Density<sup>1</sup></b>
1980	61,301	(9.89)	2,761
1990	60,110	(1.94)	2,708
2000	61,045	1.56	2,750
2010	63,268	3.64	2,850
2020	64,083	1.29	2,851
2022	64,088	0.01	2,887

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

Source: 1980 – 2020, U.S. Census Bureau, Centennial Census; 2022 - American Community Survey, 2018-22.

#### AGE CHARACTERISTICS OF THE POPULATION

<b>Age</b>	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 .....	3,362	5.3	47,594	5.3	182,122	5.1
5 - 9 .....	3,604	5.6	50,497	5.6	196,540	5.5
10 - 14 .....	4,340	6.8	56,376	6.3	224,371	6.2
15 - 19 .....	4,428	6.9	58,581	6.5	245,790	6.8
20 - 24 .....	3,733	5.8	56,904	6.3	241,370	6.7
25 - 34 .....	8,541	13.3	118,374	13.2	445,861	12.4
35 - 44 .....	7,775	12.1	113,965	12.7	439,098	12.2
45 - 54 .....	7,588	11.9	118,325	13.2	488,283	13.5
55 - 59 .....	4,127	6.5	65,035	7.2	269,688	7.5
60 - 64 .....	4,735	7.4	60,220	6.7	252,028	7.0
65 - 74 .....	6,114	9.5	87,017	9.7	357,409	9.9
75 - 84 .....	3,308	5.2	42,569	4.7	173,149	4.8
85 and over .....	2,379	3.7	23,179	2.6	89,621	2.5
Total .....	<u>64,034</u>	<u>100.0</u>	<u>898,636</u>	<u>100.0</u>	<u>3,605,330</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2017-21.

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

<b>Educational Attainment Group</b>	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade .....	1,226	2.7	26,534	4.2	101,461	4.0
9th to 12th grade, no diploma .....	1,018	2.3	34,412	5.5	123,560	4.9
High School graduate .....	5,605	12.6	162,392	25.8	656,949	26.1
Some college, no degree .....	4,942	11.1	106,152	16.9	418,214	16.7
Associates degree .....	2,558	5.7	52,600	8.4	194,987	7.8
Bachelor's degree .....	14,018	31.5	137,915	21.9	561,567	22.3
Graduate or professional degree .....	15,200	34.1	108,679	17.3	458,399	18.2
Total .....	<u>44,567</u>	<u>100.0</u>	<u>628,684</u>	<u>100.0</u>	<u>2,515,137</u>	<u>100.0</u>
Percent of High School Graduates .....		95.0%		90.3%		91.1%
Percent of College Graduates .....		65.6%		39.2%		40.5%

Source: U.S. Census Bureau, American Community Survey, 2017-21.

**SELECTED WEALTH AND INCOME INDICATORS**

	<b>Town of West Hartford</b>	<b>Hartford County</b>	<b>State of Connecticut</b>
Per Capita Income, 2021 .....	\$60,530	\$43,642	\$47,869
Per Capita Income, 1999 .....	\$33,468	\$26,047	\$28,766
Median Family Income, 2021 .....	\$144,413	\$102,310	\$106,441
Median Household Income, 2021 .....	\$111,997	\$80,320	\$83,572
Percent of Families Below Poverty Level .....	3.4%	7.5%	6.8%

Source: U.S. Census Bureau, Census 2000, American Community Survey, 2017-21.

**INCOME DISTRIBUTION**

	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000 .....	222	1.4	6,608	2.9	23,811	2.6
\$ 10,000 to 14,999 .....	141	0.9	4,226	1.9	14,243	1.6
\$ 15,000 to 24,999 .....	394	2.4	10,221	4.5	36,091	4.0
\$ 25,000 to 34,999 .....	251	1.6	11,323	5.0	44,586	4.9
\$ 35,000 to 49,999 .....	702	4.3	19,322	8.5	71,397	7.8
\$ 50,000 to 74,999 .....	1,559	9.6	29,865	13.1	123,873	13.6
\$ 75,000 to 99,999 .....	1,792	11.1	30,031	13.2	113,529	12.5
\$100,000 to 149,999 .....	3,391	21.0	49,778	21.8	188,052	20.6
\$150,000 to 199,999 .....	2,585	16.0	29,245	12.8	117,255	12.9
\$200,000 or more .....	5,124	31.7	37,079	16.3	177,169	19.5
Total .....	<u>16,161</u>	<u>100.0</u>	<u>227,698</u>	<u>100.0</u>	<u>910,006</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2017-21.

## AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	0	0.0	207	0.1	768	0.1
Built 2010 to 2019.....	538	2.0	10,769	2.8	53,427	3.5
Built 2000 to 2009.....	792	2.9	21,863	5.7	104,519	6.8
Built 1990 to 1999.....	834	3.1	27,670	7.2	118,124	7.7
Built 1980 to 1989.....	1,205	4.4	48,057	12.5	191,539	12.5
Built 1970 to 1979.....	2,205	8.1	51,271	13.3	206,448	13.5
Built 1960 to 1969.....	3,646	13.4	56,226	14.6	203,726	13.4
Built 1950 to 1959.....	7,128	26.3	66,750	17.4	224,412	14.7
Built 1940 to 1949.....	3,048	11.3	28,179	7.3	100,445	6.6
Built 1939 or earlier...	7,726	28.5	73,278	19.1	323,631	21.2
Total.....	27,122	100.0	384,270	100.0	1,527,039	100.0

Source: U.S. Census Bureau, American Community Survey, 2017-21.

## WEST HARTFORD HOUSING INVENTORY

Type	Units	Percent
1-unit detached .....	17,771	65.5
1-unit attached .....	1,156	4.3
2 to 4 units .....	3,248	12.0
5 to 9 units.....	692	2.5
10 or more units .....	4,222	15.6
Mobile home, trailer, other .....	33	0.1
Total Inventory .....	27,122	100.0

Source: U.S. Census Bureau, American Community Survey, 2017-21.

## OWNER-OCCUPIED HOUSING VALUES

Value of Owner Occupied Units	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	255	1.4	4,683	2.0	19,747	2.1
\$ 50,000 to \$ 99,999 .....	52	0.3	6,150	2.7	25,603	2.8
\$ 100,000 to \$149,999 .....	238	1.3	20,622	8.9	68,932	7.4
\$ 150,000 to \$199,999 .....	1,109	6.2	44,597	19.3	130,158	14.1
\$ 200,000 to \$299,999 .....	5,428	30.2	74,848	32.4	250,981	27.1
\$ 300,000 to \$499,999 .....	8,164	45.4	61,592	26.7	268,183	29.0
\$ 500,000 to \$999,999 .....	2,565	14.3	16,350	7.1	117,839	12.7
\$1,000,000 and over .....	158	0.9	2,066	0.9	44,060	4.8
Total .....	17,969	100.0	230,908	100.0	925,503	100.0
Median Value .....	\$336,500		\$249,000		\$286,700	

Source: U.S. Census Bureau, American Community Survey, 2017-21.

## EMPLOYMENT DATA

By Place of Residence

Period	Town of West Hartford		Percentage Unemployed		
	Employed <sup>1</sup>	Unemployed <sup>1</sup>	Town of West Hartford (%) <sup>1</sup>	Hartford Labor Market (%) <sup>1</sup>	State of Connecticut (%) <sup>1</sup>
Jan- 2024.....	33,426	1,291	3.7	4.9	5.0
Annual Average					
2023.....	33,452	1,003	2.9	3.7	3.7
2022.....	33,498	1,063	3.1	4.1	4.1
2021.....	32,213	1,555	4.6	6.3	6.3
2020.....	32,675	2,049	5.9	7.6	7.8
2019.....	34,863	960	2.7	3.5	3.5
2018.....	34,250	1,036	2.9	3.9	3.9
2017.....	33,879	1,127	3.2	4.4	4.4
2016.....	33,046	1,238	3.6	4.9	4.8
2015 .....	32,792	1,409	4.1	5.6	5.6
2014 .....	32,448	1,642	4.8	6.6	6.6

<sup>1</sup> Not seasonally adjusted.

Source: Connecticut Department of Labor.

## EMPLOYMENT BY INDUSTRY

Employed Persons 16 Years and Over

Employment Sector	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, & Mining ..	81	0.2	1,291	0.3	7,314	0.4
Construction .....	1,192	3.6	23,323	5.1	113,665	6.2
Manufacturing .....	3,388	10.1	49,850	11.0	192,688	10.6
Wholesale Trade .....	555	1.7	10,267	2.3	41,165	2.3
Retail Trade .....	2,394	7.1	48,153	10.6	194,081	10.6
Transportation, Warehousing & Utilities ..	717	2.1	23,508	5.2	80,481	4.4
Information .....	877	2.6	8,738	1.9	36,259	2.0
Finance, Insurance & Real Estate .....	4,917	14.7	48,071	10.6	164,657	9.0
Professional, Scientific & Management ....	4,202	12.5	50,462	11.1	212,866	11.7
Educational Services & Health Care .....	10,783	32.1	116,677	25.7	482,274	26.5
Arts, Entertainment, Recreation .....	2,402	7.2	34,392	7.6	148,835	8.2
Other Service (including nonprofit) .....	1,009	3.0	19,988	4.4	82,217	4.5
Public Administration .....	1,045	3.1	19,215	4.2	66,493	3.6
Total .....	33,562	100.0	453,935	100.0	1,822,995	100.0

Source: U.S. Census Bureau, American Community Survey, 2017-21.

## MAJOR EMPLOYERS

<b>Employer</b>	<b>Business</b>	<b>Number of Employees</b>
University of Hartford .....	Education.....	1,100-2,250
Town of West Hartford .....	Government .....	1,100-2,250
Hartford Healthcare at Home.....	Home Health Service.....	500-999
Triumph Engine Control Systems .....	Aircraft Components-Manufacturers.....	250-499
Connecticut Veterinary Center.....	Animal Hospital.....	250-499
Cheesecake Factory .....	Restaurant .....	250-499
Constructive Workshops Inc.....	Rehabilitation Services.....	250-499
Connecticut Behavioral Health.....	Hospitals.....	100-249
West Hartford Health & Rehabilitation.....	Nursing Home .....	100-249
Stop & Shop.....	Grocers-Retail.....	100-249
Total .....		<u>4,000-8,242</u>

Source: Connecticut Department of Labor.

## NUMBER AND VALUE OF BUILDING PERMITS

<b>Fiscal Year</b>	<b>Number of Permits</b>	<b>Value of Permits</b>
2024 <sup>1</sup>	3,510	\$ 69,265,000
2023	7,511	141,039,000
2022	6,868	134,240,282
2021	6,197	88,728,152
2020	5,599	90,254,386
2019	5,958	91,838,479
2018	6,321	88,272,197
2017	6,005	72,729,574
2016	6,223	104,751,012
2015 <sup>2</sup>	5,567	151,335,754

<sup>1</sup> As of December 31, 2023.

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

Source: Town of West Hartford Building Department.

## LAND USE SUMMARY

The Town Planning and Zoning Commission, in conjunction with the Planning Division of the Department of Community Development, has responsibility for implementing the comprehensive plan of development for West Hartford. The Town Council adopted the most recent plan on April 20, 2020.

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

Source: Department of Community Development, Town of West Hartford.

## ECONOMIC INITIATIVES AND PROPOSALS

For the second year in a row, the Town continues to see significant investment through out the community, including some of the largest projects in both size and impact in several decades. While the West Hartford Center remains the dining, shopping and entertainment center of the region, all commercial areas in Town are seeing reinvestment and attracting new small businesses, commercial and residential development. The commercial districts, along with strong school system, parks and an extensive array of services, help make West Hartford a community of choice in the region. West Hartford is consistently rated as a great place to live and work and has received national and regional recognition from publications and rating agencies such as The New York Times, TIME/Money, Family Circle Magazine, Travel & Leisure Magazine, Livability.com, Kiplinger's Personal Finance, Hartford Magazine's Best of Hartford, Niche.com, U.S. News & World Report for Best High Schools, Connecticut Magazine, and Sustainable CT.

The Town to date, has appropriated a total of \$8.5 million of funds received from the American Rescue Plan Act ("ARPA") to support economic stability and growth. In an effort to assist small businesses and non-profit organizations, the Town Council approved the use of \$2 million of ARPA funds to support these businesses/organizations through the post COVID recovery period. This program began in August 2022 and, to date, the Town has issued 120 individual recovery grants of up to \$10,000, with more in the pipeline. The Town Council also approved \$6 million of ARPA funds to provide financial assistance for eligible housing development or rehabilitation projects related to the creation of affordable housing in Town. As of January 2024, all funds in this initial allocation have been awarded to two separate projects that will produce a total of 83 new units of housing across a variety of affordability levels including deeper restriction levels. In addition, the Town Council approved \$500,000 for the planning, fabrication and installation of a comprehensive Town-wide wayfinding signage program to create a consistent and uniform program that will more easily direct residents, employees and visitors to their destination. Lastly, in an effort to promote economic stability and growth, the Town Administration is in the planning stages of creating a façade improvement program which will be presented to the Town Council in calendar year 2024.

### ***Commercial Districts***

All of West Hartford's commercial districts remain vibrant and are regularly attracting new investment in retail, restaurants, office renovations and expansions, and multi-family housing, in particular. More specifically:

#### ***West Hartford Center and Blue Back Square***

Located in the geographic center of the community, the intersection of Main Street and Farmington Avenue, also referred to as the "Center", is reflective of a traditional town center. There are more than 140 specialty shops and restaurants, in addition to banks, financial services, professional offices, and personal services in the western portion of the Center.

Just east of the traditional Center, Blue Back Square is comprised of approximately 20 acres of land, 600,000 square feet of mixed residential, retail and office improvements, a public square and two parking structures. Major tenants include Crate and Barrel, Cinapolis Theaters, Spaces by Regus, Cheesecake Factory, Ares Management Corporation, Crowe Accounting and Hartford Hospital Surgical Center, among others, providing more than 2,500 jobs. Property owners Charter Realty & Development have been making significant reinvestments into the loft apartments located within the development. Blue Back Square remains a model mixed-use development in Connecticut.

West Hartford Center as a whole is poised for growth in calendar year 2024 as demonstrated by the following:

- In January of 2022, the Town Council approved a Special Development District to redevelop two significant properties at 920 & 924 Farmington Avenue, adjacent to the Trout Brook Multi-Use Trail. This development called The Byline, demolished two underutilized buildings and is currently constructing a new five-story mixed-use building with 48 market-rate apartments atop approximately 10,000 square feet of ground floor office/retail. Construction is slated for completion in late spring of calendar year 2024.
- In October of 2022, the Town Council approved a Special Development District to redevelop the former Children's Museum site at 950 Trout Brook Drive. Demolition and remediation of the site began in spring of calendar year 2023 to prepare for the construction of a new five-story, 172-unit multifamily development on approximately 4 acres adjacent to Kingswood Oxford School. This will be one of the largest new residential developments the Town has seen in recent years. Construction is slated for completion in late calendar year 2024.
- In December of 2022, the Town Council approved a Special Development District in the Center for the development of a two-building project which includes an infill development on a large underutilized parking lot

that will build a new six-story, 58-unit condominium building with structured garage parking, and a new mixed-use apartment building featuring 25-units atop approximately 3,500 square feet of ground-floor commercial space. Construction permit applications are expected on this project in early calendar year 2024.

- The West Hartford Inn located at 900 Farmington Avenue was recently purchased by a private affordable housing developer who broke ground in January 2024 on an exciting affordable housing project that will retrofit the inn along with supplemental new construction into 44-units of multifamily housing. 100% of the units will be offered at or below 80% of area median income (“AMI”). To support the future redevelopment, the Town, in partnership with the developer, was awarded a \$998,000 grant from the State of Connecticut’s Department of Economic and Community Development Municipal Brownfield Grant Program to assist with environmental remediation on this site. This is a highly competitive grant program, which is an invaluable addition to funding this project. The Town also awarded \$3.0 million of funds through its ARPA Affordable Housing Creation Program to assist the developer with the high purchase price of the property.

### ***New Park Avenue Corridor***

The New Park Avenue Corridor, located in the southeast corner of the Town, is a new area of development focus. It has transformed from a strictly industrial sector to a thriving mixed-use environment. It is home to a “Design District” that serves home improvement and homeowners alike as well as a destination for boutique fitness. Investment is being spurred by two bus rapid transit stations that anchor each end of New Park Avenue. In calendar year 2018, the West Hartford Housing Authority opened a transit-oriented development at 616 New Park featuring 54 rental units and ground-floor retail. This was followed by a similar redevelopment project at 540 New Park with 52-units and ground-floor retail that opened in early calendar year 2023. This project has transformed a vacant auto body building into a mixed-income housing development on a focal site within the district. Both Housing Authority projects are fully leased with waitlists.

The Town was awarded two State infrastructure grants totaling \$3.7 million to rebuild the New Park Avenue streetscape, and the initial design work is underway. The project will include a reconstructed roadway with reduced travel lane widths, a bicycle lane and new sidewalks, all of which will promote a better pedestrian environment and attract additional investment in this corridor. In addition, Town and City of Hartford staff have begun joint planning efforts to support the proposed West Hartford Rail Station, a stop on the new Springfield-Hartford-New Haven commuter rail line. The station will be sited across from the Flatbush Fastrak station once funding is allocated by the State.

Lastly, the Town adopted a new Transit-Oriented Development (TOD) zoning district in June 2022. This new zoning district allows for a streamlined, administrative site plan review process for eligible properties located within one-quarter mile walkshed of both the Elmwood and Flatbush CT Fastrak stations, encouraging increased density and pedestrian-friendly development within walking distance of these transit nodes. In December 2023, the Town received its second application under the TOD zoning district, which proposes a new mixed-use building with 3,000 square feet of commercial space on the ground floor and 70 units of housing at 579 New Park Avenue referred to as The Jayden.

### ***Elmwood***

Elmwood has seen a number of positive developments in recent years. Several new businesses have recently landed in Elmwood, making it a neighborhood and regional dining and shopping destination. This area is continuing to see new investment as evidenced by the redevelopment of the former Puritan Furniture site where the property owner is proposing to demolish the blighted buildings and redevelop the site into a new five-story mixed-use, mixed-income housing development featuring 150-units of housing atop approximately 23,000 square feet of ground-floor commercial space. A site plan application was approved in December 2023, the first application under the Town’s new Transit-Oriented Development zoning district. This project is referred to as The Elmwood Lofts and hopes to break ground later in calendar year 2024. Additionally, the Town of West Hartford purchased the former Saint Brigid School at 100 Mayflower Street in calendar year 2021, and is working on plans to transform this property into a new Community and Multicultural Center.

### ***Park Road***

The Park Road district, a vibrant neighborhood commercial district, continues to see investment in the district. Retail space is highly sought after by independently owned businesses, as it is the preferred alternative to higher priced space in the Center. Several new restaurants and food service businesses opened in calendar year 2023. At the corner of South Main Street and Park, a new 17,000 square foot medical building for Hartford Healthcare was completed and opened in spring calendar year 2022. The \$95 million One Park multi-family housing development, which will bring 295 apartments units to the former convent at the corner of Park and Prospect is wrapping up construction and has leased more than 200 units to-date, further contributing to the vibrancy of the district.

### ***Bishops Corner***

Bishops Corner has more recently become a dining destination with the addition of new sit down and fast-casual options opening, including Chopt Creative Salad Company. In late 2022, two of the four large multi-tenant retail buildings were sold. One, located at 714 North Main Street, was purchased by anchor tenant Big Y Food Inc. for \$22.4 million, ensuring its long-term viability in Bishops Corner. The second, located at 333 North Main Street, was purchased in December 2022 by First National Realty Partners for \$76 million. Both of these investments will serve the Bishops Corner community well long-term. Lastly, in October 2023, Trout Brook Realty Advisors was approved for an adaptive reused and supplemental construction project to create 49 new units of housing, 80% of which will be offered at varying affordability levels at or below 80% of AMI. This project was approved at 1244 North Main Street, the former Agudas Achim Synagogue, which has been vacant for several years. The project currently has submitted an application for financing including housing tax credits. The Town also awarded \$3.0 million of funds through its ARPA Affordable Housing Creation Program to assist the developer with the high purchase price of the property and construction-related costs. Notice of award of financing is expected in late spring of calendar year 2024.

### ***Corbin's Corner***

Seritage Growth Partners completed a significant redevelopment of the former Sears Site and its two buildings into a multi-tenant retail development. REI, Saks Off Fifth, Shake Shack and others opened in 2018. In 2021, the former auto building became fully leased with three new tenants: Hot Table, Ivy Rehab, and Tavern in the Square, the Boston-area restaurant's first Connecticut location. All three businesses opened their doors in calendar year 2022. Additionally, new tenants Crumbl Cookies and Club Pilates opened in 2023 in the final ground-floor space next to REI. On the other side of the Corbin's Corner Plaza, Regency Centers recently completed a redevelopment which includes new façade, landscaping and pedestrian improvements. Across the street, Westfarms Mall continues to be one of the highest grossing malls in Connecticut.

A new development at the corner of Berkshire Road and New Britain Avenue recently completed construction. This turned a single-family home site into a three building, 26-unit apartment complex offering a new market-rate and workforce housing option in proximity to vibrant Corbin's Corner.

### ***Former UConn Campus***

In October 2018, Ideanomics, a publicly traded financial technology company specializing in the development of block chain and artificial intelligence, purchased the 58-acre former University of Connecticut campus located at 85 Lawler Road. The company had proposed to locate its global headquarters for technology and innovation on the campus and employ more than 300. Plans were expected to include office, research and training space, as well as employee housing, in both new and renovated buildings at an estimated project cost of \$280 million. However, in March 2020, it was reported in the Hartford Courant that in its fiscal year 2019 SEC FORM 10-K filing, Ideanomics listed the former UConn property as a non-core or non-strategic asset and was evaluating strategies for divesting in the property.

In late December 2021, Ideanomics, doing business as FINTECH Village, LLC, sold the property to two separate but related development entities. WeHa Development Group East LLC purchased 1700 Asylum Avenue for \$1.375 million and WeHa Development Group LLC purchased 1800 Asylum Avenue for \$1.375 million. Town staff has been working with the new owner to develop the property in a manner consistent with the Town's Plan of Conservation and Development. The developer has proposed a unified mixed-use village development on both the 1700 and 1800 Asylum parcels with diversified housing opportunities between the parcels, supportive commercial uses including a small organic supermarket, restaurant and spa opportunities and an integrated public walkway system throughout the village that will include an extension of Trout Brook Trail. The Town Council will vote on the 1700 Asylum Avenue residential component of the project in March 2024. The developer expects to submit a Special Development District application for 1800 Asylum in April 2024.

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## **IV. TAX BASE DATA**

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### **ASSESSMENT PRACTICES**

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Town Assessor. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1 of a given year. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last revaluation. Revaluations are conducted in accordance with Connecticut General Statutes, currently every five years. The Town last conducted a revaluation for the grand list of October 1, 2021 which was effective for fiscal year 2022-23. The October 2021 Town-wide revaluation resulted in a net increase in the real property grand list of 11.2% or \$644,835,827. The influence of the revaluation impacted neighborhood values disparately based upon location, desirability, price point, proximity to various schools, housing styles, etc. After review of the revaluation project's impact on property values, the West Hartford Town Council voted to implement a phasing in of these new assessment increases pursuant to Connecticut General Statute §12-62c, determining that implementing revaluation fully in a single year would have an unfavorable impact upon real property owners, and their tenants town-wide. As a result, 91% of the Town's total parcel count are receiving phased-in assessment increases resulting from the October 1, 2021 revaluation. Parcels not owned by the State of Connecticut that are tax exempt or did not increase in value did not receive a phased-in adjustment. The adopted phase-in schedule captured 75% of the assessment increase for the first year of the two-year schedule above the prior revaluation year (October 1, 2016). The remaining 25% of the assessment increase resulting from the 2021 revaluation was captured on the October 1, 2022 grand list. The next scheduled revaluation will be for the grand list of October 1, 2026 which will be effective for fiscal year 2027-28.

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

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

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

### **TAX COLLECTION PROCEDURE**

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

## COMPARATIVE ASSESSED VALUATIONS

(Amounts Expressed in Thousands)

Grand List as of 10/1	Real Property <sup>1</sup>			Personal Property <sup>1</sup>		Less: Exemption on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2022	\$5,173,667	\$1,130,590	\$93,206	\$274,175	\$622,093	\$70,785	\$7,222,946	40.92
2021 <sup>2</sup>	5,121,654	1,125,128	93,227	271,467	587,361	253,155	6,945,682	40.68
2020	4,569,076	1,082,266	86,405	256,428	471,101	70,698	6,394,578	42.42
2019	4,553,755	1,083,069	86,516	252,235	453,426	65,607	6,363,394	41.80
2018	4,533,613	1,076,472	85,861	242,671	437,930	61,813	6,314,734	41.80
2017	4,524,296	1,061,804	87,823	237,868	436,673	63,346	6,285,118	41.00
2016 <sup>3</sup>	4,517,901	1,038,528	87,682	213,611	429,408	54,419	6,232,711	41.04
2015	4,467,509	854,835	81,443	218,497	422,102	63,913	5,980,473	39.51
2014	4,448,363	846,482	81,656	218,010	419,255	67,595	5,946,171	38.31
2013	4,429,342	845,804	86,007	212,811	415,829	65,131	5,924,662	37.37

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

<sup>2</sup> Year of revaluation. The 2021 revaluation is being phased-in over two years at 75% in fiscal year 2022-23 and 25% in fiscal year 2023-24.

<sup>3</sup> Year of revaluation.

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

## EXEMPT PROPERTY

(Assessed Value, Amounts Expressed in Thousands)

	Assessed Value as of 10/1/22
<b>Public</b>	
Federal .....	\$ 11,922
Town of West Hartford .....	177,011
State of Connecticut.....	11,565
Sub-Total Public .....	<u>200,498</u>
<b>Private</b>	
Public Service Companies .....	5,322
Scientific, Educational, Historical, Charitable .....	391,396
Churches .....	127,062
Cemeteries .....	13,381
12-65 Abatement.....	3,500
Recreation .....	79,074
Private Colleges and Hospitals .....	137,113
Sub-Total Private .....	<u>756,848</u>
<b>Total Exempt Property .....</b>	<b><u>\$ 957,346</u></b>
Percent of Net Taxable Grand List of 10/1/22.....	13.25%

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

**PRINCIPAL TAXPAYERS**  
(Amounts Expressed in Thousands)

Name of Taxpayer	Nature of Business	Grand List of October 1, 2022		
		Taxable Value	Rank	Percent of Total
Connecticut Light and Power.....	Utility.....	\$ 61,814	1	0.86%
FW CT Corbins Corner Shopping Center...	Shopping Center.....	47,160	2	0.65%
West Farms Mall LLC.....	Regional Mall.....	44,350	3	0.61%
Blue Back Capital Partners LL.....	Shopping Center.....	37,771	4	0.52%
Town Center West Associates.....	Mixed Use.....	29,504	5	0.41%
SF WH Property Owner LLC.....	Mixed Use.....	28,901	6	0.40%
Steele Road LLC.....	Apartments.....	26,129	7	0.36%
ALNIC LLC.....	Supermarket.....	23,129	8	0.32%
E & A Northeast Limited Partnership.....	Shopping Center.....	21,772	9	0.30%
ER West Hartford LLC.....	Apartments.....	21,122	10	0.29%
Total.....		<u>\$341,652</u>		<u>4.72%</u>

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

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

**PROPERTY TAX LEVIES AND COLLECTIONS**  
(Amounts Expressed in Thousands)

Fiscal Year Ending 6/30	Total Tax Rate (In Mills)	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of Levy		Collections Subsequent Years	Total Collections to Date	
			Collections	Percentage of Levy		Collections	Percentage of Levy
2024 <sup>1, 2</sup>	40.92 <sup>4</sup>	\$283,585	n/a	n/a	n/a	n/a	n/a
2023 <sup>2</sup>	40.68 <sup>4</sup>	280,326	\$278,692	99.4%	n/a	\$278,692	99.4%
2022	42.42	273,003	271,331	99.4%	\$1,625	272,956	100.0%
2021	41.80	266,861	265,105	99.3%	1,345	266,450	99.8%
2020	41.80	265,632	263,783	99.3%	1,518	265,301	99.9%
2019	41.00	258,647	256,840	99.3%	1,492	258,332	99.9%
2018 <sup>3</sup>	41.04	252,998	251,419	99.4%	812	252,231	99.7%
2017	39.51	236,740	234,921	99.2%	1,662	236,583	99.9%
2016	38.31	229,112	227,450	99.3%	1,521	228,971	99.9%
2015	37.37	222,213	220,483	99.2%	1,445	221,928	99.9%
2014	36.30	214,310	212,530	99.2%	1,412	213,942	99.8%

n/a - information not yet available

<sup>1</sup> Adopted Budget

<sup>2</sup> Year of revaluation. The 2021 revaluation is being phased-in over two years with 75% in FY 2022-23 and 25% in FY 2023-24.

<sup>3</sup> Year of revaluation.

<sup>4</sup> Motor vehicle mill rate 32.46.

Source: Revenue Collection Division, Town of West Hartford.

**PROPERTY TAXES RECEIVABLE**

(Amounts Expressed in Thousands)

(As of June 30, 2023)

<b>Grand List Year</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Remaining Uncollected Levy</b>	<b>Percent of Levy Uncollected</b>
2021	\$280,326	\$1,634	0.6%
2020	273,003	1,672	0.6%
2019	266,861	1,756	0.7%
2018	265,632	670	0.3%
2017	258,647	178	0.1%
2016	252,998	78	0.0%
2015	236,740	72	0.0%
2014	229,112	62	0.0%
2013	222,213	35	0.0%
2012	214,310	57	0.0%

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

**EQUALIZED NET GRAND LIST**

<b>Grand List of 10/1</b>	<b>Equalized Net Grand List</b>	<b>% Growth</b>
2021	\$12,084,417,020	11.16%
2020	10,870,763,470	7.55%
2019	10,107,519,211	2.34%
2018	9,876,620,438	2.82%
2017	9,605,646,775	7.83%
2016	8,907,859,188	-3.72%
2015	9,251,991,620	-0.77%
2014	9,323,512,094	1.83%
2013	9,156,172,567	1.33%
2012	9,035,908,810	7.56%

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

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## **V. FINANCIAL INFORMATION**

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### **ACCOUNTING POLICIES**

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

### **BASIS OF ACCOUNTING**

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

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

### **ANNUAL AUDIT**

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

The most recent annual audit covers the fiscal year ended June 30, 2022, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by the Town's independent auditor. The information contained in Appendix A is not the whole audit report. Individuals wishing a complete document should contact the Town's Director of Financial Services.

### **BUDGETARY PROCEDURES**

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

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

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

## CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual comprehensive financial reports for fiscal years ended June 30, 1986 through 2022. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The report also contains a wide variety of information useful in evaluating the financial condition of a government and conforms to certain generally accepted terminology and formatting standards established for the Certificate Program. The Town will submit its comprehensive annual financial report for fiscal year ended June 30, 2023 when complete to the GFOA to determine its eligibility.

## DISTINGUISHED BUDGET PRESENTATION AWARD

The Town has received a Distinguished Budget Presentation Award from the GFOA of the United States and Canada for its annual budget for the fiscal year ending June 30, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only.

## EMPLOYEE PENSION SYSTEMS

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

The 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 five members who each serve a five-year term.

The Town implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective fiscal year ending June 30, 2014. In accordance with GASB Statement No. 67, the net position is based on the fair market value as of the end of the fiscal year and the total pension liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net pension liability of the West Hartford Retirement System as of June 30, 2023 were as shown below.

	(in Thousands)				
	2023 <sup>1</sup>	2022 <sup>1</sup>	2021	2020	2019
Total pension liability.....	\$ 620,869	\$ 608,496	\$ 538,229	\$ 530,967	\$ 476,986
Plan fiduciary net position.....	511,404	489,126	269,713	214,812	212,171
Net pension liability.....	<u>\$ 109,465</u>	<u>\$ 119,370</u>	<u>\$ 268,516</u>	<u>\$ 316,155</u>	<u>\$ 264,815</u>
Plan fiduciary net position as a % of total pension liability....	82.37%	80.38%	50.11%	40.46%	44.48%

<sup>1</sup> Includes \$322.9 million in proceeds from the Town's July 2021 Pension Bond issuance. See "Pension Bond Issuance" below for more information.

The following represents the net pension liability of the West Hartford Retirement System, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	(in Thousands)		
	Current		
	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Town's Net Pension Liability...	\$182,567	\$109,465	\$48,604

The following presents historical information regarding the West Hartford Retirement System's funding progress. The Town's most recently completed actuarial valuation was effective July 1, 2023. Please see "Appendix A", for more information.

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percent of Covered Payroll ((b-a)/c)</b>
July 1, 2023	\$ 563,547	\$ 602,839	\$ 39,292	93.5%	\$ 71,804	54.7%
July 1, 2022	571,724	613,976	42,252	93.1%	68,560	61.6%
July 1, 2021 <sup>1</sup>	592,613	601,847	9,234	98.5%	64,438	14.3%
July 1, 2020	215,753	530,967	315,214	40.6%	65,110	484.1%
July 1, 2019	209,053	521,756	312,703	40.1%	63,885	489.5%

<sup>1</sup> Includes \$322.9 million in proceeds from the Town's July 2021 Pension Bond issuance. See "Pension Bond Issuance" below for more information.

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

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2025 <sup>1</sup>	\$ 9,171	\$ 9,171	100.0%
2024 <sup>2</sup>	9,525	9,525	100.0%
2023 <sup>3</sup>	7,038	7,038	100.0%
2022	26,919	322,900 <sup>4</sup>	1199.5%
2021	25,439	25,439	100.0%

<sup>1</sup> Proposed budget. Contribution consists of \$8.0 million funded from the operating budget and \$1.2 million will be funded from the Pension Reserve Fund. See "Pension Bond Issuance" below for more information.

<sup>2</sup> Adopted budget. Contribution consists of \$7.4 million funded from the operating budget and \$2.1 million will be funded from the Pension Reserve Fund. See "Pension Bond Issuance" below for more information.

<sup>3</sup> Unaudited estimate.

<sup>4</sup> Includes \$322.9 million in proceeds from the Town's July 2021 Pension Bond issuance. See "Pension Bond Issuance" below for more information.

***Pension Bond Issuance***

On July 8, 2021, the Town issued \$324,275,000 in Federally Taxable General Obligation Pension Bonds (the "Pension Bonds") to fully fund the unfunded actuarial accrued liability in the Town retirement system. The Pension Bonds were issued pursuant to the authority contained in Section 7-374c of the Connecticut General Statutes, the Town Charter and an Ordinance adopted by the Town Council on January 26, 2021. In connection with the issuance of the Pension Bonds, the Town elected to reduce its discount rate assumption from 6.99% to 6.25% and reset the amortization period to match the amortization of the Pension Bonds. The Town's July 2023 pension valuation for fiscal year 2024-25 ADEC is \$9.2 million and, based on market projections, the discount rate has been raised from 6.25% to 6.50%.

Additionally, in connection with the Pension Bond Ordinance, the Town Council has established a General Obligation Pension Bonds Reserve Fund (the "Pension Bonds Reserve Fund") to protect the Town against potential future volatility in its Actuarially Determined Employer Contribution ("ADEC") resulting from adverse investment returns. It is estimated that as of June 30, 2024, the Pension Bond Reserve Fund will have a balance of \$26,911,530. Additionally, an ordinance restricting the use of these funds was recently amended. In the original ordinance, funds in the reserve could only be used when the year over year increase in the ADEC exceeded 5%. This has been amended from the year over year increase in the ADEC to the year over year increase in the Town contribution and the 5% is replaced with 8%. Additionally, the revised ordinance was amended

to state that in years when the year over year ADEC decreases, resulting in a lower Town contribution, the Town will level fund the contribution from the prior year and transfer the excess funds back to the Pension Bond Reserve Fund as a sort of replenishment mechanism. Investment earnings from the Pension Bond Reserve Fund will be retained in the fund.

As previously stated, the ADEC for Fiscal Year 2024-2025 is approximately \$9.2 million. Of this amount, the Town contribution will be \$8.0 million (which is 8% greater than the prior year, per the revised ordinance) and the Reserve Fund will contribute \$1.2 million.

The issuance of the Pension Bonds to fully fund the unfunded actuarially accrued liability is part of a long-term comprehensive approach to address the Town's pension liability. For example, the Town had previously: 1) extended the retirement age for both public safety and non-public safety employees; 2) eliminated overtime and private duty pay from pension calculations; 3) reduced the maximum eligible benefit as a percentage of base pay; 4) negotiated multiple increases in employee contributions to the plan over a period of years; and 5) created a hybrid plan for new Town non-public safety and Board of Education non-certified employees.

## OTHER POST-EMPLOYMENT BENEFITS

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. Eligibility and premium sharing information is detailed in the various collective bargaining agreements and is summarized in the Town's financial statements.

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 (the "OPEB Board"), which provides policy oversight. The OPEB Board consist of six members, three appointed by the Town Council and three appointed by the Board of Education, who each serve three-year terms.

In 1985, the Town established a reserve fund for retiree health care benefits. Annual contributions to the reserve fund are made by the Town and employees, and health care costs for retirees are paid from this fund. The Town actuarially measures OPEB obligations every two years in order to determine its liability and model its funding policy. The Town's funding policy calls for increasing contributions from the General Fund and employees, as well as Medi-gap reimbursements and investment income on the reserve balance, in order to fund current retiree health benefits and grow the reserve to cover future claims costs. As of June 30, 2023 the reserve had a balance of \$18.2 million.

The Town has negotiated significant changes in the retirement benefits for new employees in all union labor contracts. For non-public safety employees, the normal retirement age was increased from 55 to 65 years of age and the early retirement age was increased from 45 to 55 years of age. The required years of service for the Police and Fire Unions, was increased from 20 to 25 years. A minimum age of 50 was established for retirement for the Fire Union. In addition, overtime was removed from pension calculations for all police and fire new hires and the retirement multiplier was reduced from 2.5 times years of service to 2.0 times years of service. These changes will have a long-term effect on retiree pension and health care liabilities as the existing workforce retires and new employees are hired to replace them. During fiscal year 2009 the Town established an OPEB Trust Fund from which benefits for these new employees will be paid. The Town continues long-term financial planning to manage liabilities and funding for post-employment pension and health care benefits for employees and has implemented the new accounting standards that address this issue.

For fiscal year 2016-17, the Town implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30, 2022 were as shown below.

	(in Thousands)				
	2023	2022	2021	2020	2019
Total OPEB liability.....	\$ 253,565	\$ 245,501	\$ 223,049	\$ 223,049	\$ 180,223
Plan fiduciary net position.....	18,228	14,617	9,690	9,690	7,205
Net OPEB liability.....	<u>\$ 235,337</u>	<u>\$ 230,884</u>	<u>\$ 213,359</u>	<u>\$ 213,359</u>	<u>\$ 173,018</u>
Plan fiduciary net position as a % of total OPEB liability.....	7.19%	5.95%	4.34%	4.34%	4.00%

The following represents the net OPEB liability of the Town, calculated using the current discount rate, as well as a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>(in Thousands)</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(5.25%)</b>	<b>(6.25%)</b>	<b>(7.25%)</b>
Town's Net OPEB Liability....	\$265,528	\$235,337	\$210,279

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<b>(in Thousands)</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Town's Net OPEB Liability....	\$205,585	\$235,337	\$271,614

The following presents historical information regarding the post-employment benefit funding progress. The Town's most recently completed actuarial valuation was effective July 1, 2021. The July 2023 OPEB valuation is in process but is not yet available. Please see "Appendix A", for more information.

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percent of Covered Payroll ((b-a)/c)</b>
July 1, 2021	\$ 13,487	\$ 242,528	\$ 229,041	5.6%	\$ 118,801	192.8%
July 1, 2019	7,205	215,240	208,035	3.3%	109,142	190.6%
July 1, 2017	2,960	169,415	166,455	1.7%	116,440	143.0%
July 1, 2015	702	147,594	146,892	0.5%	105,853	138.8%
July 1, 2013	183	118,865	118,682	0.2%	127,047	93.4%

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

<b>Fiscal Year</b>	<b>Actuarial Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2023 <sup>1</sup>	\$ 18,064	\$ 18,232	100.9%
2022	17,086	17,178	100.5%
2021	16,669	16,741	100.4%
2020	14,836	16,099	108.5%
2019	14,255	12,551	88.0%

<sup>1</sup> Unaudited estimate.

## INVESTMENT POLICY FOR OPERATING AND PENSION FUNDS

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

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

The Town's Pension Board establishes and maintains all policies relating to the Plan's investment policy, asset allocations and investment professionals. The Pension Board has six stated goals in managing the investments of the Plan: 1) to maximize net returns subject to a level of risk consistent with the Plan's needs to meet pension obligations; 2) to maintain sufficient liquidity to meet the obligations of the Plan; 3) to select plan assets so as to reduce overall risk across asset classes, sectors and industries; 4) to achieve investment results over the long-term that compare favorably with those of other defined benefit pension plans; 5) to reduce the volatility of the Actuarially Determined Contributions to the Plan; and 6) to meet plan obligations under a variety of economic scenarios and conditions. Prior to the Town's issuance of Pension Bonds in July 2021, the Town commissioned an asset allocation review and the review recommended certain revisions to the Plan's target asset allocation. As a result of the asset allocation study, the final asset allocation was revised to: 30.0% fixed income, 43.5% domestic equity, 21.5% international equity, and 5.0% real estate. The investment roster contains both active and passive styles of investing while utilizing a diversified collection of institutional investment management firms to implement the desired strategy. While it is the Town's intention to maintain these investing protocols and asset allocation construct, the Town may alter this approach in response to evolving capital market conditions in its discretion.

### PROPERTY TAX REVENUES (Amounts Expressed in Thousands)

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Property Tax Revenues</b>	<b>Property Tax Revenues as a Percentage of Fund Revenues</b>
2024 <sup>1</sup>	\$ 331,191	\$ 288,122	87.0 %
2023 <sup>2</sup>	359,446	280,704	78.1
2022	342,680	272,803	79.6
2021	330,150	267,506	81.0
2020	327,905	265,957	81.1
2019	306,682	258,047	84.1
2018	322,008	253,000	78.6
2017	304,245	236,916	77.9
2016	281,874	229,630	81.5
2015	271,837	223,063	82.1

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

<sup>2</sup> Unaudited estimate, GAAP basis, includes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements; fiscal year 2022-23 unaudited estimate; fiscal year 2023-24 adopted budget.

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**INTERGOVERNMENTAL REVENUES**  
(Amounts Expressed in Thousands)

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Intergovernmental Revenue</b>	<b>Aid As a Percentage Of General Fund Revenues</b>
2024 <sup>1</sup>	\$ 331,191	\$ 32,331	9.8 %
2023 <sup>2</sup>	359,446	65,167	18.1
2022	342,680	55,859	16.3
2021	330,150	54,513	16.5
2020	327,905	53,272	16.2
2019	306,682	39,827	13.0
2018	322,008	57,711	17.9
2017	304,245	59,758	19.6
2016	281,874	44,086	15.6
2015	271,837	41,016	15.1

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

<sup>2</sup> Unaudited estimate, GAAP basis, includes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements; fiscal year 2022-23 unaudited estimate; fiscal year 2023-24 adopted budget.

### **MOTOR VEHICLE PROPERTY TAX RATE**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 to October 1, 2020, inclusive, the mill rate for motor vehicles shall not exceed 45 mills, and (3) for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year 2023-2024 is 32.46.

For the fiscal year ending June 30, 2022, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2020, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills. For the fiscal year ending June 30, 2023, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32.46 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32.46 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2021, and each assessment year thereafter, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 32.46 mills.

### **MUNICIPAL BUDGET EXPENDITURES CAP**

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends

over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. For fiscal year ending June 30, 2024 the Town has received a municipal revenue sharing grant in the amount of \$1.8 million.

### GENERAL FUND EXPENDITURES

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>Non- Departmental<sup>1</sup></b>	<b>Community Maintenance</b>	<b>Transfers Out<sup>2</sup></b>	<b>General Government</b>	<b>Human &amp; Cultural</b>
2024 <sup>3</sup>	57.4%	10.0%	12.6%	5.9%	9.5%	2.4%	2.2%
2023 <sup>4</sup>	60.3%	9.4%	10.0%	5.2%	11.0%	2.1%	2.0%
2022 <sup>5</sup>	69.2%	10.9%	10.4% <sup>6</sup>	5.5%	6.2%	2.3%	2.2%
2021	60.1%	9.5%	16.4%	4.8%	5.8%	2.0%	1.6%
2020	59.9%	9.3%	16.3%	4.4%	6.3%	1.9%	1.8%
2019	58.4%	9.5%	15.6%	5.1%	7.4%	2.0%	2.0%
2018	61.0%	8.3%	14.6%	4.8%	7.4%	1.9%	2.0%
2017	61.1%	8.7%	13.9%	5.1%	7.0%	2.1%	2.1%
2016	59.5%	9.3%	14.1%	5.6%	7.3%	2.1%	2.2%
2015	60.0%	9.5%	13.7%	5.8%	6.8%	2.0%	2.2%

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

<sup>2</sup> Includes transfers to Debt Service Fund, Capital Project Fund and Private School Services Fund to cover non-public school health and transportation expenses.

<sup>3</sup> Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System. Pension Bond Debt Service has been moved from non-departmental to transfers-out for comparison purposes.

<sup>4</sup> Unaudited estimate, GAAP basis, includes on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>5</sup> For comparison purposes, fiscal year ending 2022 expenditures have been adjusted to remove the effect of the issuance of the July 2021 Pension Bonds. See “Employee Pension Systems” herein for more information.

<sup>6</sup> Fiscal year ending 2022 Non-Departmental expenditures are less than prior years because in connection with the Town’s July 2021 Pension Bonds, the Town reappropriated \$26.9 million budgeted for that year’s Pension ADEC to create the Pension Bond Reserve Fund. See “Employee Pension Systems” herein for more information.

Note: Totals may not add due to rounding.

Source: Annual audited financial statements; fiscal year 2022-23 unaudited estimate; fiscal year 2023-24 adopted budget.

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# COMPARATIVE GENERAL FUND OPERATING STATEMENT

Budget and Actual (Budgetary Basis)  
(Amounts Expressed In Thousands)

	<b>Fiscal Year 2022-23 (unaudited estimate)</b>			<b>Fiscal Year 2023-24</b>
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Adopted Budget</b>
<b>REVENUES</b>				
Property Taxes .....	\$ 283,762	\$ 281,904	\$ (1,858)	\$ 288,122
Intergovernmental .....	30,742	32,850	2,108	32,331
Charges for Services .....	6,561	7,168	607	7,194
Investment Income.....	2,291	3,727	1,436	2,250
Miscellaneous .....	1,206	1,161	(45)	582
<b>TOTAL REVENUES .....</b>	<b>324,562</b>	<b>326,810</b>	<b>2,248</b>	<b>330,479</b>
<b>EXPENDITURES</b>				
Current:				
General Government .....	7,769	7,314	455	\$ 7,927
Public Safety .....	33,676	33,523	153	33,197
Community Maintenance .....	18,539	18,148	391	19,253
Human & Cultural Resources .....	7,154	7,038	116	7,442
Education .....	181,025	181,013	12	190,191
Non-departmental <sup>1</sup> .....	54,537	54,512	25	54,907
<b>TOTAL EXPENDITURES .....</b>	<b>302,700</b>	<b>301,548</b>	<b>1,152</b>	<b>312,917</b>
Excess (deficiency) of revenues over expenditures .....	21,862	25,262	3,400	17,562
Other financing sources (uses):				
Operating transfers in .....	601	505	(96)	712
Operating transfers out <sup>2</sup> .....	(22,463)	(22,250)	213	(18,274)
Total Other financing sources (uses) ..	(21,862)	(21,745)	117	(17,562)
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .....</b>	<b>\$ -</b>	<b>\$ 3,517</b>	<b>\$ 3,517</b>	<b>\$ -</b>

<sup>1</sup> Includes Pension Bond debt service for budgeting purposes.

<sup>2</sup> Includes transfers to Debt Service Fund, Capital Projects Fund and Private School Services Fund to cover non-public school health and transportation expenses. Excludes Pension Bond debt service.

Source: Town annual audited financial statements; annual budgets.

# COMPARATIVE BALANCE SHEET – GENERAL FUND

Fiscal Year Ended:	(In Thousands)				
	2019	2020	2021	2022	2023 <sup>1</sup>
<b>Assets</b>					
Cash and cash equivalents .....	\$ 38,718	\$ 42,431	\$ 46,130	\$ 47,440	\$ 58,405
Investments .....	5,729	1,252	-	26,478	15,242
Receivables, net .....	3,065	3,154	3,783	9,912	8,558
Due from other funds .....	9,102	12,374	7,932	9,299	27,202
Inventories .....	263	298	242	64	28
Prepaid items .....	-	-	-	31	1,246
<b>Total Assets .....</b>	<b>\$ 56,877</b>	<b>\$ 59,509</b>	<b>\$ 58,087</b>	<b>\$ 93,224</b>	<b>\$110,681</b>
<b>Liabilities</b>					
Accounts payable .....	\$ 3,322	\$ 2,170	\$ 3,328	\$ 2,825	\$ 1,474
Payroll liabilities .....	6,193	6,543	9,929	5,891	15,451
Other liabilities .....	874	1,049	1,179	2,494	3,835
Unearned revenue .....	3,051	1,740	1,500	3,013	2,064
<b>Total Liabilities .....</b>	<b>13,440</b>	<b>11,502</b>	<b>15,936</b>	<b>14,223</b>	<b>22,824</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes .....	2,153	2,289	2,037	2,743	1,529
Leases receivable.....	-	-	-	5,731	5,731
Advance tax collections .....	14,257	15,585	10,764	14,899	20,485
<b>Total Deferred Inflows of Resources .....</b>	<b>16,410</b>	<b>17,874</b>	<b>12,801</b>	<b>23,373</b>	<b>27,745</b>
<b>Fund Balances (Deficits)</b>					
Nonspendable .....	263	298	242	31	28
Restricted .....	-	-	-	-	-
Committed .....	-	-	-	26,497	27,462
Assigned .....	389	4,647	1,898	347	328
Unassigned .....	26,375	25,188	27,210	28,753	32,294
<b>Total Fund Balances .....</b>	<b>27,027</b>	<b>30,133</b>	<b>29,350</b>	<b>55,628</b>	<b>60,112</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) .....</b>	<b>\$ 56,877</b>	<b>\$ 59,509</b>	<b>\$ 58,087</b>	<b>\$ 93,224</b>	<b>\$110,681</b>

<sup>1</sup> Unaudited estimate.

Source: Town annual audited financial statements; fiscal year 2022-23 unaudited estimate.

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GENERAL FUND**

	(In Thousands)				
<b>Fiscal Year Ended:</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023 <sup>1</sup></b>
<b>Revenues</b>					
Property taxes .....	\$258,047	\$265,957	\$267,506	\$272,803	\$280,704
Intergovernmental .....	39,827	53,272	54,513	55,859	65,167
Charges for services .....	5,768	5,807	6,330	7,171	7,232
Income on investments .....	1,714	1,287	188	(214)	4,693
Miscellaneous .....	930	1,161	715	933	1,145
<b>Total Revenues .....</b>	<b>\$306,286</b>	<b>\$327,484</b>	<b>\$329,252</b>	<b>\$336,552</b>	<b>\$358,941</b>
<b>Expenditures</b>					
Current:					
General government .....	6,236	6,316	6,570	6,915	7,314
Public Safety .....	28,971	30,251	31,522	32,359	33,511
Community maintenance .....	15,464	14,396	15,661	16,318	18,127
Human and cultural .....	6,256	6,001	5,210	6,636	7,055
Education .....	178,489	194,575	198,867	206,035	214,215
Debt and sundry .....	47,679	53,010	54,170	353,815 <sup>2</sup>	35,559 <sup>3</sup>
<b>Total Expenditures .....</b>	<b>283,095</b>	<b>304,549</b>	<b>312,000</b>	<b>622,078</b>	<b>315,781</b>
Excess (deficiency) of revenues over expenditures .....	23,191	22,935	17,252	(285,526)	43,160
<b>Other financing sources (uses):</b>					
Operating transfers in .....	396	421	898	6,128	505
Operating transfers (out) .....	(22,787)	(20,538)	(19,133)	(18,599)	(39,181) <sup>4</sup>
Issuance of bonds .....	-	38,465	21,620	324,275 <sup>5</sup>	-
Bond premium.....	-	5,870	1,548	-	-
Payment to refunded bond escrow agent ..	-	(44,047)	(22,968)	-	-
<b>Total other financing sources (uses) .....</b>	<b>(22,391)</b>	<b>(19,829)</b>	<b>(18,035)</b>	<b>311,804</b>	<b>(38,676)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses .....	800	3,106	(783)	26,278	4,484
Fund Balance - July 1 .....	26,227	27,027	30,133	29,350	55,628
<b>Fund Balance - June 30 .....</b>	<b>\$ 27,027</b>	<b>\$ 30,133</b>	<b>\$ 29,350</b>	<b>\$ 55,628</b>	<b>\$ 60,112</b>

<sup>1</sup> Unaudited estimate.

<sup>2</sup> Includes deposit of \$323 million in Pension Bond proceeds. See "Employee Pension Systems" herein for more information.

<sup>3</sup> Excludes Pension Bond debt service. Pension Bond debt service is budgeted under Non-departmental but is reclassified as a transfer out to the Debt Service Fund on the GAAP financial statements.

<sup>4</sup> Includes Pension Bond debt service. Pension Bond debt service is budgeted under Non-departmental but is reclassified as a transfer out to the Debt Service Fund on the GAAP financial statements.

<sup>5</sup> Represents July 2021 Pension Bonds. See "Employee Pension Systems" herein for more information.

Source: Town annual audited financial statements.

## VI. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS

As of April 18, 2024

(Pro Forma)

Date	Purpose	Rate %	Original Issue	Debt Outstanding Including (This Issue)	Fiscal Year Maturity
3/8/2012	General Purpose .....	2.50 – 5.00	\$ 11,648,000	\$ 1,553,074	2028
3/8/2012	Schools .....	2.50 – 5.00	3,352,000	446,926	2028
2/5/2014	General Purpose .....	2.63 – 5.00	12,829,947	4,265,958	2029
2/5/2014	Schools .....	2.63 – 5.00	7,170,053	2,384,043	2029
3/17/2016	Refunding-General Purpose .....	2.00 – 4.00	7,055,000	1,514,000	2026
3/17/2016	Refunding-Schools .....	2.00 – 4.00	5,240,000	531,000	2026
2/16/2017	General Purpose .....	2.00 – 5.00	11,815,000	788,825	2032
2/16/2017	Schools .....	2.00 – 5.00	5,185,000	346,175	2032
1/25/2018	General Purpose .....	2.00 – 5.00	7,665,000	3,570,120	2033
1/25/2018	Schools .....	2.00 – 5.00	5,335,000	2,484,880	2033
2/5/2019	General Purpose .....	2.00 – 5.00	5,745,000	3,820,425	2034
2/5/2019	Schools .....	2.00 – 5.00	4,255,000	2,829,575	2034
7/9/2019	Refunding-General Purpose (Blue Back Sq.)...	5.00	19,918,000	6,935,000	2026
12/18/2019	Refunding-General Purpose.....	4.00 – 5.00	6,372,000	4,867,000	2035
12/18/2019	Refunding-Schools .....	4.00 – 5.00	7,478,000	5,713,000	2035
2/13/2020	General Purpose .....	2.00 – 5.00	10,152,324	7,455,986	2035
2/13/2020	Schools .....	2.00 – 5.00	6,847,676	5,029,014	2035
11/15/2020	Series C Refunding - General Purpose .....	1.50 – 5.00	7,985,000	5,397,000	2031
11/15/2020	Series C Refunding - School Purpose.....	1.50 – 5.00	930,000	628,000	2031
11/15/2020	Series D Refunding - General Purpose .....	0.35 – 2.07	8,806,000	8,515,000	2032
11/15/2020	Series D Refunding - School Purpose .....	0.35 – 2.07	3,899,000	3,770,000	2032
3/16/2021	General Purpose .....	2.00-5.00	13,870,000	11,112,318	2036
3/16/2021	Schools .....	2.00-5.00	3,130,000	2,507,682	2036
7/1/2021	General Purpose - Pension Bonds.....	0.31 - 2.86	324,275,000	306,360,000	2047
2/15/2022	General Purpose .....	3.00 – 5.00	10,110,000	8,762,000	2037
2/15/2022	Schools .....	3.00 – 5.00	4,890,000	4,238,000	2037
3/9/2023	General Purpose.....	4.00 – 5.00	8,418,000	7,856,800	2038
3/9/2023	Schools.....	4.00 – 5.00	6,582,000	6,143,200	2038
4/18/2024	<i>The Bonds - General Purpose (This Issue) ....</i>	4.00 – 5.00	10,945,123	10,945,123	2039
4/18/2024	<i>The Bonds - Schools (This Issue) .....</i>	4.00 – 5.00	4,054,877	4,054,877	2039
Total .....			<u>\$545,958,000</u>	<u>\$434,825,000</u>	

### BOND AUTHORIZATION PROCEDURE

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

### TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing not more than two years from their original issue date (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they

become due and payable, and the legislative body schedules principal reductions by the end of the third year from the date of original issue and again for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of any bonds issued must be reduced by the amount of time temporary financing exceeds two years.

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

**CAPITAL IMPROVEMENT PROGRAM**

In June 2023, the Town Council approved a twelve-year Capital Improvement Program (“CIP”) in which approximately \$405.2 million is expected to be invested in capital improvements through fiscal year 2035. Approximately \$152.3 million (38%) of this investment is for transportation and infrastructure related projects, \$159.1 million (39%) is for school facilities and \$93.8 million (23%) has been allocated to other Town projects. The CIP anticipates non-debt financing of approximately \$73.4 million. The remainder of the CIP funding, approximately \$331.8 million, is subject to debt authorization by the Town Council or the development of other funding sources during the period 2024-2035.

**CAPITAL NOTES PAYABLE**

The Town has entered into finance agreements for various equipment for business type activities. The agreements qualify as notes payable for accounting purposes. The Town’s outstanding notes from these direct borrowing contain provisions such that in the event of a default, the Town will return all equipment at the Town’s expense.

The following is a schedule of the future minimum payments as of April 18, 2024:

	(In Thousands)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	48	7	55
2026	50	5	55
2027	53	2	55
	<u>\$ 151</u>	<u>\$ 14</u>	<u>\$ 165</u>

**LIMITATION OF INDEBTEDNESS**

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

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

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

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

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

## STATEMENT OF STATUTORY DEBT LIMITATION

As of April 18, 2024

(Pro forma, Amounts Expressed in Thousands)

### TOTAL TAX COLLECTIONS (including interest and lien fees)

Received by the Tax Collector for the year ended June 30, 2023 (unaudited estimate)..... \$ 287,598

### REIMBURSEMENT FOR REVENUE LOSS ON:

Tax Relief for Elderly ..... 5

BASE ..... 287,603

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers<sup>1</sup></b>	<b>Urban Renewal</b>	<b>Pension</b>
<b>DEBT LIMITATION:</b>					
2 1/4 times base .....	\$ 647,107	-	-	-	-
4 1/2 times base .....	-	\$1,294,214	-	-	-
3 3/4 times base .....	-	-	\$1,078,511	-	-
3 1/4 times base .....	-	-	-	\$ 934,710	-
3 times base .....	-	-	-	-	\$ 862,809
Total debt limitation .....	<u>647,107</u>	<u>1,294,214</u>	<u>1,078,511</u>	<u>934,710</u>	<u>862,809</u>
<b>INDEBTEDNESS:</b>					
<i>The Bonds (This Issue)</i> .....	10,945	4,055	-	-	-
Bonds Payable .....	76,414	37,051	-	-	306,360
Notes Payable .....	-	-	-	-	-
Overlapping Debt .....	-	-	111,559	-	-
Debt Authorized but Unissued .....	44,739	25,608	-	-	-
Total Indebtedness .....	<u>132,098</u>	<u>66,714</u>	<u>111,559</u>	<u>-</u>	<u>306,360</u>
Less: School Construction Grants					
Receivable <sup>2</sup> .....	-	(16,386)	-	-	-
Net Indebtedness: .....	<u>132,098</u>	<u>50,328</u>	<u>111,559</u>	<u>-</u>	<u>306,360</u>
<b>DEBT LIMITATION IN EXCESS OF</b>					
TOTAL INDEBTEDNESS .....	<u>\$ 515,009</u>	<u>\$1,243,886</u>	<u>\$ 966,953</u>	<u>\$ 934,710</u>	<u>\$ 556,449</u>

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

<sup>2</sup> The Town anticipates receiving \$15.2 million in progress payments for current school construction projects. See "School Projects" herein.

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$2.01 billion.

### SHORT-TERM DEBT

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

### SCHOOL PROJECTS

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress grant payments for eligible school construction expenses on school projects approved after July 1, 1996. The full amount of all current projects is authorized. When progress payments are received those amounts are removed from the authorized totals. This is done on June 30 of each year for payments received during that fiscal year. Under the current program, the Town expects to receive progress payments for eligible school construction costs at the rate of approximately 23- 80 percent.

<b>Project</b>	<b>Total Authorization</b>	<b>Estimated Reimbursement Rate</b>	<b>Estimated Grant <sup>1</sup></b>
Asbestos Removal .....	\$ 1,350,000	31.03%	\$ 418,905
Charter Oak School .....	42,000,000	80.00%	33,600,000
Exterior School Building Improvements .....	10,918,271	39.71%	4,335,645
Hall High Science Classrooms .....	12,800,000	63.44%	8,120,000
Interior School Building Improvements .....	5,394,045	23.01%	1,241,170
School Security .....	7,023,627	28.57%	2,006,650
Elementary School Air Quality.....	8,633,000	39.28%	3,391,042
<b>Total .....</b>	<b>\$ 88,118,943</b>		<b>\$53,113,412</b>

<sup>1</sup> Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. As of April 18, 2024, the Town has received \$36,727,364 for the above projects.

## OVERLAPPING DEBT

The Town is a member of the Metropolitan District Commission (the “MDC”), a special district in Hartford County formed under the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided by the MDC and are billed directly to the end user. As of December 31, 2023, the total overlapping sewer debt of the MDC is \$869,124,262, of which \$197,204,295 or 22.69% is attributable to the Town. However, the MDC currently has approximately \$377,458,700 in outstanding General Obligation bonds and State of Connecticut Clean Water Fund loans which were issued to fund the Clean Water Project, and are expected to be repaid from a special sewer service charge collected directly from MDC water customers (the “Clean Water Project Charge”). Excluding the self-supporting General Obligation Clean Water Project debt, the Town of West Hartford net share is reduced to \$111,558,916.

The MDC was cited by the U.S. Environmental Protection Agency (“USEPA”) and the United States Department of Justice (“USDOJ”) for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The MDC also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection (“CTDEEP”) to control the Combined Sewer Overflows (“CSO”) located in the Hartford sewer system within 15 years (by the year 2021).

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

On November 7, 2006 and November 6, 2012, voters in the eight member towns approved referenda authorizing the appropriation and issuance of \$1,600,000,000, in bonds to finance the Clean Water Project. An additional appropriation of \$140,000,000 for a grant, not requiring a referendum, was approved by the MDC Board on October 15, 2016. The MDC is pursuing state funding from the State of Connecticut’s Clean Water Fund Program and federal funding to assist with the cost of the Clean Water Project. The Clean Water Project Charge applies to customers of the MDC who utilize the MDC’s sewer system and are furnished water directly by the MDC. The proceeds from the Clean Water Project Charge will be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project.

## UNDERLYING DEBT

The Town of West Hartford has no underlying debt.

**DEBT STATEMENT**  
As of April 18, 2024 (Pro Forma)

<b>Long-term Debt</b>	
<i>The Bonds (This Issue)</i> .....	\$ 15,000,000
General Purpose Bonds .....	76,413,505
School Bonds .....	37,051,494
Pension.....	306,360,000
<b>Total Long-term Debt</b> .....	<b>\$ 434,825,000</b>
<b>Short-term Debt</b>	
Bond Anticipation Notes .....	-
<b>Total Direct Debt</b> .....	<b>\$ 434,825,000</b>
MDC Overlapping Debt - Gross .....	197,204,295
MDC Overlapping Debt – Clean Water Project <sup>1</sup> .....	(85,645,379)
<b>Total Overall Debt</b> .....	<b>\$ 546,383,916</b>
<b>Total Overall Net Debt</b> .....	<b>\$ 546,383,916</b>

<sup>1</sup> Represents self-supporting debt which will be paid from proceeds of the MDC's Special Sewer Service Charge. See "Overlapping Debt" herein.

**CURRENT DEBT RATIOS**  
As of April 18, 2024 (Pro Forma)

Population 2022 <sup>1</sup> .....	64,088
Net Taxable Grand List (10/1/22) .....	\$7,222,946,000
Estimated Full Value (10/1/22) .....	\$10,318,494,286
Equalized Net Grand List (10/1/21) <sup>2</sup> .....	\$12,084,417,020
Per Capita Income <sup>1</sup> .....	\$60,530

	<b>Total Direct Debt \$434,825,000</b>	<b>Total Overall Debt \$546,383,916</b>	<b>Total Overall Net Debt \$ 546,383,916</b>
Debt per Capita .....	\$6,785	\$8,526	\$8,526
Percent of Net Taxable Grand List .....	6.02%	7.56%	7.56%
Percent of Estimated Full Value .....	4.21%	5.30%	5.30%
Percent of Equalized Net Grand List .....	3.60%	4.52%	4.52%
Percent of Debt per Capita to Income per Capita ...	11.21%	14.09%	14.09%

<sup>1</sup> Source: U.S. Bureau of Census, American Community Survey, 2018-22.

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

## HISTORICAL DEBT RATIOS

<b>Fiscal Year Ended</b>	<b>Net Assessed Value <sup>1</sup></b>	<b>Estimated Full Value</b>	<b>Total Direct Debt <sup>2</sup></b>	<b>Ratio of Total Direct Debt to Net Assessed Value</b>	<b>Ratio of Total Direct Debt to Estimated Full Value</b>	<b>Population <sup>3</sup></b>	<b>Total Direct Debt per Capita</b>	<b>Ratio of Total Direct Debt per Capita to Per Capita Income <sup>4</sup></b>
<b>June 30</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>Value</b>	<b>Full Value</b>			
2023 <sup>5</sup>	\$6,945,682	\$10,024,803	\$447,480	6.44%	4.46%	64,088	\$6,982	12.01%
2022	6,394,578	9,229,387	456,585	7.14%	4.95%	64,034	7,130	12.26%
2021	6,363,394	9,184,287	134,160	2.11%	1.46%	63,023	2,129	3.75%
2020	6,314,734	9,097,612	135,210	2.14%	1.49%	63,268	2,137	3.77%
2019	6,285,118	9,069,234	139,675	2.22%	1.54%	63,063	2,215	3.91%
2018	6,232,711	8,981,615	147,085	2.36%	1.64%	63,127	2,330	4.27%
2017	5,980,473	8,634,838	150,455	2.52%	1.74%	63,360	2,375	4.49%
2016	5,946,171	8,591,093	148,675	2.50%	1.73%	63,187	2,353	4.56%
2015	5,924,662	8,556,847	149,280	2.52%	1.74%	63,288	2,359	4.76%
2014	5,888,535	8,504,964	140,830	2.39%	1.66%	63,396	2,221	4.55%

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

<sup>2</sup> Excludes school building grants receivable and overlapping MDC debt.

<sup>3</sup> Source: U.S. Census Bureau.

<sup>4</sup> Per Capita Income based on U.S. Census Bureau American Community Survey.

<sup>5</sup> Unaudited estimate.

## RATIO OF ANNUAL BONDED DEBT SERVICE TO TOTAL GOVERNMENTAL FUNDS EXPENDITURES

(Amounts Expressed in Thousands)

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service <sup>1</sup></b>	<b>Total Governmental Funds Expenditures <sup>2</sup></b>	<b>Debt Service as a Percent of Non-Capital Expenditures</b>
2023 <sup>3</sup>	\$ 39,108	\$ 385,090	10.16%
2022	21,517	345,054	6.24%
2021	22,101	355,465	6.22%
2020	20,280	344,251	5.89%
2019	22,375	338,549	6.61%
2018	21,536	324,005	6.65%
2017	20,336	323,072	6.29%
2016	32,133	300,044	10.71%
2015	17,527	289,729	6.05%
2014	17,232	283,311	6.08%

<sup>1</sup> Represents debt service on all General Obligation Bonds including debt issued for the public improvement portion of the Blue Back Square project which is paid from a combination of parking revenues and an additional tax levy imposed within the West Hartford Center Special Services District and the Town's 2021 Pension Bond issuance.

<sup>2</sup> Includes all Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis of accounting. For comparison purposes, Fiscal Year 2022 Governmental Fund Expenditures exclude Pension Bond proceeds.

<sup>3</sup> Unaudited estimate.

# ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1</sup>

As of April 18, 2024

(Pro forma)

<b>Fiscal Year Ending</b>	<b>Outstanding Principal Payments</b>	<b>Outstanding Interest Payments <sup>2</sup></b>	<b>Principal On the Bonds</b>	<b>Interest On the Bonds</b>	<b>Total Debt Service <sup>2</sup></b>	<b>Cumulative Percent of Principal Retired</b>
2024	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2025	26,710,000	10,850,936	1,000,000	1,504,333	40,065,269	6.37%
2026	26,025,000	10,134,511	1,000,000	1,630,000	38,789,511	12.59%
2027	22,065,000	9,521,180	1,000,000	1,580,000	34,166,180	17.89%
2028	22,225,000	8,979,341	1,000,000	1,530,000	33,734,341	23.23%
2029	21,410,000	8,402,889	1,000,000	1,480,000	32,292,889	28.39%
2030	20,270,000	7,834,735	1,000,000	1,430,000	30,534,735	33.28%
2031	20,465,000	7,329,534	1,000,000	1,380,000	30,174,534	38.22%
2032	19,745,000	6,818,798	1,000,000	1,330,000	28,893,798	42.99%
2033	18,870,000	6,345,149	1,000,000	1,280,000	27,495,149	47.56%
2034	18,265,000	5,894,130	1,000,000	1,240,000	26,399,130	51.99%
2035	17,875,000	5,449,649	1,000,000	1,200,000	25,524,649	56.33%
2036	15,990,000	5,004,967	1,000,000	1,160,000	23,154,967	60.23%
2037	15,165,000	4,602,658	1,000,000	1,120,000	21,887,658	63.95%
2038	14,515,000	4,185,005	1,000,000	1,080,000	20,780,005	67.52%
2039	13,895,000	3,766,198	1,000,000	1,040,000	19,701,198	70.95%
2040	14,285,000	3,376,751	-	-	17,661,751	74.23%
2041	14,685,000	2,976,385	-	-	17,661,385	77.61%
2042	15,095,000	2,564,826	-	-	17,659,826	81.08%
2043	15,525,000	2,133,895	-	-	17,658,895	84.65%
2044	15,975,000	1,682,815	-	-	17,657,815	88.32%
2045	16,440,000	1,218,632	-	-	17,658,632	92.10%
2046	16,920,000	740,917	-	-	17,660,917	96.00%
2047	17,410,000	249,311	-	-	17,659,311	100.00%
	<u>\$419,825,000</u>	<u>\$120,063,212</u>	<u>\$ 15,000,000</u>	<u>\$ 19,984,333</u>	<u>\$574,872,545</u>	

<sup>1</sup> Excludes Overlapping Debt.

<sup>2</sup> Totals may not add up due to rounding.

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## **VII. ADDITIONAL INFORMATION**

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### **LITIGATION**

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

### **MUNICIPAL ADVISOR**

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as an independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Town as to the plan of finance and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

### **TRANSCRIPT AND CLOSING DOCUMENTS:**

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

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town signed by the Town Manager and the Director of Financial Services, which will be dated the date of delivery, together with a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that as of the time that bids on the Bonds were accepted, statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Shipman & Goodwin LLP, Bond Counsel of Hartford, Connecticut substantially in the form attached as Appendix B to this Official Statement.
5. An executed Continuing Disclosure Agreement substantially in the form attached as Appendix C to this Official Statement.

The Town of West Hartford, Connecticut has prepared an Official Statement for the Bond issue, which is dated April 4, 2024. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b) (1), but it is subject to revision or amendment.

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

## CONCLUDING STATEMENT

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

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

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

### TOWN OF WEST HARTFORD, CONNECTICUT

\_\_\_\_\_  
*/s/ Richard Ledwith*

Richard Ledwith  
*Town Manager*

\_\_\_\_\_  
*/s/ Peter Privitera*

Peter Privitera  
*Director of Financial Services*

Dated as of April 4, 2024

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## **Appendix A – Audited Financial Statements**

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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of West Hartford, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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, 2022, 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.

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, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of West Hartford, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of West Hartford, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of West Hartford, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of West Hartford, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the budgetary comparison information and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 GAAS, 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.

### ***Supplementary 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 report of property tax collections, combining nonmajor funds financial statements, nonmajor schedules of revenues, expenditures and changes in fund balance, combining internal service funds financial statements, and combining fiduciary funds financial statements are presented for purposes of additional analysis and are 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 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 GAAS. In our opinion, the report of property tax collections, combining nonmajor funds financial statements, nonmajor schedules of revenues, expenditures and changes in fund balance, combining internal service funds financial statements, and combining fiduciary funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Town Council  
Town of West Hartford, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, 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 Town of West Hartford, Connecticut's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 6, 2023

**TOWN OF WEST HARTFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

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, 2022. 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 iv-ix 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 2022, liabilities and deferred inflows of the Town exceeded its assets and deferred outflows by \$208,853 on a government wide basis, an increase in the deficit of \$38,376 as compared to the prior year.
- The governmental activities funds reported consolidated net position of (\$209,492), an increase in the deficit of \$41,006 from fiscal year 2021.
- The business-type activities of the Town had net position of \$639, at fiscal year-end, an increase of \$2,630 from the prior year.
- The Town's net investment in capital assets increased slightly (\$9,366) in the current year.
- Unassigned fund balance of the General Fund increased \$1,922 from fiscal year 2021 to \$28,753 or 9.2% of total expenditures.
- The Town closed on \$324M in Pension Obligation Bonds to fully fund its pension liability and created a Pension Reserve Fund. At year end, the fund's committed fund balance is \$26,497.
- The Town once again achieved a current year property tax collection rate of 99.3%.

## **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 deferred outflows and liabilities and deferred inflows, 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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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 31-32 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.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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The Town maintains twenty-seven (28) 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 Nonrecurring Expenditure Fund), American Rescue Plan Act 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-two (22) funds are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the combining statements located on pages 118-123 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 99-111 of this report.

The basic governmental fund financial statements can be found on pages 33-36.

***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 42-97.

## **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 (\$170,477) at the end of fiscal year 2021 to (\$208,853) at the end of fiscal year 2022. 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.

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The largest component of the Town's net position is its \$256,312 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 \$3,006 of the Town's net position represents resources subject to use restrictions by external sources. The remaining balance is a deficit of \$468,171 and is comprised of the Town's net pension liability of \$119,370 and OPEB liability of \$230,884 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 Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and Other Assets	\$ 168,792	\$ 130,479	\$ 239	\$ 11	\$ 169,031	\$ 130,490
Capital Assets, Net of Accumulated Depreciation	393,310	384,078	8,579	8,797	401,889	392,875
Total Assets	562,102	514,557	8,818	8,808	570,920	523,365
<b>Deferred Outflows of Resources:</b>						
Deferred Charge on Refunding	826	1,031	-	-	826	1,031
Deferred Outflows Related to Pensions	108,306	24,807	1,660	380	109,966	25,187
Deferred Outflows Related to OPEB	39,825	31,549	578	458	40,403	32,007
Total Deferred Outflows of Resources	148,957	57,387	2,238	838	151,195	58,225
<b>Liabilities:</b>						
Long-Term Liabilities	847,121	653,760	5,550	7,226	852,671	660,986
Other Liabilities	48,601	37,094	4,594	3,823	53,195	40,917
Total Liabilities	895,722	690,854	10,144	11,049	905,866	701,903
<b>Deferred Inflows of Resources:</b>						
Deferred Charge on Refunding	236	259	-	-	236	259
Deferred Inflows Related to Pensions	-	35,295	-	541	-	35,836
Deferred Inflows Related to OPEB	3,963	3,258	58	47	4,021	3,305
Deferred Inflows Related to Leases	5,731		215		5,946	
Advance Property Tax Collections	14,899	10,764	-	-	14,899	10,764
Total Deferred Inflows of Resources	24,829	49,576	273	588	25,102	50,164
<b>Net Position:</b>						
Net Investment in Capital Assets	248,059	238,149	8,253	8,797	256,312	246,946
Restricted	3,006	7,506	-	-	3,006	7,506
Unrestricted (Deficit)	(460,557)	(414,141)	(7,614)	(10,788)	(468,171)	(424,929)
Total Net Position	\$ (209,492)	\$ (168,486)	\$ 639	\$ (1,991)	\$ (208,853)	\$ (170,477)

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**Governmental Activities.** The net position of the Town's governmental activities decreased \$41,006 from the prior year. Investment in capital assets, net of related debt, increased \$9,366 due to continued investment in the Town's buildings and infrastructure. Net position classified as unrestricted decreased \$46,268, primarily due to the change in long term liabilities related to pensions and OPEB.

Total assets increased \$47,555 from the prior year primarily due to the receipt of American Rescue Plan Act funds as well as increased cash and investment balances on-hand in other governmental funds as of June 30, 2022. Total deferred outflows of resources increased \$92,970.

**Business-Type Activities.** The total net position of the Town's business-type activities increased \$2,630 in fiscal year 2022. Investment in capital assets was reduced by \$544, as depreciation expense exceeded additions to capital assets in fiscal year 2022, and the deficit in unrestricted net position decreased \$3,174.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 15,087	\$ 13,977	\$ 4,108	\$ 2,968	\$ 19,195	\$ 16,945
Operating Grants and Contributions	69,433	93,506	-	-	69,433	93,506
Capital Grants and Contributions	4,435	1,906	273	24	4,708	1,930
General Revenues:						
Property Taxes	272,427	267,257	-	-	272,427	267,257
Grants and Contributions Not Restricted to Specific Purposes	2,919	2,969	-	-	2,919	2,969
Unrestricted Investment Earnings	(2,895)	5,161	-	-	(2,895)	5,161
Other General Revenues	4,821	4,225	-	-	4,821	4,225
Total Revenues	366,227	389,001	4,381	2,992	370,608	391,993
<b>Program Expenses:</b>						
General Government	31,196	16,682	-	-	31,196	16,682
Public Safety	72,168	69,259	-	-	72,168	69,259
Community Maintenance	41,807	45,154	-	-	41,807	45,154
Human and Cultural	16,419	15,037	-	-	16,419	15,037
Education	236,665	255,252	-	-	236,665	255,252
Interest on Long-Term Debt	9,175	1,618	-	-	9,175	1,618
Leisure Services	-	-	1,554	4,730	1,554	4,730
Total Program Expenses	407,430	403,002	1,554	4,730	408,984	407,732
<b>Change in Net Position Before Transfers</b>	(41,203)	(14,001)	2,827	(1,738)	(38,376)	(15,739)
Transfers	197	(70)	(197)	70	-	-
<b>Change in Net Position</b>	(41,006)	(14,071)	2,630	(1,668)	(38,376)	(15,739)
Net Position - Beginning of Year	(168,486)	(154,415)	(1,991)	(323)	(170,477)	(154,738)
<b>Net Position - End of Year</b>	<u>\$ (209,492)</u>	<u>\$ (168,486)</u>	<u>\$ 639</u>	<u>\$ (1,991)</u>	<u>\$ (208,853)</u>	<u>\$ (170,477)</u>

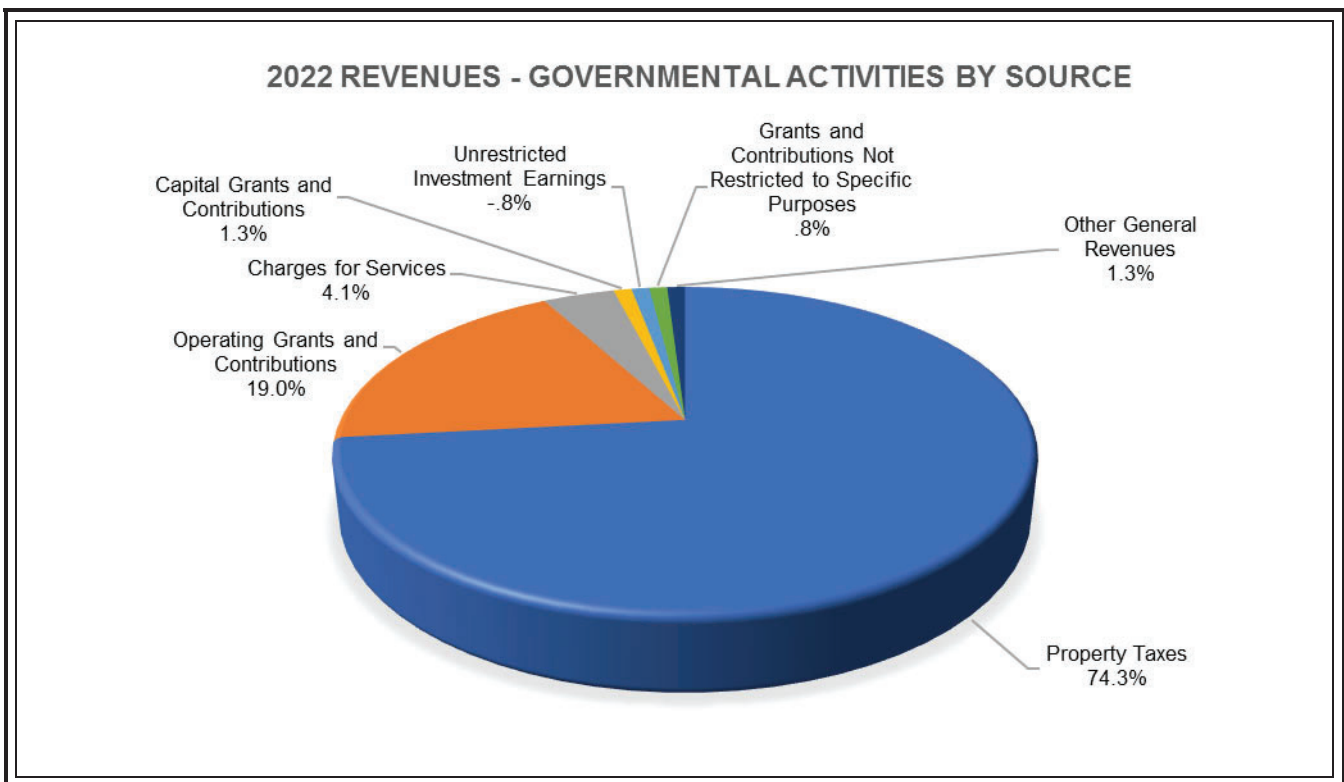
**TOWN OF WEST HARTFORD, CONNECTICUT  
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**Primary Government**

Total primary government revenues decreased \$21,385 or 5.5% from the prior year. Total primary government program expenses increased \$1,252 or .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 \$366,227 for fiscal year 2022, a decrease of \$22,774 over the prior year. Property taxes (74.3%) and operating grants and contributions (19.0%) were the primary revenue sources, while charges for services, capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined (6.7%) comprised the balance of the Town's revenues.



Operating grants and contributions totaled \$69,433 in fiscal year 2022, a decrease of \$24,073 from the prior year. Capital grants and contributions increased \$2,529 from the prior year as funds received from Federal and State reimbursements for the major construction such as the Park Road Interchange project in addition to street reconstruction and trail projects continuing. 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 and pension reserve accounts. There was an unrestricted investment earnings variance of \$1,330 in fiscal year 2022 as compared to the prior year due to market declines. Property tax revenue remained strong in fiscal year 2022, again achieving a collection rate of 99.3% of the levy.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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Program expenses for primary government totaled \$408,984 for fiscal year 2022. Approximately 22% of program expenses were supported by program revenues with the balance funded from general revenues, primarily property taxes. Expenses for education (62.1%), public safety (4.9%), and community maintenance (19.6%) comprise 86.6% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the balance (13.4%).

**2022 EXPENSES - GOVERNMENTAL ACTIVITIES BY FUNCTION**

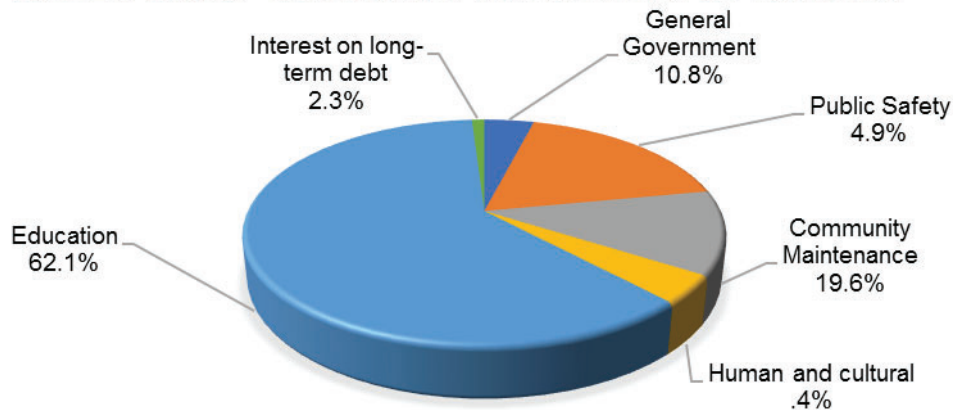
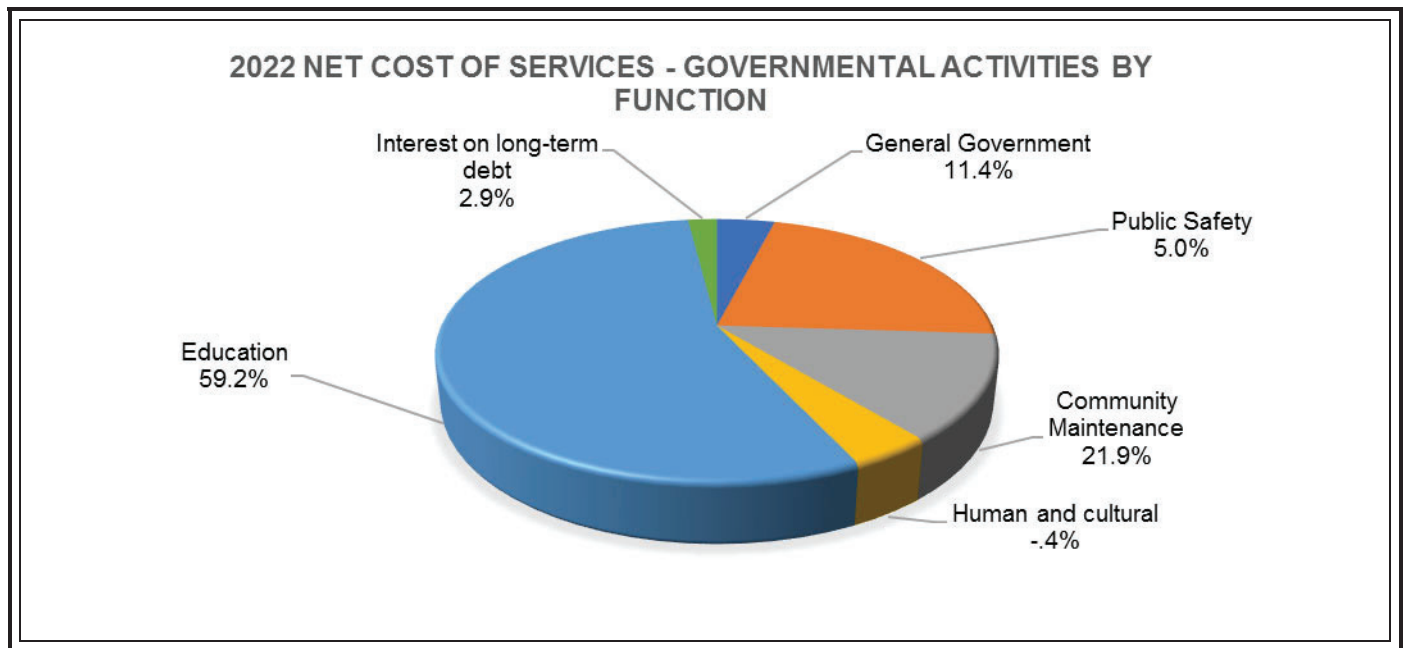


Table 3 presents the total cost and net cost of services (total cost less revenues from nontax sources directly related to the individual function) for each of the Town's six major functions: education, public safety, community maintenance, human and cultural, general government, and interest on long-term 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**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Education	\$ 236,665	\$ 255,252	\$ 172,309	\$ 161,117
Public Safety	72,168	69,259	67,950	65,037
Community Maintenance	41,807	45,154	31,705	39,081
Human and Cultural	16,419	15,037	13,579	12,779
General Government	31,196	16,682	23,757	13,981
Interest on Long-Term Debt	9,175	1,618	9,175	1,618
<b>Total</b>	<b>\$ 407,430</b>	<b>\$ 403,002</b>	<b>\$ 318,475</b>	<b>\$ 293,613</b>

**TOWN OF WEST HARTFORD, CONNECTICUT  
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### **Business-Type Activities**

Revenues from business-type activities increased \$1,389 from the prior year, as programs began to return to pre-pandemic levels. Program expenses decreased \$3,176 over the prior year. The change in net assets for fiscal year 2022 increased \$2,630 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, 2022, the Town's governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$70,274. This represents an increase of \$28,916 or 69.9% compared fund balance of the prior year. Based upon fund balance classification under GASB 54, \$28,753 or 40.9% is unassigned and is comprised of fund balance of the General Fund. An additional \$39,007 or 55.5% is committed for a specific purpose by the Town Council. The majority of which (\$26,497) is in the Pension Bond Reserve Fund created newly created by the Town Council after the sale of pension obligation bonds to fully fund the Town's pension liability, with the intent of committing that fund to mitigate potential increases in the required annual actuarially determined contribution to the Pension Fund in the event of significantly adverse market performance of the pension assets. While currently committed for pension contribution purposes, the Town Council has the authority to amend the ordinance that created this fund to expand its use, if necessary, to address any possible catastrophic events. Committed fund balance in the Debt Service, Capital Projects and Non Major Funds are \$4,324, \$947, \$7,242, respectively. The remainder are: nonspendable (\$190), restricted (\$1,977), and assigned (\$347) fund balance, as defined in note 1 to the financial statements.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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For fiscal year 2022, the total net change in fund balances for governmental funds (Exhibit IV) was an increase of \$28,916. Factors affecting the General Fund are discussed below in the General Fund Highlights section. Fund balance of the Capital Project Funds increased \$1,594, reflecting intergovernmental revenue of \$4,388 for school and infrastructure projects, transfers in of \$3,778, charges for services of \$257 and miscellaneous revenues from sale of assets and reimbursements of \$34. Capital expenditures totaled \$20,749, and transfers out were \$1,331. The Debt Services had a planned use of fund balance in fiscal year 2022 to mitigate the financial impact General Fund transfers for debt service and is reflected in the decrease in fund balance of \$ .5. Nonmajor Governmental Funds experienced a net increase in fund balance of \$1,584, as detailed by fund in Exhibit B-2. Significant changes in fund balance are explained below.

The Parking Lot Fund's deficit increased \$392. Reduced on street parking to accommodate outdoor dining as well as a reduction in monthly parking permits with many professional employees continuing to work from home, is contributing to the deficit. Westmoor Park Fund saw an increase in fund balance of \$48 primarily the result of favorable trust investment income. The Cafeteria Fund's increase in fund balance of \$2,134 is due to a significant increase in the student meal count. All meals were served free of charge to students under a federal grant which reimbursed the district for each meal served, at a higher reimbursement rate than the standard National School Lunch program. This combination of higher per meal revenue and higher volume of meals resulted in a positive change in fund balance. The School Special Programs Fund had a planned use of fund balance to offset the cost of special education services provided to out of district students as seen in the decrease in fund balance of \$197. The School Interscholastic Fund saw a deficit of \$95 as a result of slightly lower student participation due to the pandemic as well as the purchase of equipment purchases to meet the needs of the sports programs. The Cemetery Operating Fund saw a loss of \$106 due to an ongoing worker's compensation claim and declining plot sales. The Town the Cares fund balance increased \$48, as contributions continue in due to the pandemic. The remaining nonmajor governmental funds experienced changes totaling a net decrease of \$144.

***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 \$19,926 at year-end, a decrease of \$2,031 from the prior year. Net position of the Internal Service Funds had a decrease of \$4,661 primarily from unfavorable investment performance and increased claims expense in the Risk Management Fund. As mentioned previously, the Leisure Services Fund experienced an increase in net position of \$2,631.

***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 2022 and the variance between the final budget and actual results.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**TABLE 4  
Summary of General Fund Budget  
Original and Final Estimated Revenues vs. Actual  
In Thousands**

	Budget			Actual	Over (Under)
	Original	Final	Change	Revenue	Final Budget
<b>Revenue:</b>					
Property Taxes	\$ 271,251	\$ 273,051	\$ 1,800	\$ 272,803	\$ (248)
Federal	4,220	4,601	381	5,014	413
State	25,667	25,768	101	26,053	285
Charges for Services	5,525	6,644	1,119	7,125	481
Local Revenues	825	825	-	881	56
Income on Investments	430	430	-	209	(221)
Transfers In	526	526	-	508	(18)
<b>Total</b>	<b>\$ 308,444</b>	<b>\$ 311,845</b>	<b>\$ 3,401</b>	<b>\$ 312,593</b>	<b>\$ 748</b>

**General Fund Budgetary Amendments**

The General Fund's final estimated revenues increased \$3,511 or 1.1% from the original adopted budget.

- Estimated revenues from property taxes increased \$1,800 and charges for services increased \$1,119 to fund year-end contributions to the Capital Nonrecurring Expenditure (CNRE) Fund (\$1,600), estimated tax appeals (\$400) and transfer to the Utility Services Fund and Risk Management Fund to mitigate rising utility (\$400) and health costs (\$500).
- Additional federal grants totaling \$381 were appropriated during the fiscal year for Federal FEMA grant for Fire and Police distracted/DUI driving grants.
- Estimated intergovernmental revenue from the State of Connecticut increased \$101 for a Fire NSEP decontamination container grant. In addition, the Town Clerk received a grant for the preservation of historical documents.

**General Fund Revenue Variance**

When compared to final estimated revenues, total revenue was higher than budgeted by \$748. Current year property tax collection remains strong, with the Town achieving a collection rate of 99.3% as compared to the current year tax levy. There were a number of larger commercial tax appeals that settled during the fiscal year as reflected in prior year collections.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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Federal revenue was higher than the final budget by \$413 and was primarily due FEMA fire rescue grant as well as a number of E911 grants received. State revenue was greater than the final budget by \$285 primarily due to an increase in the Education Cost Sharing Grant as well as miscellaneous State grants. Charges for services were \$481 greater than the final budget, the majority of which was from favorable variances in conveyance tax and fees associated with land records (\$196) as well as various permit revenue (\$185) as the housing market remains favorable. Miscellaneous charges rose \$56 over the prior year. Leisure Services program registrations and memberships saw an up tic since the pandemic \$176). Income on investments had an unfavorable variance of (-\$221) as interest rates remained low.

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

	Original	Final	Change	Actual Expenditure	(Over) Under Final Budget
<b>Department:</b>					
Town Clerk	\$ 279	\$ 360	\$ 81	\$ 360	\$ -
Town Council	401	404	3	404	-
Town Manager	611	611	-	596	15
Corporation Counsel	467	467	-	462	5
Registrar of Voters	255	250	(5)	163	87
Information Technology	1,118	1,230	112	1,230	-
Financial Services	2,359	2,419	60	2,419	-
Assessment	768	768	-	752	16
Human Resources	486	531	45	531	-
Fire	13,254	14,383	1,129	14,383	-
Police	16,970	18,007	1,037	18,007	-
Community Development	2,285	2,548	263	2,548	-
Public Works	12,268	11,473	(795)	11,465	8
Facilities	2,250	2,291	41	2,291	-
Library	3,211	3,152	(59)	3,152	-
Leisure and Social Services	3,303	3,494	191	3,494	-
Education	175,556	175,556	-	175,499	57
Debt and Sundry	55,176	54,447	(729)	54,047	400
Transfers Out	17,427	19,454	2,027	19,499	(45)
<b>Total</b>	<b>\$ 308,444</b>	<b>\$ 311,845</b>	<b>\$ 3,401</b>	<b>\$ 311,302</b>	<b>\$ 543</b>

**TOWN OF WEST HARTFORD, CONNECTICUT  
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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 \$81 due to the receipt of grant for the preservation of historical documents and various State grants to aid municipalities.
- The Department of Information Technology's budget increased \$112. This is primarily due to higher than expected network and software maintenance costs.
- The Financial Services budget increased \$60 primarily from staff reclassifications during the year.
- The final budget of the Fire Department was \$1,129 higher than that originally adopted. The retirement of four firefighters attributed to the increase. In addition, there were a number of vacancies resulting in an increase overtime due to minimum staffing requirements.
- The Police Department budget had an increase of \$1,037 from the originally adopted budget as a result of eleven retirements during the year.
- The Department of Community Development's budget increased \$263 the increase in temporary payroll necessary for increased building inspections and processing of building permits. In addition, new staff was higher during the year at higher rates of pay than their predecessors.
- The Department of Public Work's budget decreased \$795 primarily due to solid waste disposal costs coming in well under budget.
- The final budget for the Library decreased \$59 to over other departmental overages at fiscal year-end.
- The final Debt and Sundry budget was decreased \$774 to cover overages in other departments at year end.
- The final budget for transfers to other funds increased \$2,073 from the original budget as a portion of the General Fund Surplus was transferred to the Capital Non Recurring Fund for future vehicle and equipment purchases the Risk Management & Utility Services Fund to mitigate future rising health claims expense and utility costs.

***General Fund Expenditure Variance***

- In comparison to final appropriations, actual expenditures were \$543 less than budgeted.
- The Departments of the Town Manager, Corporation Counsel, Assessment, Public Works and Education saw savings (\$101) primarily in savings in non-personal expenses.
- Debt and Sundry was under budget (\$355) due to savings in contingency.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At June 30, 2022 the Town had \$401.9 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 \$9.1 million from the prior year.

**TOWN OF WEST HARTFORD, CONNECTICUT  
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**TABLE 6  
Capital Assets at Year-end  
Net of Depreciation  
In Millions**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 10.5	\$ 10.5	\$ -	\$ -	\$ 10.5	\$ 10.
Construction In Progress	124.1	119.1	1.1	0.9	125.2	120.
Buildings and Land Improvements	149.8	161.6	6.9	7.7	156.7	169.
Furniture and Equipment	10.0	2.4	-	-	10.0	2.
Vehicles	8.7	4.4	0.4	-	9.1	4.
Right-to-use - Leased Assets	2.1		0.2		2.3	
Infrastructure	88.1	86.2	-	-	88.1	86.
<b>Total Capital Assets</b>	<b>\$ 393.3</b>	<b>\$ 384.2</b>	<b>\$ 8.6</b>	<b>\$ 8.6</b>	<b>\$ 401.9</b>	<b>\$ 392.</b>

With the completion of numerous reconstruction projects, ongoing costs associated with the replacement of a radio system, the purchase of various vehicles and fire apparatus, the Town continues to invest in its infrastructure and capital assets. 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, 2022, the Town had \$456.6 in bonds outstanding versus \$134.2 at the end of the prior year.

**Table 7  
Outstanding Debt at Year-End  
In Millions**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds (Backed by the Town)	\$ 456.6	\$ 134.2	\$ -	\$ -	\$ 456.6	\$ 134.2

**TOWN OF WEST HARTFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The reduction in outstanding debt results from principal payments on existing debt of \$16,850 in fiscal year 2022, offset by the issuance of \$15,000 in general obligation bonds in February 2022 as well as the sale of Pension Obligation Bonds (POB) of \$324,275 in July for 2021 to fully fund our unfunded actuarially determined accrued pension liability. 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 February 2022.

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 \$1.88 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 2022, inclusive of debt service of the Blue Back Square Fund, was 5.6% of General Fund expenditures. The General Fund portion of debt service was 4.6% 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 2023 budget has been unique because it comes during a time when rising home prices, significant supply chain issues and the unprecedented rate of inflation, combined with the mandated property revaluation, have come together to create a perfect storm of issues and concerns. The most noteworthy concern is the impact of property values in certain neighborhoods, resulting in significant property tax increases. In an effort to try to smooth out property tax increases, this budget reflects a two year phase-in of the 2021 Grand List real property increases. The phase-in will reflect a 75% increase of the difference between the 2020 and 2021 Grand List for FY 2023 with the remaining phase-in of 25% to be applied to the FY 2024 budget.

In addition, the Governor and State Legislature have focused on local tax reform as part of their biennial budget. As a result, a state-wide uniform mill rate of 32.46 has been established for motor vehicles. Any City/Town who has adopted a mill rate greater than 32.46 for motor vehicles will receive a grant which will offset that loss in revenue. The Town Council normally adopts a uniform mill rate for all taxable property, including motor vehicles. The adopted uniform mill rate for FY 2023 is 40.68. As a result of the new state legislation, the Town will tax residents at the rate of 32.46 for motor vehicles and 40.68 for real estate and commercial personal property and receive a grant from the State for \$5,186 to compensate for the lost revenue related to the lower mill rate.

As we start our recovery from the COVID-19 pandemic, we strive to continue to provide quality services to Town residents, business owners and guests. The adopted budget stays on that path as service levels remain unchanged and the property tax increase reflects a level necessary to achieve a balanced budget.

In fiscal year 2022, the Town closed on a Pension Obligation Bond (POB) sale of \$324M that resulted in a fully funded pension liability and also generated future pension savings for the Town. This budget reflects those savings as well as recognizes the creation of a \$26.9M reserve fund to be used exclusively to safeguard against possible future spikes in pension liabilities. The Town also moved most of its workforce to the State of CT Partnership Plan for health benefits.

**TOWN OF WEST HARTFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The fiscal year 2022 budget was adopted at the height of the pandemic, resulting in negative impacts on certain non-tax revenues due to the closure of facilities. As an offset to those lost revenues and in an effort to keep taxes as manageable as possible, \$4.135M of American Rescue Plan Act (ARPA) funds were appropriated as General Fund revenue. This adopted budget does not utilize any ARPA funds as revenue offsets.

The following policies are reflected in this budget:

- Continue to assume a property tax collection rate of 99.1%.
- Continue to use conservative revenue estimates in all non-tax and non-municipal aid categories.
- Utilize the Governor's proposed budget for State aid estimates with the exception of the motor vehicle mill rate cap and revenue offset grant. We believe this program may be modified or not be adopted.
- Continue to fully fund the Town's total pension liability which consists of the debt service payments on the POB's and the Actuarially Determined Employer Contribution (ADEC).
- Adhere to planned phase in of Other Post-Employment Benefits (OPEB) liabilities.
- Explore options for service sharing with other municipalities.
- Continue to utilize bond premiums to reduce the impact of debt service payments.
- Regular rebidding of contracts for goods and services.
- Continued efforts to modify employee benefit programs to reduce costs.
- Evaluation of best practices for government operations.

The fiscal year Adopted 2023 General Fund budget totals \$317,082 and represents an increase of \$8,640 or 2.80% from fiscal year 2022. The municipal services portion of the budget totals \$119,116; an increase of \$1,873 or 1.60%. The education budget totals \$181,187, an increase of \$5,631 or 3.21%. The capital financing budget for both municipal and education services is \$16,779,461, an increase of \$1,136 or 7.26%. In order to finance the budget, an increase in current year property tax revenue of \$11,586 or 4.34% is required. Property taxes are the primary source of revenue for municipalities in Connecticut and increases in property tax revenue are generated from growth in the value of taxable property and increases in the tax rate. As a fully developed community, growth in the Town's taxable property is through re-use of existing property.

#### **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, 2022**  
**(IN THOUSANDS)**

	Primary Government			Component Unit
	Governmental	Business-Type		West Hartford
	Activities	Activities	Total	Special
				Services District
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 96,415	\$ 2	\$ 96,417	\$ -
Investments	51,001	-	51,001	-
Receivables, Net	21,201	225	21,426	17
Supplies	108	-	108	-
Prepaid Items	67	12	79	-
Capital Assets:				
Assets Not Being Depreciated	134,666	1,151	135,817	-
Assets Being Depreciated, Net	258,644	7,428	266,072	-
Total Assets	562,102	8,818	570,920	17
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	826	-	826	-
Deferred Outflows Related to Pensions	108,306	1,660	109,966	-
Deferred Outflows Related to OPEB	39,825	578	40,403	-
Total Deferred Outflows of Resources	148,957	2,238	151,195	-
<b>LIABILITIES</b>				
Accounts and Other Payables	13,255	268	13,523	5
Payroll Liabilities	6,179	77	6,256	-
Other Current Liabilities	2,494	-	2,494	-
Internal Balances	(3,531)	3,531	-	-
Unearned Revenue	30,204	718	30,922	-
Noncurrent Liabilities:				
Due Within One Year	34,275	130	34,405	-
Due in More Than One Year	812,846	5,420	818,266	-
Total Liabilities	895,722	10,144	905,866	5
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	236	-	236	-
Deferred Inflows Related to OPEB	3,963	58	4,021	-
Leases Receivable	5,731	215	5,946	-
Advance Property Tax Collections	14,899	-	14,899	12
Total Deferred Inflows of Resources	24,829	273	25,102	12
<b>NET POSITION</b>				
Net Investment in Capital Assets	248,059	8,253	256,312	-
Restricted For:				
Grants	1,018	-	1,018	-
Cemetery	1,267	-	1,267	-
Town Programs	636	-	636	-
Loans	3	-	3	-
Perpetual Care:				
Nonexpendable	82	-	82	-
Unrestricted	(460,557)	(7,614)	(468,171)	-
Total Net Position	\$ (209,492)	\$ 639	\$ (208,853)	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

					Net (Expense) Revenue and			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Hartford Special Services District
<b>PRIMARY GOVERNMENT</b>								
Governmental Activities:								
General Government	\$ 31,196	\$ 2,347	\$ 5,092	\$ -	\$ (23,757)	\$ -	\$ (23,757)	\$ -
Public Safety	72,168	3,591	432	195	(67,950)	-	(67,950)	-
Community Maintenance	41,807	5,025	689	4,388	(31,705)	-	(31,705)	-
Human and Cultural	16,419	1,616	1,224	-	(13,579)	-	(13,579)	-
Education	236,665	2,508	61,996	(148)	(172,309)	-	(172,309)	-
Interest on Long-Term Debt	9,175	-	-	-	(9,175)	-	(9,175)	-
Total Governmental Activities	407,430	15,087	69,433	4,435	(318,475)	-	(318,475)	-
Business-Type Activities:								
Leisure Services	1,554	4,108	-	273	-	2,827	2,827	-
Total Primary Government	\$ 408,984	\$ 19,195	\$ 69,433	\$ 4,708	(318,475)	2,827	(315,648)	-
<b>COMPONENT UNIT</b>								
West Hartford Special Services District	\$ 4,215	\$ 2,502	\$ -	\$ -	-	-	-	(1,713)
<b>GENERAL REVENUES</b>								
Property Taxes					272,427	-	272,427	1,704
Grants and Contributions Not Restricted to Specific Programs					2,919	-	2,919	-
Unrestricted Investment Earnings					(2,895)	-	(2,895)	9
Miscellaneous					4,821	-	4,821	-
<b>TRANSFERS</b>					197	(197)	-	-
Total General Revenues and Transfers					277,469	(197)	277,272	1,713
<b>CHANGE IN NET POSITION</b>								
Net Position - Beginning of Year					(168,486)	(1,991)	(170,477)	-
<b>NET POSITION - END OF YEAR</b>								
					\$ (209,492)	\$ 639	\$ (208,853)	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

	General	Capital Project Funds	ARPA Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 47,440	\$ 4,261	\$ 26,028	\$ 4,316	\$ 9,107	\$ 91,152
Investments	26,478	-	-	-	-	26,478
Receivables, Net	9,912	3,489	-	5	7,359	20,765
Due from Other Funds	9,299	-	-	-	-	9,299
Prepaid assets	64	-	-	-	-	64
Inventories	31	-	-	-	77	108
Total Assets	<u>\$ 93,224</u>	<u>\$ 7,750</u>	<u>\$ 26,028</u>	<u>\$ 4,321</u>	<u>\$ 16,543</u>	<u>\$ 147,866</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts and Other Payables	\$ 2,825	\$ 635	\$ -	\$ -	\$ 339	\$ 3,799
Payroll Liabilities	5,891	-	-	-	271	6,162
Due to Other Funds	-	2,627	-	-	3,141	5,768
Other Liabilities	2,494	-	-	-	-	2,494
Unearned Revenue	3,013	129	26,028	-	1,034	30,204
Total Liabilities	<u>14,223</u>	<u>3,391</u>	<u>26,028</u>	<u>-</u>	<u>4,785</u>	<u>48,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	2,743	-	-	-	-	2,743
Unavailable Revenue - Loans Receivable	-	-	-	-	2,380	2,380
Unavailable Revenue - Grants Receivable	-	3,412	-	-	-	3,412
Leases Receivable	5,731	-	-	-	-	5,731
Advance Property Tax Collections	14,899	-	-	-	-	14,899
Total Deferred Inflows of Resources	<u>23,373</u>	<u>3,412</u>	<u>-</u>	<u>-</u>	<u>2,380</u>	<u>29,165</u>
<b>FUND BALANCES</b>						
Nonspendable	31	-	-	-	159	190
Restricted	-	-	-	-	1,977	1,977
Committed	26,497	947	-	4,321	7,242	39,007
Assigned	347	-	-	-	-	347
Unassigned	28,753	-	-	-	-	28,753
Total Fund Balances	<u>55,628</u>	<u>947</u>	<u>-</u>	<u>4,321</u>	<u>9,378</u>	<u>70,274</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 93,224</u>	<u>\$ 7,750</u>	<u>\$ 26,028</u>	<u>\$ 4,321</u>	<u>\$ 16,543</u>	<u>\$ 147,866</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III) \$ 70,274

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	708,027
Less: Accumulated Depreciation	(314,717)
Net Capital Assets	393,310

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	1,780
Interest Receivable on Property Taxes	962
Housing Loans Receivable	2,380
Interest Receivable on Housing Loans	416
Grants	3,412
Deferred Charges on Refunding	826
Deferred Outflows Related to Pensions	108,306
Deferred Outflows Related to OPEB	39,825

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.

19,287

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	(456,585)
Interest Payable on Bonds and Notes	(8,918)
Lease Liability	(2,103)
Compensated Absences	(22,522)
Bond Premium	(10,793)
Net Pension Liability	(117,568)
Net OPEB Liability	(227,582)
Deferred Charges on Refunding	(236)
Deferred Inflows Related to OPEB	(3,963)

Net Position of Governmental Activities (Exhibit I) \$ (209,492)

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

	General	Capital Project Funds	ARPA Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 272,803	\$ -	\$ -	\$ -	\$ -	\$ 272,803
Intergovernmental	55,859	4,388	5,092	-	18,982	84,321
Charges for Services	7,171	257	-	20	7,641	15,089
Income on Investments	(214)	6	-	-	485	277
Miscellaneous	933	28	-	3,627	546	5,134
Total Revenues	336,552	4,679	5,092	3,647	27,654	377,624
<b>EXPENDITURES</b>						
Current:						
General Government	6,915	-	-	-	10	6,925
Public Safety	32,359	-	-	-	1,585	33,944
Community Maintenance	16,318	-	-	-	2,307	18,625
Human and Cultural	6,636	-	-	-	1,926	8,562
Education	206,035	-	-	-	19,906	225,941
Debt and Sundry	353,815	-	-	21,517	-	375,332
Capital Outlay	-	20,749	-	-	-	20,749
Total Expenditures	622,078	20,749	-	21,517	25,734	690,078
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(285,526)	(16,070)	5,092	(17,870)	1,920	(312,454)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	6,128	3,778	-	15,554	1,863	27,323
Transfers Out	(18,599)	(1,131)	(5,092)	(50)	(2,199)	(27,071)
Issuance of Bonds	324,275	15,000	-	-	-	339,275
Bond Premium	-	-	-	1,826	-	1,826
Sale of Capital Assets	-	17	-	-	-	17
Total Other Financing Sources (Uses)	311,804	17,664	(5,092)	17,330	(336)	341,370
<b>NET CHANGE IN FUND BALANCES</b>	26,278	1,594	-	(540)	1,584	28,916
Fund Balances - Beginning of Year	29,350	(647)	-	4,861	7,794	41,358
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 55,628</u>	<u>\$ 947</u>	<u>\$ -</u>	<u>\$ 4,321</u>	<u>\$ 9,378</u>	<u>\$ 70,274</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 28,916

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

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	21,418
Depreciation/Amortization Expense	(14,598)

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	(257)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(119)
Housing Loans Accrued Interest	(187)
Housing Loans Receivable	(386)
Grants	(148)
Amortization of Deferred Charge on Refundings	(205)
Change in Deferred Outflows Related to Pensions	83,499
Change in Deferred Outflows Related to OPEB	8,276

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	(339,275)
Bond Premium	(1,826)
Bond Principal Payments	16,850
Lease Payments	309

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	1,693
Accrued Interest	(6,892)
Amortization of Deferred Charge on Refundings	23
Amortization of Bond Premiums	2,258
Change in Net Pension Liability	146,893
Change in Net OPEB Liability	(17,177)
Change in Deferred Inflows Related to Pensions	35,295
Change in Deferred Inflows Related to OPEB	(705)

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

(4,661)

Change in Net Position of Governmental Activities (Exhibit II)

\$ (41,006)

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

	Business-Type Activities Leisure Services Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current:		
Cash and Cash Equivalents	\$ 2	\$ 5,263
Investments	-	24,523
Receivables, Net	225	17
Prepaid Items	12	3
Total Current Assets	<u>239</u>	<u>29,806</u>
Noncurrent:		
Capital Assets:		
Assets Not Being Depreciated	1,151	-
Assets Being Depreciated, Net	7,428	-
Total Noncurrent Assets	<u>8,579</u>	<u>-</u>
Total Assets	8,818	29,806
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	1,660	-
Deferred Outflows Related to OPEB	578	-
Total Deferred Outflows of Resources	<u>2,238</u>	<u>-</u>
<b>LIABILITIES</b>		
Current:		
Accounts and Other Payables	268	535
Payroll Liabilities	77	16
Due to Other Funds	3,531	-
Risk Management Claims	-	704
Unearned Revenue	718	-
Compensated Absences	49	-
Current Maturities on Lease Liability	35	-
Current Maturities on Notes Payable	46	-
Total Current Liabilities	<u>4,724</u>	<u>1,255</u>
Noncurrent:		
Compensated Absences	71	-
Net Pension Liability	1,802	-
Net OPEB Liability	3,302	-
Lease Liability	94	-
Notes Payable	151	-
Risk Management Claims	-	9,264
Total Noncurrent Liabilities	<u>5,420</u>	<u>9,264</u>
Total Liabilities	10,144	10,519
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Leases	215	-
Deferred Inflows Related to OPEB	58	-
Total Deferred Inflows of Resources	<u>273</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in Capital Assets	8,253	-
Unrestricted	(7,614)	19,287
Total Net Position	<u>\$ 639</u>	<u>\$ 19,287</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

	Business-Type Activities <u>Leisure Services Fund</u>	Governmental Activities <u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Fund Premiums	\$ -	\$ 37,799
Charges for Services	4,105	-
Employee Contributions	-	8,655
Other	3	82
Total Operating Revenues	<u>4,108</u>	<u>46,536</u>
<b>OPERATING EXPENSES</b>		
Administrative Expense	-	379
Personal Services	1,309	-
Employee Benefits	(3,473)	38,375
Insurance and Program Services	-	4,556
Utilities	528	4,660
Other Operating Expense	2,281	-
Depreciation	909	-
Total Operating Expenses	<u>1,554</u>	<u>47,970</u>
<b>OPERATING INCOME (LOSS)</b>	2,554	(1,434)
<b>NONOPERATING REVENUE</b>		
Income on Investments	<u>-</u>	<u>(3,172)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	2,554	(4,606)
<b>CAPITAL CONTRIBUTIONS</b>	273	-
<b>TRANSFERS IN</b>	70	-
<b>TRANSFERS OUT</b>	<u>(267)</u>	<u>(55)</u>
<b>CHANGE IN NET POSITION</b>	2,630	(4,661)
Net Position - Beginning of Year	<u>(1,991)</u>	<u>23,948</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 639</u></u>	<u><u>\$ 19,287</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

	Business-Type Activities Leisure Services Fund	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Employees	\$ -	\$ 8,655
Cash Received from Operating Funds	-	37,799
Cash Received from Customers	4,366	-
Cash Payments to Employees for Services	(1,371)	-
Cash Payments to Suppliers for Goods and Services	(2,247)	(9,585)
Cash Payment to Providers for Benefits	(460)	(37,718)
Other Operating Receipts	3	80
Payments for Interfund Services Used	-	(166)
Net Cash Provided (Used) by Operating Activities	<u>291</u>	<u>(935)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	70	-
Transfers to Other Funds	(267)	(55)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(197)</u>	<u>(55)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on note	(54)	-
Principal paid on lease	(30)	-
Acquisition of Capital Assets	(10)	-
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(94)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Gain on Investments	-	62
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	(928)
Cash and Cash Equivalents - Beginning of Year	<u>2</u>	<u>6,191</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 2</u></u>	<u><u>\$ 5,263</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 2,554	\$ (1,434)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization	909	-
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	(216)	(17)
(Increase) Decrease in Prepaid Items	(10)	(2)
(Increase) Decrease in Deferred Outflows Related to Pension	(1,280)	-
(Increase) Decrease in Deferred Outflows Related to OPEB	(120)	-
Increase (Decrease) in Accounts and Other Payables	64	47
Increase (Decrease) in Payroll Liabilities	(62)	(37)
Increase (Decrease) in Net Pension Liability	(2,253)	-
Increase (Decrease) in Net OPEB Liability	250	-
Increase (Decrease) in Risk Management Claim Liability	-	674
Increase (Decrease) in Due to Other Funds	293	(166)
Increase (Decrease) in Deferred Inflows Related to Pension	(541)	-
Increase (Decrease) in Deferred Inflows Related to OPEB	11	-
Increase (Decrease) in Deferred Inflows Related to Leases	215	-
Increase (Decrease) in Unearned Revenue	477	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 291</u></u>	<u><u>\$ (935)</u></u>
<b>CONTRIBUTION OF CAPITAL ASSETS FROM TOWN</b>	<u><u>\$ 273</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

	Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 10,765
Investments:	
Mutual Funds	406,329
Common Stock	36,973
Alternative Investments	49,344
Receivables:	
Accounts and Other Receivables	28
Interest and Dividends	350
Total Assets	<u>503,789</u>
<b>LIABILITIES</b>	
Accounts and Other Payables	46
<b>NET POSITION</b>	
Restricted for Pension Benefits	489,126
Restricted for OPEB Benefits	<u>14,617</u>
Total Net Position	<u><u>\$ 503,743</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2022**  
**(IN THOUSANDS)**

	Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 340,078
Plan Members	3,615
Other Revenue	-
Total Contributions	<u>343,693</u>
Investment Income (Loss):	
Net Change in Fair Value of Investments	(75,426)
Interest	68
Dividends	<u>7,504</u>
Total Investment Income (Loss)	(67,854)
Less: Investment Expense	<u>(585)</u>
Net Investment Income (Loss)	<u>(68,439)</u>
Total Additions	275,254
<b>DEDUCTIONS:</b>	
Benefits	54,347
Administration	<u>364</u>
Total Deductions	<u>54,711</u>
<b>CHANGE IN NET POSITION</b>	220,543
Net Position - Beginning of Year	<u>283,200</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 503,743</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 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.

GAAP requires that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

Discretely Presented Component Unit (Continued)

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.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements where appropriate. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, including fiduciary component units, 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if they are collected 180 days of the end of the current fiscal year. 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:

General Fund

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.

Capital Project Funds

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.

ARPA Fund

The ARPA Fund accounts for activity related to the American Rescue Plan Act federal grant program. The major source of revenue for this fund is federal assistance.

Debt Service Fund

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The Town reports the following major proprietary fund:

Leisure Services Fund

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

Additionally, the Town reports the following fund types:

Internal Service Funds

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

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the defined benefit pension plans and Other Postemployment Benefits Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Deposits and Investments**

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

Investments are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

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

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

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after due date in accordance with State Statutes. An amount of \$468 has been established as an allowance for uncollectible taxes at June 30, 2022. This represents 16.22% of all property taxes receivable.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Supplies and Prepaid Items**

All supplies are valued at cost using the first-in/first-out (FIFO) method. Supplies 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	25 to 50 Years
Land Improvements	20 Years
Vehicles	5 to 15 Years
Furniture and Equipment	3 to 20 Years
Infrastructure	15 to 60 Years
Right-to-Use Asset – Buildings	5 to 20 Years
Right-to-Use Asset – Leased Equipment	3 to 10 Years

**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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows/Inflows of Resources (Continued)**

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 assets that applies to future 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 pension and OPEB results from changes of assumption or other inputs and difference between projected and actual earnings in the government-wide financial 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. 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 pension and OPEB results from differences between changes in assumptions or other inputs and difference between projected and actual earnings. These amounts are deferred and included in 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 plans (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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Long-Term Obligations (Continued)**

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Compensated Absences (Continued)**

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* – 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 Net Position* – 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Equity (Continued)**

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

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

**N. Leases**

Lessee

The Town of West Hartford, Connecticut is a lessee for noncancellable leases of buildings and equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The Town recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Leases (Continued)**

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor

The Town of West Hartford, Connecticut is a lessor for a noncancellable lease of a building. The Town recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities and in the government-wide fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. 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.

**P. Adoption of New Accounting Standards**

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**Q. Accounting Estimates**

The preparation of financial statements in conformity with GAAP 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 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, the budgetary basis does not recognize on-behalf payments of the State Teachers' Pension and OPEB plans, refunding transactions, inventory or BOE intergovernmental grants. In accordance with the Town Charter, Chapter VII, not later than 130 days before the end of the fiscal year, each department files a detailed statement of estimated revenues and proposed expenditures for the ensuing fiscal year. The Superintendent of Schools files a similar statement with the Board of Education and Town Manager at least 115 days prior to the end of the fiscal year.

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

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

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

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

Legally adopted operating budgets were employed during the year for the General Fund and all special revenue funds, except the following: ARPA Fund, 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, Student Activity, 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

For financial statement comparisons, budgetary results have been reconciled to GAAP. Budgeted amounts are as originally adopted or as amended by the Town Council. Supplemental budget amendments totaling \$3,401 were made to the adopted fiscal year 2022 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 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.

**A. Deposits**

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$49,791 of the Town's bank balance of \$50,058 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 44,787
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	5,004
Total Amount Subject to Custodial Credit Risk	<u>\$ 49,791</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

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, 2022, the Town's cash equivalents amounted to \$43,778. 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.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm
Principal	*

\* Not Rated

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

**B. Investments**

As of June 30, 2022, the Town had the following investments in the Pension, OPEB, and Risk Management Funds:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1-10	More Than 10
Interest-Bearing Investments:				
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
U.S. Government Securities	6,649	39	4,703	1,907
U.S. Government Agencies	2,459	8	1,440	1,011
Corporate Bonds	1,091	5	917	169
Total	10,199	\$ 52	\$ 7,060	\$ 3,087
Other Investments:				
Common Stock	36,973			
Mutual Funds	447,131			
Alternative Investments	49,344			
Total Investments	\$ 543,647			

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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>Mutual Funds</u>
Aaa	\$ 1,091	\$ 6,649	\$ 2,459	\$ -
Unrated	-	-	-	447,131
Total	<u>\$ 1,091</u>	<u>\$ 6,649</u>	<u>\$ 2,459</u>	<u>\$ 447,131</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, 2022, the Town's investments, other than open-end mutual funds and other pooled accounts that are not categorized as to custodial credit risk, were uninsured and unregistered securities held by the counterparty, or by its trust department or agent, and were not in the Town's name.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 6,649	\$ 6,649	\$ -	\$ -
U.S. Government Agencies	2,459	-	2,459	-
Corporate Bonds	1,091	-	1,091	-
Common Stock	36,973	35,711	1,262	-
Mutual Funds	447,131	447,044	87	-
Total Investments by Fair Value Level	494,303	<u>\$ 489,404</u>	<u>\$ 4,899</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV):				
Alternative Investments	49,344			
Total Investments	<u>\$ 543,647</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. Alternative investments primarily represent investments in Limited Partnerships.

The following is a summary of the investment strategies, their liquidity and redemption notice periods and any restrictions on the liquidity provisions of the investments in Investment Funds held by the Town as of June 30, 2022 and measured at fair value using the NAV per share practical expedient. Investment Funds with no current redemption restrictions may be subject to future gates, lock-up provisions, or other restrictions, in accordance with their offering documents which would be considered in fair value measurement and disclosure.

**Equity Hedge Funds**

This type includes investments in hedge funds that invest both long and short primarily in U.S. common stock. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments. There are no redemption notice periods or liquidity restrictions with the equity hedge fund held by the Town. In addition, there are no unfunded commitments.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Real Estate Funds

This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. There are no redemption notice periods or liquidity restrictions with the real estate fund held by the Town. In addition, there are no unfunded commitments.

**NOTE 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:

	General	Capital Projects	Debt Service	Leisure Service Fund	Nonmajor and Other Funds	Total
Receivables:						
Taxes	\$ 3,848	\$ -	\$ -	\$ -	\$ -	\$ 3,848
Interest*	-	-	-	-	350	350
Accounts and Other	726	-	5	5	988	1,724
Housing Loans	-	-	-	-	2,377	2,377
Intergovernmental	-	3,489	-	-	4,039	7,528
Leases	5,806	-	-	220	-	6,026
Gross Receivables	10,380	3,489	5	225	7,754	21,853
Less: Allowance for Uncollectibles	468	-	-	-	-	468
Net Total Receivables	<u>\$ 9,912</u>	<u>\$ 3,489</u>	<u>\$ 5</u>	<u>\$ 225</u>	<u>\$ 7,754</u>	<u>\$ 21,385</u>

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 4 RECEIVABLES (CONTINUED)**

Leases Receivable

The Town, acting as lessor, leases various buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2067. During the year ended June 30, 2022, the Town recognized \$151,282 and \$174,336 in governmental activities and \$61,343 and \$8,593 in business-type activities in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 70	\$ 172	\$ 59	\$ 7	\$ 129	\$ 179
2024	6	172	62	4	68	176
2025	8	172	65	2	73	174
2026	12	171	34	-	46	171
2027	16	171	-	-	16	171
2028-2032	148	842	-	-	148	842
2033-2037	283	810	-	-	283	810
2038-2042	451	755	-	-	451	755
2043-2047	646	674	-	-	646	674
2048--2052	914	557	-	-	914	557
2053-2057	1,092	404	-	-	1,092	404
2058-2062	1,389	225	-	-	1,389	225
2063-2067	771	23	-	-	771	23
Total Minimum Lease Payments	<u>\$ 5,806</u>	<u>\$ 5,148</u>	<u>\$ 220</u>	<u>\$ 13</u>	<u>\$ 6,026</u>	<u>\$ 5,161</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance*	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated or Amortized:					
Land	\$ 10,516	\$ -	\$ -	\$ -	\$ 10,516
Construction In Progress	119,082	21,409	(15,542)	(799)	124,150
Total Capital Assets Not Being Depreciated	129,598	21,409	(15,542)	(799)	134,666
Capital Assets Being Depreciated and Amortized:					
Buildings	286,275	-	6,103	-	292,378
Land Improvements	23,665	-	78	-	23,743
Vehicles	13,967	469	193	(123)	14,506
Furniture and Equipment	15,274	339	2,559	-	18,172
Right-to-Use - Building	2,412	-	-	-	2,412
Infrastructure	215,541	-	6,609	-	222,150
Total Capital Assets Being Depreciated and Amortized	557,134	808	15,542	(123)	573,361
Less: Accumulated Depreciation and Amortization For:					
Buildings	(135,697)	(6,891)	-	-	(142,588)
Land Improvements	(12,678)	(1,138)	-	-	(13,816)
Vehicles	(9,582)	(750)	-	123	(10,209)
Furniture and Equipment	(12,916)	(818)	-	-	(13,734)
Right-to-Use - Building	-	(352)	-	-	(352)
Infrastructure	(129,369)	(4,649)	-	-	(134,018)
Total Accumulated Depreciation and Amortization	(300,242)	(14,598)	-	123	(314,717)
Total Capital Assets Being Depreciated and Amortized, Net	256,892	(13,790)	15,542	-	258,644
Governmental Activities Capital Assets, Net	\$ 386,490	\$ 7,619	\$ -	\$ (799)	\$ 393,310

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance*	Increases	Transfers	Decreases	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated or Amortized:					
Construction In Progress	\$ 942	\$ 273	\$ (64)	\$ -	\$ 1,151
Capital Assets Being Depreciated and Amortized:					
Buildings and Systems	20,294	-	64	-	20,358
Land Improvements	10,620	-	-	-	10,620
Furniture and Equipment	1,314	261	-	-	1,575
Right-to-Use - Leased Equipment	157	-	-	-	157
Total Capital Assets Being Depreciated and Amortized	32,385	261	64	-	32,710
Less: Accumulated Depreciation and Amortization For:					
Buildings and Systems	(17,649)	(320)	-	-	(17,969)
Land Improvements	(5,537)	(537)	-	-	(6,074)
Furniture and Equipment	(1,187)	(21)	-	-	(1,208)
Right-to-Use - Leased Equipment	-	(31)	-	-	(31)
Total Accumulated Depreciation and Amortization	(24,373)	(909)	-	-	(25,282)
Total Capital Assets Being Depreciated and Amortized, Net	8,012	(648)	64	-	7,428
Business-Type Activities Capital Assets, Net	<u>\$ 8,954</u>	<u>\$ (375)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,579</u>

\*The beginning balance was restated due to the implementation of GASB Statement No. 87.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 5 CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:

General Government	\$ 2,898
Public Safety	1,093
Community Maintenance	5,459
Human and Cultural	769
Education	4,379
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 14,598</u>

Business-Type Activities:

Leisure Services Fund	<u>\$ 909</u>
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**Construction Commitments**

The Town had numerous active construction projects during the year ended June 30, 2022. The following is a summary of capital projects as of June 30, 2022:

	Project Authorization	Cumulative Expenditures and Encumbrances
Public Buildings	\$ 16,031	\$ 10,226
Parks and Recreation	9,173	5,024
Infrastructure	57,241	43,401
Miscellaneous	23,384	16,786
Schools	89,875	79,082
Total	<u>\$ 195,704</u>	<u>\$ 154,519</u>

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

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivable and payable balances at June 30, 2022 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 9,299	\$ -
Capital Projects Fund	-	2,627
Nonmajor Governmental Funds	-	3,141
Leisure Services Fund	-	3,531
Total	<u>\$ 9,299</u>	<u>\$ 9,299</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

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:

Transfers In	Transfers Out							Total Transfers In
	General	Capital Projects	Debt Service	ARPA Fund	Nonmajor Governmental	Leisure Service Fund	Internal Service	
General	\$ -	\$ 276	\$ -	\$ 4,163	\$ 1,367	\$ 267	\$ 55	\$ 6,128
Capital Projects	2,037	-	-	929	812	-	-	3,778
Debt Service Fund	15,554	-	-	-	-	-	-	15,554
Nonmajor Governmental	1,008	855	-	-	-	-	-	1,863
Leisure Services Fund	-	-	50	-	20	-	-	70
Total Transfers Out	<u>\$ 18,599</u>	<u>\$ 1,131</u>	<u>\$ 50</u>	<u>\$ 5,092</u>	<u>\$ 2,199</u>	<u>\$ 267</u>	<u>\$ 55</u>	<u>\$ 27,393</u>

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

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 134,160	\$ 339,275	\$ (16,850)	\$ 456,585	\$ 24,105
Bond Premium	11,225	1,826	(2,258)	10,793	-
Total Bonds Payable	<u>145,385</u>	<u>341,101</u>	<u>(19,108)</u>	<u>467,378</u>	<u>24,105</u>
Compensated Absences	24,215	8,206	(9,899)	22,522	9,116
Lease Liability	2,412	-	(309)	2,103	350
Net OPEB Liability	210,405	17,177	-	227,582	-
Net Pension Liability	264,461	-	(146,893)	117,568	-
Risk Management Liability	<u>9,294</u>	<u>38,392</u>	<u>(37,718)</u>	<u>9,968</u>	<u>704</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 656,172</u>	<u>\$ 404,876</u>	<u>\$ (213,927)</u>	<u>\$ 847,121</u>	<u>\$ 34,275</u>
<b>Business-Type Activities:</b>					
Notes Payable (Direct Borrowing)	\$ -	\$ 251	\$ (54)	\$ 197	\$ 46
Compensated Absences	119	54	(53)	120	49
Lease Liability	160	-	(31)	129	35
Net OPEB Liability	3,052	250	-	3,302	-
Net Pension Liability	<u>4,055</u>	<u>-</u>	<u>(2,253)</u>	<u>1,802</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 7,386</u>	<u>\$ 555</u>	<u>\$ (2,391)</u>	<u>\$ 5,550</u>	<u>\$ 130</u>

\*The beginning balance was restated due to the implementation of GASB Statement No. 87.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

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, 2022. 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.

**Bonds Payable**

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

**General Obligations**

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,105	\$ 15,002	\$ 39,107
2024	26,655	10,936	37,591
2025	25,710	10,221	35,931
2026	25,025	9,555	34,580
2027	21,065	8,991	30,056
2028-2032	99,115	37,465	136,580
2033-2037	81,165	26,496	107,661
2038-2042	71,475	16,829	88,304
2043-2047	82,270	6,026	88,296
Total	<u>\$ 456,585</u>	<u>\$ 141,521</u>	<u>\$ 598,106</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Bonds Payable (Continued)**

**Principal Amount of Debt Indebtedness**

Date	Purpose	Rate %	Original Issue	Debt Outstanding	Date of Fiscal Year Maturity
2/15/2012	General Purpose	2.50-5.00	\$ 11,648	\$ 3,106	2028
2/15/2012	Schools	2.50-5.00	3,352	894	2028
2/5/2014	General Purpose	2.63-5.00	12,830	5,972	2029
2/5/2014	Schools	2.63-5.00	7,170	3,338	2029
3/2/2016	Refunding - General Purpose	2.00-4.00	7,055	3,497	2025
3/2/2016	Refunding - Schools	2.00-4.00	5,240	2,598	2025
2/16/2017	General Purpose	2.00-5.00	12,065	2,366	2032
2/16/2017	Schools	2.00-5.00	4,935	1,039	2032
1/11/2018	General Purpose	2.00-5.00	7,665	4,590	2033
1/11/2018	Schools	2.00-5.00	5,335	3,195	2033
2/5/2019	General Purpose	2.00-5.00	5,745	4,590	2034
2/5/2019	Schools	2.00-5.00	4,255	3,400	2034
7/9/2019	Refunding - General Purpose	5.00	19,990	13,215	2026
12/18/2019	Refunding - General Purpose	4.00-5.00	6,372	5,636	2035
12/18/2019	Refunding - Schools	4.00-5.00	7,478	6,614	2035
1/30/2020	General Purpose	2.00-5.00	10,152	8,812	2035
1/30/2020	Schools	2.00-5.00	6,848	5,943	2035
4/2/2020	Refunding - General Purpose	5.00	2,308	1,213	2024
4/2/2020	Refunding - Schools	5.00	2,317	1,217	2024
11/5/2020	Refunding - General Purpose	1.50-5.00	7,985	6,825	2035
11/5/2020	Refunding - Schools	1.50-5.00	930	795	2035
11/5/2020	Refunding - General Purpose	2.50-5.00	8,806	8,709	2035
11/5/2020	Refunding - Schools	2.50-5.00	3,899	3,856	2035
3/16/2021	General Purpose	2.00-5.00	13,872	12,966	2036
3/16/2021	Schools	2.00-5.00	3,128	2,924	2036
2/15/2022	General Purpose	3.00-5.00	10,110	10,110	2037
2/15/2022	Schools	3.00-5.00	4,890	4,890	2037
7/8/2021	Pension	.32-2.44	324,275	324,275	2047
Total			<u>\$ 520,655</u>	<u>\$ 456,585</u>	

**Prior Year Defeasance of Debt**

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, 2022, \$3,730,000 of prior bonds outstanding is considered defeased and the escrow balance is \$3,807,831.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Leases**

The Town leases various real estate for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 350	\$ 54	\$ 35	\$ 4	\$ 46	\$ 9
2024	397	44	37	3	48	7
2025	426	32	38	1	50	5
2026	442	20	19	-	-	-
2027	417	8	-	-	-	-
2028-2032	71	-	-	-	53	2
Total	<u>\$ 2,103</u>	<u>\$ 158</u>	<u>\$ 129</u>	<u>\$ 8</u>	<u>\$ 197</u>	<u>\$ 23</u>

Right-to use assets acquired through outstanding leases are shown below, by underlying asset class:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Office Equipment	\$ -	\$ 157	\$ 157
Real Estate	2,412	-	2,412
Less: Accumulated Amortization	(352)	(31)	(383)
Total	<u>\$ 2,060</u>	<u>\$ 126</u>	<u>\$ 2,186</u>

**Note Payable – Direct Borrowing**

The Town entered into a finance agreement for various equipment for business-type activities. The agreement qualifies as a note payable for accounting purposes and therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. The Town's outstanding note from the direct borrowing contains a provision that in event of default, the Town return all the equipment at the Town's expense.

The following is a schedule of future minimum payments and the present value of the net minimum payments at June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46	\$ 9	\$ 55
2024	48	7	55
2025	50	5	55
2026	53	2	55
Total	<u>\$ 197</u>	<u>\$ 23</u>	<u>\$ 220</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

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 \$178,482 or 22.47% of the District's debt.

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	\$ 602,827	\$ 130,008	\$ 472,819
Schools	1,205,654	75,000	1,130,654
Sewers	1,004,711	178,482	826,229
Urban Renewal	870,750	-	870,750
Pension Deficit	803,769	324,275	479,494

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.88 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 \$72,698 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2022.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 8 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2022 were as follows:

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ 31	\$ -	\$ -	\$ 77	\$ 108
Private Cemetery	-	-	-	82	82
Restricted For:					
Grants	-	-	-	70	70
Cemetery Operating	-	-	-	1,267	1,267
C.F. Morway	-	-	-	19	19
Town That Cares	-	-	-	449	449
School Donations	-	-	-	134	134
Affordable Housing	-	-	-	4	4
Veteran Memorial	-	-	-	34	34
Committed To:					
Parking Lot	-	-	-	158	158
Westmoor Park	-	-	-	391	391
Cafeteria	-	-	-	2,620	2,620
School Special Programs	-	-	-	1,879	1,879
West Hartford Library	-	-	-	95	95
School Interscholastic Sports	-	-	-	69	69
Technology Investment	-	-	-	9	9
Police Private Duty	-	-	-	294	294
Student Activities	-	-	-	1,445	1,445
Police Home Ownership	-	-	-	17	17
Cemetery Operating	-	-	-	265	265
Debt and Sundry	-	-	4,321	-	4,321
Capital Projects	-	947	-	-	947
Pension	26,497	-	-	-	26,497
Assigned To:					
General Government Encumbrances	6	-	-	-	6
Community Maintenance Encumbrances	137	-	-	-	137
Human and Cultural Encumbrances	11	-	-	-	11
Education Encumbrances	163	-	-	-	163
Public Safety Encumbrances	30	-	-	-	30
Unassigned	28,753	-	-	-	28,753
Total Fund Balances	<u>\$ 55,628</u>	<u>\$ 947</u>	<u>\$ 4,321</u>	<u>\$ 9,378</u>	<u>\$ 70,274</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 8 FUND BALANCE (CONTINUED)**

Significant encumbrances at June 30, 2022 were contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$347. Capital Projects encumbrances amounted to \$-0- and Nonmajor Governmental Funds encumbrances amounted to \$77 at June 30, 2022.

**NOTE 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 9 RISK MANAGEMENT (CONTINUED)**

**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 6.25%. 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 \$9,968 at June 30, 2022 were based on the requirements of GASB Statement 10.

This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

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

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2020-2021	\$ 9,178	\$ 33,724	\$ (33,608)	\$ 9,294
2021-2022	9,294	38,392	(37,718)	9,968

The Town and Board of Education employees, except fire union, 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 Town Health Fund and Board of Education Health Fund.

**NOTE 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 five-year term.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

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 multiemployer defined benefit Public Employees Retirement System (PERS) with the state acting as a non-employer 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, 2021 was as follows:

Inactive Participants:	
Retirees and Beneficiaries Currently Receiving Benefits	1,245
Terminated Vested Employees	75
Total Inactive Participants	<u>1,320</u>
Active Participants	<u>794</u>
Total	<u><u>2,114</u></u>

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

Plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**C. Funding Policy**

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**C. Funding Policy (Continued)**

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 year ended June 30, 2022 were \$322,900 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, 2022:

Barings Core Property	<u><u>\$ 26,520,454</u></u>
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Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (11.76)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2022 were as follows:

Total Pension Liability	\$ 608,496
Plan Fiduciary Net Position	<u>489,126</u>
Net Pension Liability	<u><u>\$ 119,370</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.38 %
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**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**E. Net Pension Liability of the Town (Continued)**

For the year ended June 30, 2022, the Town's net pension liability is \$119,370, of which \$117,568 is reported as governmental activities and \$1,802 as business-type activities.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2021, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	Age-Based
Investment Rate of Return	6.25%
Mortality	Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.

There was no formal actuarial experience study completed.

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, 2022 were 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 %	1.37 %
U.S. Large and Mid Caps	29.25	5.22
Foreign Developed Equity	17.50	6.27
U.S. Small Caps	14.25	6.58
Private Real Estate Property	5.00	4.62
Emerging Markets Equity	4.00	8.64
Total	<u>100.00 %</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 6.25%; Prior:6.99%. 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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**E. Net Pension Liability of the Town (Continued)**

Discount Rate (Continued)

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.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 538,229	\$ 269,713	\$ 268,516
Changes for the Year:			
Service Cost	7,517	-	7,517
Interest on Total Pension Liability	36,798	-	36,798
Effect of Plan Changes	2		2
Effect of Economic/Demographic			
Gains or Losses	19,610	-	19,610
Effect of Assumptions Changes or Inputs	45,627	-	45,627
Benefit Payments	(39,287)	(39,287)	-
Employer Contributions	-	322,900	(322,900)
Member Contributions	-	3,503	(3,503)
Net Investment Income (Loss)	-	(67,339)	67,339
Administrative Expenses	-	(364)	364
Net Changes	<u>70,267</u>	<u>219,413</u>	<u>(149,146)</u>
Balances - June 30, 2022	<u>\$ 608,496</u>	<u>\$ 489,126</u>	<u>\$ 119,370</u>

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 one percentage point lower or one percentage point higher than the current rate:

	One Percent Decrease (5.25%)	Current Discount Rate (6.25%)	One Percent Increase (7.25%)
Net Pension Liability	<u>\$ 191,917</u>	<u>\$ 119,370</u>	<u>\$ 59,098</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

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

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 17,914	\$ -	\$ 275	\$ -	\$ 18,189	\$ -
Changes of Assumptions	41,017	-	629	-	41,646	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	49,375	-	756	-	50,131	-
Total	<u>\$ 108,306</u>	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ -</u>	<u>\$ 109,966</u>	<u>\$ -</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>	Governmental Activities	Business-Type Activities	Total
2023	\$ 38,552	\$ 591	\$ 39,143
2024	26,696	409	27,105
2025	24,103	370	24,473
2026	18,955	290	19,245

For the year ended June 30, 2022, the Town recognized pension expense of \$53,140, of which \$52,338 is reported as governmental activities and \$802 as business-type activities.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The following schedule presents the net position held in trust for pension benefits at June 30, 2022 and the changes in net position for the year ended June 30, 2022:

	<u>Pension Trust Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 2,136
Investments:	
Mutual Funds	400,369
Common Stock	36,973
Alternative Investments	49,344
Receivables:	
Interest and Dividends	<u>350</u>
Total Assets	489,172
Liabilities:	
Accounts and Other Payables	<u>46</u>
Net Position:	
Restricted for Pension Benefits	<u><u>\$ 489,126</u></u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town of West Hartford Retirement System (Continued)**

**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 322,900
Plan Members	3,503
Total Contributions	<u>326,403</u>
Investment Income:	
Net Change in Fair Value of Investments	(74,205)
Interest	52
Dividends	7,399
Total Investment Income	<u>(66,754)</u>
Less: Investment Expense	<u>(585)</u>
Net Investment Income	<u>(67,339)</u>
Total Additions	259,064
Deductions:	
Benefits	39,287
Administration	364
Total Deductions	<u>39,651</u>
Change in Net Position	219,413
Net Position - Beginning of Year	<u>269,713</u>
Net Position - End of Year	<u>\$ 489,126</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](http://www.ct.gov).

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**B. Benefit Provisions**

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

**C. Contributions**

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

Employer (School Districts)

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

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

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the state was \$23,778 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**C. Contributions (Continued)**

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.

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

At June 30, 2022, 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	283,970
Total	<u>\$ 283,970</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$18,331 in Exhibit II.

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions (Continued)**

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

**Cost-of-Living Allowance**

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%.

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%.

**Long-Term Rate of Return**

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions (Continued)**

**Long-Term Rate of Return (Continued)**

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:

Asset Class	Expected Return	Target Allocation
Emerging Market Debt Fund	2.70 %	5.00 %
Domestic Equity Fund	5.60	20.00
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
High Yield Bond Fund	4.00	6.00
Private Equity	7.30	10.00
Real Estate Fund	4.50	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	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.

**H. Pension Plan Fiduciary Net Position**

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 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 postemployment 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 Postemployment 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, 2021, plan membership consisted of the following:

Number of Members:	
Active Members	1,531
Retired Members and Beneficiaries	1342
Total Participants	<u><u>2,873</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 \$18,190 on June 30, 2022. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 6.25%.

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**B. Funding Policy (Continued)**

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

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

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**B. Funding Policy (Continued)**

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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (8.02)%. 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, 2022. The components of the net OPEB liability of the Town at June 30, 2022 were as follows:

Total OPEB Liability	\$ 245,501
Plan Fiduciary Net Position	14,617
Net OPEB Liability	<u>\$ 230,884</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.95%

For the year ended June 30, 2022, the Town's net OPEB liability is \$230,884, of which \$227,582 is reported as governmental activities and \$3,302 as business-type activities.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increase	Varies
Investment Rate of Return	6.25%; Prior: 6.99%
Healthcare Cost Trend Rates	Pre-65: 5.30% - 4.10% over 55 years; Post-65: 5.20% - 4.10% over 52 years
	Prior: Pre-65: 6.20% - 4.10% over 55 years; Post-65: 6.00% - 4.10% over 55 years
Mortality	Certified BOE: For healthy retirees and beneficiaries, the PubT-2010 Mortality Tables for Employees and Healthy Annuitants with generational projection of future improvements per MP-2019 Ultimate scale. Prior: 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 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.

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, 2022 were summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	40.00 %	1.37 %
U.S. Large Cap Equity	28.50	5.15
Foreign Developed Equity	19.00	6.27
U.S. Small Cap Equity	7.50	6.58
Emerging Markets Equity	5.00	8.64
Total	100.00 %	

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%; Prior: 6.99%. 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 - July 1, 2021	\$ 226,944	\$ 13,487	\$ 213,457
Changes for the Year:			
Service Cost	2,683	-	2,683
Interest on Total Pension Liability	15,534	-	15,534
Differences Between Expected and Actual Experience	(1,920)	-	(1,920)
Effect of Assumptions Changes or Inputs	17,320	-	17,320
Benefit Payments	(15,060)	(15,060)	-
Employer Contributions	-	17,178	(17,178)
Member Contributions	-	112	(112)
Net Investment Income (Loss)	-	(1,100)	1,100
Net Changes	18,557	1,130	17,427
Balances - June 30, 2022	<u>\$ 245,501</u>	<u>\$ 14,617</u>	<u>\$ 230,884</u>

**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 one percentage point lower or one percentage point higher than the current discount rate:

	One Percent Decrease (5.25%)	Current Discount Rate (6.25%)	One Percent Increase (7.25%)
Net OPEB Liability	<u>\$ 261,330</u>	<u>\$ 230,884</u>	<u>\$ 205,785</u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	One Percent Decrease	Healthcare Cost Trend Rates	One Percent Increase
Net OPEB Liability	<u>\$ 203,342</u>	<u>\$ 230,884</u>	<u>\$ 264,591</u>

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

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 864	\$ 1,622	\$ 13	\$ 24	\$ 877	\$ 1,646
Changes of Assumptions	37,667	2,341	546	34	38,213	2,375
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	1,294	-	19	-	1,313	-
Total	<u>\$ 39,825</u>	<u>\$ 3,963</u>	<u>\$ 578</u>	<u>\$ 58</u>	<u>\$ 40,403</u>	<u>\$ 4,021</u>

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

Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2023	\$ 7,959	\$ 115	\$ 8,074
2024	7,942	115	8,057
2025	7,902	115	8,017
2026	8,060	117	8,177
2027	1,829	27	1,856
Thereafter	2,170	31	2,201

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the year ended June 30, 2022, the Town recognized OPEB expense of \$26,924, of which \$26,539 was reported as governmental activities and \$385 as business-type activities.

	<u>OPEB Trust Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 8,629
Investments:	
Mutual Funds	5,960
Receivables:	
Accounts and Other Receivables	<u>28</u>
Total Assets	<u>14,617</u>
Net Position:	
Restricted for OPEB Benefits	<u><u>\$ 14,617</u></u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Trust Fund (Continued)**

**J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 17,178
Plan Members	112
Total Contributions	<u>17,290</u>
Investment Income:	
Net Change in Fair Value of Investments	(1,221)
Interest	16
Dividends	105
Total Investment Income	<u>(1,100)</u>
Less: Investment Expense	-
Net Investment Income	<u>(1,100)</u>
Total Additions	16,190
Deductions:	
Benefits	<u>15,060</u>
Change in Net Position	1,130
Net Position - Beginning of Year	<u>13,487</u>
Net Position - End of Year	<u>\$ 14,617</u>

**Other Postemployment 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 postemployment 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](http://www.ct.gov/trb).

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**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.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**D. Contributions (Not Rounded) (Continued)**

Employer (School Districts)

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

For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the state was \$560 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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, 2022, 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	30,938
Total	<u>\$ 30,938</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(1,142) in Exhibit II.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.17%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms in the two years preceding the measurement date.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**F. Actuarial Assumptions (Continued)**

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 (0.42%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2020

In addition to the actuarial methods and assumptions of the June 30, 2020, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**(IN THOUSANDS)**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**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. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**J. 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.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

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

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
**(NONGAAP BUDGETARY BASIS)**  
**(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property Taxes:				
Current Year Levy	\$ 266,811	\$ 268,111	\$ 267,938	\$ (173)
Prior Year's Collections	1,425	1,425	759	(666)
Motor Vehicle Supplement	2,425	2,725	3,032	307
Interest and Liens Fees	590	790	995	205
Suspense	-	-	79	79
Total Property Taxes	271,251	273,051	272,803	(248)
Intergovernmental Revenues:				
Federal:				
FEMA	-	350	552	202
Federal ARPA	4,135	4,135	4,163	28
Police Grants	-	31	90	59
Dial-A-Ride Grant	85	85	209	124
Total Federal Assistance	4,220	4,601	5,014	413
State:				
Education Cost Sharing	22,246	22,246	22,431	185
Payments In Lieu of Taxes	1,568	1,568	1,165	(403)
Municipal Revenue Sharing	806	866	1,217	351
Disabled Tax Relief	6	6	5	(1)
Veterans Exemptions	63	63	47	(16)
Alcohol/Drug Abuse Grant	7	12	13	1
Highway Town Aid	687	687	688	1
Mashantucket Pequot Fund	28	28	28	-
Miscellaneous State Grants	-	36	132	96
Emergency 911 Grant	141	141	226	85
Telephone Grant	115	115	101	(14)
Total State Assistance	25,667	25,768	26,053	285
Total Intergovernmental Revenues	29,887	30,369	31,067	698

**TOWN OF WEST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(NONGAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Charges for Services:				
Town Clerk / Town Council	\$ 1,563	\$ 2,082	\$ 2,278	\$ 196
Financial Services	1	1	1	-
Assessment	1	1	2	1
Fire Department	1,165	1,165	1,032	(133)
Police Department	280	280	257	(23)
Community Development	1,724	2,324	2,509	185
Public Works	185	185	259	74
Human & Leisure Services	591	591	767	176
Library	15	15	20	5
Total Charges for Services	5,525	6,644	7,125	481
Miscellaneous Local Revenues:				
Workers' Compensation Reimbursements	360	360	575	215
Rental of Facilities	314	314	233	(81)
Miscellaneous	151	151	73	(78)
Total Miscellaneous Local Revenues	825	825	881	56
Income on Investments	430	430	209	(221)
Total Revenues	307,918	311,319	312,085	766
Other Financing Sources:				
Transfers In	526	526	508	(18)
Total	\$ 308,444	\$ 311,845	312,593	\$ 748

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	23,778
OPEB	560

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.

4,640

Bonds issued not budgeted for

324,275

Revenues not budgeted for

(348)

Transfers not budgeted for

1,457

Total Revenues and Other Financing Sources as Reported on  
the Statement of Revenues, Expenditures and Changes

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**  
**(NONGAAP BUDGETARY BASIS)**  
**(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Clerk:				
Personal Services	\$ 189	\$ 223	\$ 223	\$ -
Nonpersonal Expense	77	123	123	-
Debt and Sundry	13	14	14	-
Total	279	360	360	-
Town Council:				
Personal Services	133	134	134	-
Nonpersonal Expense	258	261	261	-
Debt and Sundry	10	9	9	-
Total	401	404	404	-
Town Manager:				
Personal Services	549	549	543	6
Nonpersonal Expense	25	25	18	7
Debt and Sundry	37	37	35	2
Total	611	611	596	15
Corporation Counsel:				
Personal Services	335	324	323	1
Nonpersonal Expense	105	116	116	-
Debt and Sundry	27	27	23	4
Total	467	467	462	5
Registrar of Voters:				
Personal Services	186	186	132	54
Nonpersonal Expense	58	58	26	32
Debt and Sundry	11	6	5	1
Total	255	250	163	87
Information Technology:				
Personal Services	536	556	556	-
Nonpersonal Expense	544	636	636	-
Debt and Sundry	38	38	38	-
Total	1,118	1,230	1,230	-
Financial Services:				
Personal Services	1,633	1,749	1,749	-
Nonpersonal Expense	605	554	554	-
Debt and Sundry	121	116	116	-
Total	2,359	2,419	2,419	-
Assessment:				
Personal Services	648	648	641	7
Nonpersonal Expense	71	71	65	6
Debt and Sundry	49	49	46	3
Total	768	768	752	16

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**  
**(NONGAAP BUDGETARY BASIS)**  
**(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human Resources:				
Personal Services	\$ 353	\$ 383	\$ 383	\$ -
Nonpersonal Expense	108	123	123	-
Debt and Sundry	25	25	25	-
Total	<u>486</u>	<u>531</u>	<u>531</u>	<u>-</u>
Total General Government	6,744	7,040	6,917	123
Public Safety:				
Fire Department:				
Personal Services	11,611	12,698	12,698	-
Nonpersonal Expense	1,453	1,497	1,497	-
Debt and Sundry	190	188	188	-
Total	<u>13,254</u>	<u>14,383</u>	<u>14,383</u>	<u>-</u>
Police Department:				
Personal Services	15,569	16,456	16,456	-
Nonpersonal Expense	1,056	1,205	1,205	-
Debt and Sundry	345	346	346	-
Total	<u>16,970</u>	<u>18,007</u>	<u>18,007</u>	<u>-</u>
Total Public Safety	30,224	32,390	32,390	-
Community Maintenance:				
Community Development:				
Personal Services	1,871	2,141	2,141	-
Nonpersonal Expense	274	265	265	-
Debt and Sundry	140	142	142	-
Total	<u>2,285</u>	<u>2,548</u>	<u>2,548</u>	<u>-</u>
Public Works:				
Personal Services	4,334	4,187	4,187	-
Nonpersonal Expense	7,617	7,005	6,997	8
Debt and Sundry	317	281	281	-
Total	<u>12,268</u>	<u>11,473</u>	<u>11,465</u>	<u>8</u>
Plant and Facility Services:				
Personal Services	1,188	1,169	1,169	-
Nonpersonal Expense	973	1,041	1,041	-
Debt and Sundry	89	81	81	-
Total	<u>2,250</u>	<u>2,291</u>	<u>2,291</u>	<u>-</u>
Total Community Maintenance	16,803	16,312	16,304	8

**TOWN OF WEST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(NONGAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Leisure and Social Services:				
Library:				
Personal Services	\$ 2,379	\$ 2,364	\$ 2,364	\$ -
Nonpersonal Expense	653	633	633	-
Debt and Sundry	179	155	155	-
Total	3,211	3,152	3,152	-
Human and Cultural:				
Personal Services	2,002	2,049	2,049	-
Nonpersonal Expense	1,198	1,337	1,337	-
Debt and Sundry	103	108	108	-
Total	3,303	3,494	3,494	-
Total Human and Cultural	6,514	6,646	6,646	-
Education	175,556	175,556	175,499	57
Debt and Sundry	55,176	54,447	54,047	400
Total Expenditures	291,017	292,391	291,803	588
Other Financing Uses:				
Transfers Out	17,427	19,454	19,499	(45)
Total	<u>\$ 308,444</u>	<u>\$ 311,845</u>	311,302	<u>\$ 543</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	23,778
OPEB	560

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts	4,640
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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 receive	834
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Board of Education does not budget amounts appropriated from prior year budgets for subsequent	750
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Bond costs not budgeted	1,375
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Bond issuance activity to pension fund not budgeted	322,900
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Activity not budgeted for in the general fund	(25,429)
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Inventory purchases are reported as expenditures for budgetary purposes.	(33)
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Total Expenditures and Other Financing Uses as Reported on the Statement

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**TOWN OF WEST HARTFORD RETIREMENT SYSTEM**  
**LAST NINE FISCAL YEARS\***  
**(IN THOUSANDS)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 5,563	\$ 5,845	\$ 5,841	\$ 7,641	\$ 7,832	\$ 7,986	\$ 7,599	\$ 8,209	\$ 7,517
Interest	27,384	27,666	27,784	30,633	31,343	32,985	33,286	36,405	36,798
Effect of Plan Changes	57	(185)	3	-	(334)	-	72	-	2
Effect of Economic/Demographic Gains or Losses	-	886	31,784	-	5,865	-	15,631	-	19,610
Effect of Assumption Changes or Inputs	-	7,220	(12)	-	23,677	5,891	32,825	-	45,627
Benefit Payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)	(35,432)	(37,352)	(39,287)
Net Change in Total Pension Liability	8,672	16,223	38,885	10,194	38,506	13,736	53,981	7,262	70,267
Total Pension Liability - Beginning	350,770	359,442	375,665	414,550	424,744	463,250	476,986	530,967	538,229
Total Pension Liability - Ending	359,442	375,665	414,550	424,744	463,250	476,986	530,967	538,229	608,496
Plan Fiduciary Net Position:									
Contributions - Employer	15,957	17,712	17,917	20,551	21,615	23,880	25,231	25,439	322,900
Contributions - Member	2,621	2,675	3,047	3,063	3,166	3,292	3,133	3,303	3,503
Net Investment Income (Loss)	28,230	8,632	(976)	23,647	18,555	11,239	10,060	63,830	(67,339)
Benefit Payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)	(35,432)	(37,352)	(39,287)
Administrative Expense	(314)	(306)	(313)	(305)	(357)	(338)	(351)	(319)	(364)
Net Change in Plan Fiduciary Net Position	22,162	3,504	(6,840)	18,876	13,102	4,947	2,641	54,901	219,413
Plan Fiduciary Net Position - Beginning	156,420	178,582	182,086	175,246	194,122	207,224	212,171	214,812	269,713
Plan Fiduciary Net Position - Ending	178,582	182,086	175,246	194,122	207,224	212,171	214,812	269,713	489,126
Net Pension Liability - Ending	\$ 180,860	\$ 193,579	\$ 239,304	\$ 230,622	\$ 256,026	\$ 264,815	\$ 316,155	\$ 268,516	\$ 119,370
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 %	50.11 %	80.38 %
Covered Payroll	\$ 57,281	\$ 53,742	\$ 55,892	\$ 56,649	\$ 58,065	\$ 58,708	\$ 60,176	\$ 63,885	\$ 65,110
Net Pension Liability as a Percentage of Covered Payroll	315.74 %	360.20 %	428.15 %	407.11 %	440.93 %	451.07 %	525.38 %	420.31 %	183.34 %

**Notes to Schedule**

## Assumption Changes:

Investment Rate of Return: 6.25%; Prior 6.99%

Discount Rate: 6.25%; Prior 6.99%

Mortality: Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.

Prior: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base

\* 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  
TOWN OF WEST HARTFORD RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 14,167	\$ 15,957	\$ 17,712	\$ 17,917	\$ 20,551	\$ 21,615	\$ 23,880	\$ 25,231	\$ 25,439	\$ 26,919
Contributions in Relation to the Actuarially Determined Contribution	14,167	15,957	17,712	17,917	20,551	21,615	23,880	25,231	25,439	322,900
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (295,981)
Covered Payroll	\$ 55,078	\$ 57,281	\$ 53,742	\$ 55,892	\$ 56,649	\$ 58,065	\$ 58,708	\$ 60,176	\$ 63,885	\$ 65,110
Contributions as a Percentage of Covered Payroll	25.72 %	27.86 %	32.96 %	32.06 %	36.28 %	37.23 %	40.68 %	41.93 %	39.82 %	495.93 %

**Notes to Schedule**

Valuation Date: July 1, 2021

Measurement Date: June 30, 2022

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-Year Closed Period
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	Age Based
Investment Rate of Return	6.25%
Retirement Age	Rates Vary by Group
Mortality	Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	18.43 %	4.69 %	(0.52)%	12.95 %	9.21 %	5.22 %	4.58 %	30.39 %	(11.76)%

\* 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 EIGHT FISCAL YEARS\***  
**(IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022
Town's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %
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	358,544	283,970
<b>Total</b>	<b>\$ 188,888</b>	<b>\$ 204,358</b>	<b>\$ 262,780</b>	<b>\$ 249,079</b>	<b>\$ 243,735</b>	<b>\$ 316,104</b>	<b>\$ 358,544</b>	<b>\$ 283,970</b>
Town's Covered Payroll	\$ 70,896	\$ 73,271	\$ 75,921	\$ 76,720	\$ 79,162	\$ 81,277	\$ 82,781	\$ 85,556
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.51 %	59.50 %	52.26 %	55.93 %	57.69 %	52.00 %	49.24 %	60.77 %

**Notes to Schedule**

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Remaining Amortization Period	30 Years
Asset Valuation Method	4-Year smoothed market
Inflation	2.50%
Salary Increase	3.25%-6.50%, including inflation
Investment Rate of Return	6.90%, net of investment related expense

## Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POSTEMPLOYMENT BENEFIT TRUST FUND**  
**LAST SIX FISCAL YEARS\***  
**(IN THOUSANDS)**

	2017	2018	2019	2020	2021	2022
Total OPEB Liability:						
Service Cost	\$ 2,242	\$ 2,321	\$ 2,903	\$ 2,649	\$ 3,206	\$ 2,683
Interest	11,278	11,557	12,439	12,755	15,312	15,534
Change of Benefit Terms	-	70	-	-	-	-
Differences Between Expected and Actual Experience	2,300	2,694	915	653	-	(1,920)
Changes of Assumptions	-	16,278	(4,314)	40,893	-	17,320
Benefit Payments, Including Refunds of Member Contributions	(11,141)	(10,944)	(10,845)	(14,123)	(14,623)	(15,060)
Net Change in Total OPEB Liability	4,679	21,976	1,098	42,827	3,895	18,557
Total OPEB Liability - Beginning	152,469	157,148	179,124	180,222	223,049	226,944
Total OPEB Liability - Ending	157,148	179,124	180,222	223,049	226,944	245,501
Plan Fiduciary Net Position:						
Contributions - Employer	12,019	12,208	12,551	16,099	16,741	17,178
Contributions - Member	99	100	118	117	124	112
Contributions - TRB Subsidy	378	358	294	-	-	-
Net Investment Income	166	79	324	395	1,557	(1,100)
Benefit Payments, Including Refunds of Member Contributions	(11,141)	(10,944)	(10,845)	(14,123)	(14,623)	(15,060)
Administrative Expense	-	-	-	(2)	(2)	-
Net Change in Plan Fiduciary Net Position	1,521	1,801	2,442	2,486	3,797	1,130
Plan Fiduciary Net Position - Beginning	1,440	2,961	4,762	7,204	9,690	13,487
Plan Fiduciary Net Position - Ending	2,961	4,762	7,204	9,690	13,487	14,617
Net OPEB Liability - Ending	<u>\$ 154,187</u>	<u>\$ 174,362</u>	<u>\$ 173,018</u>	<u>\$ 213,359</u>	<u>\$ 213,457</u>	<u>\$ 230,884</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.88 %	2.66 %	4.00 %	4.34 %	5.94 %	5.95 %
Covered Payroll	\$ 113,393	\$ 120,515	\$ 124,733	\$ 109,142	\$ 109,142	\$ 118,801
Net OPEB Liability as a Percentage of Covered Payroll	135.98 %	144.68 %	138.71 %	195.49 %	195.58 %	194.35 %

**Notes to Schedule****Assumption:**

Investment Rate of Return: 6.25%; Prior: 6.99%

Inflation: 2.75%

Healthcare Cost Trend Rates: Pre-65: 5.30% - 4.10% over 55 years; Post-65: 5.20% - 4.10% over 52 years  
Prior: Pre-65: 6.20% - 4.10% over 55 years; Post-65: 6.00% - 4.10% over 55 years**Mortality:**

Certified BOE: For healthy retirees and beneficiaries, the PubT-2010 Mortality Tables for Employees and Healthy Annuitants with generational projection of future improvements per MP-2019 Ultimate scale.

Prior: 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 to rates over age 80.

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution (1)	\$ 8,506	\$ 8,999	\$ 9,780	\$ 11,251	\$ 11,981	\$ 12,689	\$ 14,255	\$ 14,836	\$ 16,669	\$ 17,086
Contributions in Relation to the Actuarially Determined Contribution	7,381	7,690	8,473	10,813	12,019	12,208	12,551	16,099	16,741	17,178
Contribution Deficiency (Excess)	<u>\$ 1,125</u>	<u>\$ 1,309</u>	<u>\$ 1,307</u>	<u>\$ 438</u>	<u>\$ (38)</u>	<u>\$ 481</u>	<u>\$ 1,704</u>	<u>\$ (1,263)</u>	<u>\$ (72)</u>	<u>\$ (92)</u>
Covered Payroll	N/A	N/A	\$ 105,853	\$ 109,558	\$ 113,393	\$ 120,515	\$ 124,733	\$ 109,142	\$ 109,142	\$ 118,801
Contributions as a Percentage of Covered Payroll	N/A	N/A	8.00 %	9.87 %	10.60 %	10.13 %	10.06 %	14.75 %	15.34 %	14.46 %

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, 2021

Measurement Date: June 30, 2021

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

Remaining Amortization Period: 23 Years, Closed

Asset Valuation Method: Market Value

Inflation: 2.75%

Healthcare Cost Trend Rates: Pre-65: 6.20% - 4.10% over 55 years; Post-65: 6.00% - 4.10% over 55 years

State Partnership Plan 5.70% to 4.10% over 55 years

Salary Increases: 3.50%

Investment Rate of Return: 6.25%

Retirement Age: Varies

Mortality: Certified BOE: For healthy retirees and beneficiaries, the PubT-2010 Mortality Tables for Employees and Healthy Annuitants with generational projection of future improvements per MP-2019 Ultimate scale.  
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.

N/A - not available

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND  
LAST SIX FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.19%	2.63%	6.73%	5.32%	15.71%	(8.02)%

\* 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 FIVE FISCAL YEARS\***  
**(IN THOUSANDS)**

	2018	2019	2020	2021	2022
Town's Proportion of the Net OPEB Liability	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	64,110	48,724	49,298	53,477	30,938
<b>Total</b>	<b>\$ 64,110</b>	<b>\$ 48,724</b>	<b>\$ 49,298</b>	<b>\$ 53,477</b>	<b>\$ 30,938</b>
Town's Covered Payroll	\$ 76,720	\$ 79,162	\$ 81,277	\$ 82,781	\$ 85,556
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79 %	1.49 %	2.08 %	2.50 %	6.11 %

**Notes to Schedule**

Changes in Benefit Terms:	None
Changes of Assumptions:	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024
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%

**Notes:**

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

## **Appendix B – Form of Legal Opinion of Bond Counsel and Tax Exemption**

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

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

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of West Hartford, Connecticut (the "Town") of its \$15,000,000 General Obligation Bonds, Series 2024A, dated April 18, 2024, maturing January 15, 2025-2039 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of April 18, 2024, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

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

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

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

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

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

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

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

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

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

## **CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.**

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

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

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

*Alternative Minimum Tax.* The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes are not "private activity bonds" so that interest on the Notes will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

*Financial Institutions.* The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds **shall not** be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or the market price of the Bonds.

*Other.* Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

## **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

#### **ORIGINAL ISSUE DISCOUNT.**

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

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

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

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

## Appendix C – Form of Continuing Disclosure Agreement

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

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 18<sup>th</sup> day of April, 2024 by the Town of West Hartford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$15,000,000 General Obligation Bonds, Series 2024A (the "Bonds") dated April 18, 2024 for the benefit of the beneficial owners from time to time of the Bonds.

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

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

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

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

### **Section 2. Annual Financial Information.**

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2024), as follows:

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

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

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

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

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2024. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

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

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

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

### **Section 3. Listed Events.**

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

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

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

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

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

#### **Section 5. Use of Agents.**

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

#### **Section 6. Termination.**

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

#### **Section 7. Identifying Information.**

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

#### **Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Director of Financial Services receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Financial Services is Town of West Hartford, Town Hall, 50 South Main Street, West Hartford, Connecticut 06107. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 9. Miscellaneous.**

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

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

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

TOWN OF WEST HARTFORD, CONNECTICUT

By \_\_\_\_\_  
Richard Ledwith  
Town Manager

By \_\_\_\_\_  
Peter Privitera  
Director of Financial Services

**Appendix D – Notice of Sale and Bid Proposal**

**NOTICE OF SALE**

**\$15,000,000**

**TOWN OF WEST HARTFORD, CONNECTICUT**

**GENERAL OBLIGATION BONDS, SERIES 2024A**

**BOOK-ENTRY-ONLY**

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

**APRIL 4, 2024**

for the purchase, when issued, of the whole of the Town's \$15,000,000 General Obligation Bonds, Series 2024A, dated April 18, 2024, bearing interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2024, and maturing on January 15 in each year as follows:

2025	\$1,000,000	2033	\$1,000,000
2026	\$1,000,000	2034	\$1,000,000
2027	\$1,000,000	2035	\$1,000,000
2028	\$1,000,000	2036	\$1,000,000
2029	\$1,000,000	2037	\$1,000,000
2030	\$1,000,000	2038	\$1,000,000
2031	\$1,000,000	2039	\$1,000,000
2032	\$1,000,000		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about April 18, 2024. The Bonds will NOT be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

The Bonds maturing on or before January 15, 2032 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2032, at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
January 15, 2032 and thereafter	100%

**Proposals.** All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$15,000,000 Bonds, or for less than par and accrued interest, will be considered.**

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to April 18, 2024, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more

than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

**Electronic Proposals Bidding Procedure.** Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY® by **11:00 A.M. (Eastern Time), on Thursday, April 4, 2024**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY®, the use of such facilities being the sole risk of the prospective bidder.

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

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

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

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., Email: [bill.lindsay@munistat.com](mailto:bill.lindsay@munistat.com), Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

**Competitive Sale Rule Met.** If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of April 4, 2024 (the “Sale Date”).

**Competitive Sale Rule Not Met.** By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5<sup>th</sup>) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated March 28, 2024 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

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

**DTC Book-Entry.** The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

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

**CUSIP Numbers.** The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Continuing Disclosure Agreement.** The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

**Additional Information.** For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated March 28, 2024. The Preliminary Official Statement may be accessed via the Internet at [www.munios.com](http://www.munios.com). Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and Official Statement may be obtained from the undersigned, or from Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone No. (203) 421-2880.

March 28, 2024

Richard Ledwith  
Town Manager

Peter Privitera  
Director of Financial Services

## ISSUE PRICE RULE SELECTION CERTIFICATE

Town of West Hartford, Connecticut  
\$15,000,000 General Obligation Bonds, Series 2024A

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated March 28, 2024 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
01/15/2025	\$ 1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2026	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2027	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2028	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2029	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2030	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2031	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2032	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2033	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2034	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2035	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2036	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2037	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2038	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2039	1,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

[NAME OF UNDERWRITER/REPRESENTATIVE]

By: \_\_\_\_\_

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. (EST) on April 5, 2024:

**Bond Counsel:** [mritter@goodwin.com](mailto:mritter@goodwin.com)

**Municipal Advisor:** [bill.lindsay@munistat.com](mailto:bill.lindsay@munistat.com)



