

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

\$15,000,000
Town of West Hartford, Connecticut
General Obligation Bonds
Series 2008A
Book-Entry Only

Dated: February 7, 2008

To Mature: January 15, as shown below

The Bonds will bear interest payable on July 15, 2008 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System".

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

The Bonds will be general obligations of the Town of West Hartford ("Town"), Connecticut 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 Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, Hartford, Connecticut.

Sealed proposals and electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (E.S.T.) on Wednesday, January 30, 2008 at the offices of Robinson & Cole, LLP, 280 Trumbull Street, 26th Floor, Conference Room 601, Hartford, CT 06103.

MATURITY SCHEDULE

Maturity Date	Principal Amount	Coupon (%)	Yield (%)	CUSIP	Maturity Date	Principal Amount	Coupon (%)	Yield (%)	CUSIP
2009	1,000,000	3.500	1.950	953106H20	2017	1,000,000	3.250	3.180	953106J28
2010	1,000,000	3.000	2.100	953106H38	2018	1,000,000	5.000	3.360	953106J36
2011	1,000,000	3.000	2.250	953106H46	2019	1,000,000	3.500	3.480	953106J44
2012	1,000,000	3.000	2.430	953106H53	2020	1,000,000	3.500	3.600	953106J51
2013	1,000,000	3.000	2.630	953106H61	2021	1,000,000	3.625	3.700	953106J69
2014	1,000,000	3.000	2.810	953106H79	2022	1,000,000	3.750	3.800	953106J77
2015	1,000,000	3.250	2.930	953106H87	2023	1,000,000	3.750	3.900	953106J85
2016	1,000,000	3.250	3.060	953106H95					

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about February 7, 2008 through the facilities of DTC or its custodial agent.

Fidelity Capital Markets Services

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. 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 persons to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town of West Hartford, Connecticut from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of West Hartford, Connecticut since the date of this Official Statement.

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

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Financial Advisor:
LAMONT FINANCIAL SERVICES CORPORATION

Bond Issue Summary

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

<i>Date of Sale:</i>	January 30, 2008, 11:30 A.M. (E.S.T.)
<i>Issuer:</i>	Town of West Hartford, Connecticut (the “Town”).
<i>Issue:</i>	\$15,000,000 General Obligation Bonds, Series 2008A, Book-Entry Only (the “Bonds”).
<i>Dated Date:</i>	Date of Delivery
<i>Principal and Interest Due:</i>	Principal due on January 15 in each of the years 2009 through 2023, inclusive. Interest payable on July 15, 2008 and semiannually thereafter on January 15 and July 15 in each year until maturity.
<i>Purpose:</i>	Bond proceeds will be used to finance various capital improvement projects authorized by the Town Council.
<i>Security:</i>	The Bonds will be general obligations of the Town of West Hartford, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<i>Credit Rating:</i>	Application for a rating on the Bonds has been made to Moody’s Investors Service, Inc. and Standard and Poor’s. The Town has received long-term ratings on its outstanding general obligation bonds of Aaa and AAA from Moody’s Investors Service and Standard & Poor’s respectively.
<i>Bond Insurance:</i>	The Town does not expect to purchase a credit enhancement facility.
<i>Basis of Award:</i>	Lowest True Interest Cost (TIC).
<i>Tax Exemption:</i>	In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the alternative minimum tax on certain corporations, as described under “Tax Matters” herein. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.
<i>Bank Qualification:</i>	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.
<i>Optional Redemption:</i>	The Bonds are subject to redemption prior to maturity, as more fully described herein.
<i>Continuing Disclosure:</i>	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, annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<i>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</i>	U.S. Bank National Association, Hartford, Connecticut.
<i>Financial Advisor:</i>	Lamont Financial Services Corporation, 201 Willowbrook Boulevard, 5 th Floor, Wayne, New Jersey 07470, telephone (973) 785-8900.
<i>Legal Opinion:</i>	Robinson & Cole LLP of Hartford, Connecticut will act as Bond Counsel.
<i>Delivery and Payment:</i>	It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company on or about February 7, 2008, in New York, New York, against payment in Federal funds.
<i>Issuer Official:</i>	Questions concerning the Official Statement should be addressed to Mr. Chris Johnson or Mrs. C. Elizabeth Hewitt, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, telephone (860) 561-7460.

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I. BOND INFORMATION

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 2008A (the "Bonds") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

The information in this Official Statement has been prepared by the Town from information supplied by Town officials and other sources. US Bank, National Association will act as Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Bonds.

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 their opinion) and makes no representation that it has independently verified the same.

THE BONDS

Description of the Bonds

The Bonds will be dated as of the date of delivery, will mature on January 15 in each of the years 2009-2023, in the amounts, and will bear interest at the rate or rates per annum payable on July 15, 2008 and semiannually thereafter on January 15 and July 15 in each year until maturity, as set forth on the cover page of this Official Statement. The interest will be calculated on the basis of a 30-day month and a 360-day year. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, NY, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank National Association in Hartford, Connecticut.

Optional Redemption

The Bonds maturing on and after January 15, 2019 are subject to redemption prior to maturity, at the election of the Town, on and after January 15, 2018 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
From January 15, 2018 and thereafter	100%

Notice of Redemption

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date, by registered mail, to the registered owner of such Bonds at the address as it appears on the books of the registry or at such address as such owner may have filed with the registrar for that purpose. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC. The Bonds called for redemption shall, on the redemption date designated in the notice of redemption, become due and payable only if moneys for the payment of such Bonds called for redemption and the interest accrued to the redemption date on such Bonds are held for the purpose of payment by the Paying Agent.

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 Connecticut 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 of qualified disabled persons taxable at limited amounts. There was, however, no such classified property on the last completed Grand List of the Town, and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its powers to tax such dwelling houses.

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

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

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

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof 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.

Availability of Continuing Information

The Town of West Hartford prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data, and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12 (b) (5). To date the Town has not failed to meet any of its undertakings under such agreements.

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.

Authorization and Purpose

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

Project (Fiscal Year Authorized)	Amount⁽¹⁾ Authorized	Series 2008A	Authorized⁽¹⁾ but Unissued
General Public Improvements			
Arterial Streets (2008-2009).....	\$2,824,000	\$1,405,000	\$1,419,000
Bishops Corner Improvements (2008-2009)	300,000	150,000	150,000
Bridge and Culvert (2008-2009)	95,000	47,000	48,000
Elmwood Campus (2009).....	100,000	--	100,000
Energy Conservation (2008-2009)	200,000	100,000	100,000
Fairview Maintenance Facility (2009)	50,000	--	50,000
Fire Apparatus (2007-2008)	750,000	750,000	--
Gemini Building (2008)	300,000	300,000	--
Greenway Development (2009)	500,000	--	500,000
Guardrails (2008-2009).....	70,000	50,000	20,000
Kennedy Tennis Courts (2009)	200,000	--	200,000
Library Renovations (2007)	800,000	800,000	--
Miniature Golf Course (2008).....	300,000	--	300,000
Neighborhood Street Improvements (2008-2009).....	2,848,000	1,403,000	1,445,000
New Britain Ave. Improvements (2006).....	300,000	--	300,000
Police Station Improvements (2006-2007)	2,700,000	2,700,000	--
Radio Communication System (2009)	150,000	--	150,000
Sidewalk Replacement (2008-2009)	483,000	238,000	245,000
Storm Sewers (2007-2009).....	883,000	638,000	245,000
Street Resurfacing (2008-2009)	970,000	478,000	492,000
Town Building Improvements (2007-2009).....	3,078,000	1,313,000	1,765,000
Town Center Improvements (2007-2009)	600,000	350,000	250,000
Sub-Total General Public Improvements.....	\$18,501,000	\$10,722,000	\$7,779,000
School Improvements²			
Asbestos (2005-2009)	\$447,154	\$100,000	\$347,154
Elementary School Expansion (2008).....	500,000	--	500,000
Heating & Ventilation Systems (2007-2009)	1,500,000	600,000	900,000
Portable Classrooms (2007, 2009)	1,000,000	310,000	690,000
Roofing & Masonry (2006-2009)	1,266,000	367,000	899,000
School Building Improvements (2007-2009).....	2,040,553	726,000	1,314,553
Site & Athletic Field Improvements (2007-2009).....	2,825,000	1,575,000	1,250,000
Stage and Auditorium Renovations (2008-2009).....	200,000	100,000	100,000
Third Middle School (2004).....	873,235	--	873,235
Window Replacements (2006-2009)	850,000	500,000	350,000
Sub-Total School Improvements.....	\$11,501,942	\$4,278,000	\$7,223,942
Grand Total	\$30,002,942	\$15,000,000	\$15,002,942

¹ Net of long-term debt previously issued and school progress payments received from the State of Connecticut prior to June 30, 2007. See "Capital Improvement Program" herein.

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

Note: Projects totaling \$9,907,000 authorized for fiscal year 2009 are included in this listing because they were authorized in April 2007.

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved on or after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the approved school projects. The Town expects to receive reimbursements under the old program in an aggregate amount of \$4,180,184 as of January 30, 2008.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during construction. The Town expects to receive progress payments under the new program at the rate of 25-35 percent of eligible costs.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, NY will act as securities depository for the Securities. The Securities 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 Security certificate will be issued for the Securities, 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issues to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holding 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distribution, and dividend payments to Cede & Co. (or other such nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or 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 Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

Ratings

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

II. THE ISSUER

DESCRIPTION OF THE TOWN

The Town of West Hartford, Connecticut (“West Hartford” or the “Town”) is located in central Connecticut adjacent to and west of the City of Hartford, the State capital. The Town is also bounded by the towns of Bloomfield, Newington, Farmington and Avon. It is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town encompasses 22.2 square miles.

West Hartford was settled as an agricultural community in the early 1700's and was incorporated as a town in 1854. Now a residential suburb in the Hartford Metropolitan Area, the Town has a 2000 Census adjusted population of 61,045.

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

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

There are three branch post offices and a public library system with 233,500 volumes. Additionally the Town has 46 public parks and squares, one playhouse, 24 churches and synagogues and a weekly newspaper. One Hartford and one New Britain daily newspaper serve the Town, as do five radio and five television stations. West Hartford has 210 miles of streets, 245 miles of sidewalks, and is almost fully sewered.

Description of Government

In 1919, West Hartford became the first town in Connecticut to adopt the Council-Manager form of government. The legislative function is performed by a nine member Town Council that is elected biennially.

Principal Municipal Officials

<u>Office</u>	<u>Town Council</u>	<u>Manner of Selection and Length of Service</u>
Mayor/President of Council	Scott Slifka	Elected 11/01-11/09
Deputy Mayor/Vice President of Council	Chuck Coursey	Elected 11/03-11/09
Minority Leader	Leon S. Davidoff	Elected 11/07-11/09
	Steven Adler	Elected 11/07-11/09
	Tim Brennan	Elected 11/07-11/09
	Shari G. Cantor	Appointed 12/04-11/05
		Elected 11/05-11/09
	Carolyn J. Thornberry	Appointed 03/02-11/03
		Elected 11/03 - 11/09
	Joseph Verrengia	Appointed 7/04-11/05
		Elected 11/05-11/09
	Joseph Visconti	Elected 11/07 - 11/09
	<u>Other Elected Officials</u>	
Town Clerk	Essie Labrot	Elected 1/08-1/10
Registrar of Voters	Marcia Woolsey	Appointed 7/03-1/05
		Elected 1/05-1/09
	Eleanor Brazell	Appointed 7/03-1/05
		Elected 1/05-1/09
	<u>Board of Education</u>	
Chairperson	Terry Schmitt	Elected 11/03-11/11
Vice-Chairperson	Jack Darcey	Elected 11/01-11/09
	Bruce Putterman	Elected 11/03-11/11
	Harry Captain	Elected 11/01-11/09
	Diane Mudge	Elected 11/07-11/11
	Clare Kindall	Appointed 11/06-11/07
		Elected 11/07-11/09
	Lib Brassil-Spinella	Elected 11/05-11/09

Town Council

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

Chuck Coursey grew up in West Hartford, graduating from Kingswood-Oxford School and the College of the Holy Cross. He was elected to the Council in November 2003 and is a business owner in town. He serves as the Deputy Mayor of the Town.

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

Steven Adler received his undergraduate degree in Public Administration from Western Connecticut State University and his MS in Business Management from Rensselaer. He is employed in the insurance industry.

Tim Brennan is an investment attorney in the insurance industry. He is a graduate of Providence College, Washington University School of Law and spent a year studying at Oxford University.

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

Carolyn Thornberry was appointed to the Town Council in 2002 and elected in 2003. An Assistant Professor-in-Residence at the University of Connecticut, she has lived in West Hartford for over 20 years. After graduating from Edgecliff College of Xavier University, she received her MA from Western Kentucky University and her PhD from the University of Connecticut.

Joseph Verrengia is a lifelong resident of West Hartford, who was appointed in July 2004 and elected in November 2005. He attended Northeastern University and has been a police officer in West Hartford since 1989. He also serves as a Commissioner to the Metropolitan District Commission.

Joseph Visconti graduated high school in West Hartford and received his undergraduate degree from the University of Hartford. He has owned and operated his own business for over 25 years.

Town Administration		
Town Manager	James W. Francis	Appointed-Indefinite
Corporation Counsel	Joseph O'Brien	Appointed-Indefinite
Director of Assessment	Joanne Ferraresso	Appointed-Indefinite
Director of Community Services	Ronald F. Van Winkle	Appointed-Indefinite
Director of Employee Services	Richard Ledwith	Appointed-Indefinite
Director of Facilities Services	Robert Palmer	Appointed-Indefinite
Director of Financial Services	Chris Johnson	Appointed-Indefinite
Director of Human & Leisure Services	James M. Capodiece	Appointed-Indefinite
Director of Library Services	Patricia Holloway	Appointed-Indefinite
Director of Public Works	Dana Hallenbeck	Appointed-Indefinite
Chief, Fire Department	William Austin	Appointed-Indefinite
Chief, Police Department	James J. Strillacci	Appointed-Indefinite

James W. Francis, Town Manager, holds a BBA from Western Michigan University and an MA from the University of California at Irvine. He was appointed Town Manager on May 1, 2006. He has been employed by the Town since April 1980 and served as the Director of Employee Services beginning January 1, 1987 and the Director of Financial & Employee Services beginning August 18, 1997 through April 2006.

Chris Johnson, Director of Financial Services, holds a BA and an MPA from the University of Connecticut. He was appointed Director of Financial Services on May 1, 2006. He has been employed by the Town since October 1983 and was the Director of Administrative Services from January 1989 through April 2006.

	<u>Board of Education Administration</u>	
Superintendent of Schools	Dr. David Sklarz	Appointed-Indefinite
Assistant Superintendent of Schools	Dr. Karen List	Appointed-Indefinite
Assistant Superintendent of Schools	Mr. Timothy Dunn	Appointed-Indefinite

Municipal Services

Department of Assessment

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

Department of Community Service

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

Department of Employee Services

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

Department of Facilities Services

The Department of Facilities Services is managed as a joint venture with the West Hartford Board of Education. The departmental staff addresses routine operation and upkeep of all town buildings, maintains building equipment and systems, upgrades mechanical systems and enhances the physical appearance of public spaces.

Department of Financial Services

The Department of Financial Services serves as a central staff and service agency to all Town departments. The Department has four divisions. The Accounting, Purchasing and Revenue Collection divisions are responsible for the financial affairs of the Town. The department prepares and administers the operating and capital budgets of the Town and is responsible for all financial reporting functions. The Information Technology Division provides information technology services to all Town departments and agencies and is guided by a five-year information technology plan. A more detailed description of the operations of the Financial Services Department is included in the "Financial Administration" section herein.

Fire Department

The Town provides around-the-clock fire prevention and control services through a professionally staffed Fire Department. The departmental staff of 93 is deployed in five fire stations equipped with seven fire apparatus. The Department has Fire Prevention, Control and Rescue, Training and Maintenance Divisions. The Town merits an ISO 2 rating for the purpose of fire insurance premium calculations.

Police Department

Crime prevention and patrol services are provided by the Town's Police Department. The Chief of Police, with the assistance of two Assistant Police Chiefs, coordinates the efforts of 147 Police Department employees. Approximately eighty-nine percent of the sworn officers are college educated. The Department is divided into four divisions: patrol services, investigatory services, management, and support services. The Police Department has three full-time training officers and a police systems analyst who provide assistance to the Chief of Police.

Department of Human & Leisure Services

The Department of Human & Leisure Services is responsible for social services and the management of all recreational facilities and programs throughout the Town. Case management, information and referral and crisis

intervention are available to residents of all ages by professional Social Workers. Tenant and landlord dispute resolution services, as well as eviction assistance, are provided. Recreational facilities include five neighborhood parks/playgrounds, six outdoor pools, an indoor Aquatics Center, an indoor skating rink, Westmoor Park, a Meeting and Conference Center, two golf courses, a community center and two senior centers. Annually, over 3,000 recreational instructional programs are scheduled for all ages and abilities.

Department of Library Services

The West Hartford Public Library system consists of a main library and two branches. Library resources include a book collection of approximately 233,500 volumes, 700 periodical subscriptions, and over 25,000 audio/visual materials (videos, DVD's, compact discs, and talking books). Services include information/reference assistance, on-line (Internet) and CD-ROM services, book lists, institutional and shut-in loans, book talks, and children and adult programs on a wide range of topics. The library has over 27,000 registered borrowers.

Department of Public Works

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

Water and Sewer Services

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

Solid Waste Disposal - Service Contract

On May 15, 1984, the Town executed a Service Contract (the "Service Contract") with the Connecticut Resources Recovery Authority (the "Authority") for the disposal of solid waste through the Mid-Connecticut System. The Service Contract became effective upon execution and will remain in effect so long as any bonds issued by the Authority remain outstanding, provided the last installment of principal on any bond shall become due no later than 30 years from the effective date of the Service Contract.

Each municipality signing a Service Contract, including the Town, has agreed to cause to be delivered to the Mid-Connecticut System, all of the solid waste under the legal control of the municipality. The Authority is required to impose service payments at a uniform rate per ton for all municipalities. If the municipality delivers less than its minimum commitment (as defined in the service contract) such rates shall be applied to its minimum commitment amount. The system began commercial operation on May 15, 1988.

All municipalities, including the Town, pledge their full faith and credit for the payment of all Service Payments and any delayed-payment charges and costs and expenses of the Authority and its representatives in collecting overdue Service Payments. Each municipality agrees that its obligation to make any such Service Payments and other such payments, in the amounts and at the times specified in the Service Contract, whether to the Authority or the trustee, shall be absolute and unconditional, shall not be subject to any setoff, counterclaim, recoupment, defense (other than payment itself) or other right which the municipality may have against the Authority, the trustee or any other person for any reason whatsoever, shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or damage to or loss or destruction of, the System or any part thereof and, so long as the Authority shall accept solid waste delivered by the municipality pursuant to the Service Contract, shall not be affected by any interruption or cessation in the possession, use or operation of the System or any part thereof by the Authority or the operator of the System for any reason whatsoever. To the extent that a municipality does not make provisions or appropriations to provide for and authorize the payment by such municipality to the Authority of the payments required to be made by it under the Service Contract, the remaining municipalities including the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due thereunder.

Educational System

The West Hartford public school system serves more than 9,800 students. The curriculum exceeds all basic State requirements, in depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. The World of

Work program introduces upper level students to career and consumer education concepts. In addition, comprehensive programs in special education are available. The middle schools (Grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

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

SCHOOL ENROLLMENT¹

School Year	Elementary (K-5)	<u>Historical</u>		Special Education ²	Total Enrollment
		Middle (6-8)	Senior High (9-12)		
1998-1999	4,176	2,032	2,546	70	8,824
1999-2000	4,224	2,068	2,646	36	8,974
2000-2001	4,361	2,123	2,796	51	9,331
2001-2002	4,439	2,137	2,841	53	9,470
2002-2003	4,486	2,191	2,874	50	9,601
2003-2004	4,374	2,194	2,915	55	9,738
2004-2005	4,532	2,271	2,984	61	9,848
2005-2006	4,595	2,254	2,982	-	9,831
2006-2007	4,609	2,273	3,054	-	9,936
2007-2008	4,610	2,181	3,030	-	9,821

School Year	Elementary (K-5)	<u>Projected</u>		Special Education	Total Enrollment
		Middle (6-8)	Senior High (9-12)		
2008-2009	4,663	2,209	2,989	-	9,861
2009-2010	4,682	2,211	3,030	-	9,923
2010-2011	4,709	2,238	2,974	-	9,921

Source: West Hartford Board of Education

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

² Beginning in 1998-1999, figures reflect only pre-school special education; all other students are distributed among the three other categories. Beginning in 2005-2006, special education is not segregated at all.

Municipal Employees

The Town of West Hartford currently employs 1,836 full-time persons for general government and education. Included are six and a half 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 employment rolls for the last five years:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Board of Education	1,407	1,371	1,357	1,352	1,314
General Government	423	412.5	412.5	416.5	419
Federally Funded	6	6.5	6.5	6.5	7
Total	1,836	1,790	1,776	1,775	1,740

Employee Bargaining Organizations

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

Bargaining Unit	Number of Members	Contract Expiration
<u>General Government</u>		
Local 1241 International Association of Firefighters AFL-CIO.....	84	6/30/10
West Hartford Police Officers Association.....	120	6/30/11
Public Safety Dispatcher Union Local 531 SEIU.....	12	6/30/07 ¹
Local 1142 of Council No. 4 AFL-CIO.....	24	6/30/12
Management-Professional Union Local 531 SEIU.....	68	6/30/12
Grounds Union Local 531 SEIU.....	20	6/30/12
Buildings Union Local 531 SEIU.....	5	6/30/12
Clerical Union Local 531 SEIU.....	45	6/30/12
Supervisory Union, Local 531 SEIU.....	6	6/30/12
Non-Bargaining Employees	45	N/A
Sub-Total General Government.....	429	

¹In negotiation

Bargaining Unit	Number of Members	Contract Expiration
<u>Board Of Education</u>		
West Hartford Education Association	883	6/30/09
West Hartford Administrators Association.....	54	6/30/10
West Hartford Federation of Educational Secretaries.....	61	6/30/10
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance	25	6/30/10
West Hartford Federation of Educational Personnel	204	6/30/10
West Hartford Public Schools Nurses Association.....	21	6/30/10
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians.....	78	6/30/10
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians.....	4	6/30/10
AFL-CIO AFSCME Local No. 1303-194 Printers	3	6/30/09
AFL-CIO AFSCME Local No. 1303 Council No.4 Security	17	6/30/10
West Hartford BOE Professional Employees Local 760 SEIU	32	6/30/12
Non-Bargaining Employees	25	N/A
Sub-Total Board of Education	1,407	
Total General Government and Board of Education	1,836	

¹In negotiation

General Statutes Sections 7-473c, 7-474, and PA 92-84 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 within thirty days of its rendering by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection within ten days thereof. The State will then appoint a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. Within twenty days of the review, the panel may accept the last best offer of either party or anything in between. 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. 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

POPULATION¹ AND DENSITY

Year	Town of West Hartford	% Increase	Density ²
1950	44,402	--	2,000
1960	62,382	40.5	2,810
1970	68,031	9.1	3,064
1980	61,301	-9.9	2,761
1990	60,110	-1.9	2,708
2000	61,045	+1.6	2,750

¹1950 - 2000 U.S. Department of Commerce, Bureau of Census

²Population per square mile: 22.2 square miles

AGE DISTRIBUTION OF THE POPULATION

Age	Town of West Hartford		State of Connecticut	
	Number	Percent	Number	Percent
Under 5	3,621	5.9	223,344	6.6
5 - 9	3,942	6.5	244,144	7.2
10 - 14	4,070	6.7	241,587	7.1
15 - 19	3,602	5.9	216,627	6.4
20 - 24	2,511	4.1	187,571	5.5
25 - 34	6,986	11.4	451,640	13.3
35 - 44	9,375	15.3	581,049	17.1
45 - 54	9,136	15.0	480,807	14.1
55 - 59	2,908	4.8	176,961	5.2
60 - 64	2,515	4.1	131,652	3.9
65 - 74	5,054	8.3	231,565	6.8
75 - 84	4,798	7.9	174,345	5.1
85 and over	2,527	4.1	64,273	1.9
Total	61,045	100.0	3,405,565	100.0
Median Age (years)	40.0		37.4	

Source: U.S. Department of Commerce, Bureau of Census, 2000

INCOME DISTRIBUTION

	Town of West Hartford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000	363	2.3	33,423	3.8
10,000 - 14,999	281	1.8	23,593	2.7
15,000 - 24,999	746	4.7	63,262	7.1
25,000 - 34,999	1,006	6.3	75,413	8.5
35,000 - 49,999	1,889	11.8	120,134	13.6
50,000 - 74,999	3,321	20.8	198,924	22.5
75,000 - 99,999	2,847	17.8	141,981	16.0
100,000 - 149,999	2,844	17.8	132,177	14.9
150,000 - 199,999	1,179	7.4	42,472	4.8
200,000 and over	1,522	9.5	54,368	6.1
Total	15,998	100.0	885,747	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000.

INCOME LEVELS

	<u>Town of West Hartford</u>	<u>State of Connecticut</u>
Per Capita Income, 1999	\$33,468	\$28,766
Per Capita Income, 1989	\$26,943	\$24,548
Per Capita Income, 1987 (Est.)	\$22,202	\$21,235
Per Capita Income, 1985 (Est.)	\$19,864	\$18,268
Median Family Income, 1999	\$77,865	\$65,521
Median Household Income, 1999	\$61,665	\$53,935
Percent of Families Below Poverty Level	2.9	5.6

Source: U.S. Department of Commerce, Bureau of Census, 2000.

AGE DISTRIBUTION OF HOUSING

<u>Year Built</u>	<u>Town of West Hartford</u>		<u>State of Connecticut</u>	
	<u>Units</u>	<u>Percent</u>	<u>Units</u>	<u>Percent</u>
1939 or earlier	7,114	28.1	308,896	22.3
1940 to 1959	11,003	43.4	359,042	25.9
1960 to 1969	3,513	13.9	212,176	15.3
1970 to 1979	1,960	7.7	203,377	14.7
1980 to 1989	1,253	5.0	183,405	13.2
1990 to March 2000	489	1.9	119,079	8.6
Total	25,332	100.0	1,385,975	100.0
Percent Owner Occupied		71.9		66.8

Source: U.S. Department of Commerce, Bureau of Census, 2000.

HOUSING INVENTORY

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached	17,036	67.3
1-unit attached	761	3.0
2 to 4 units	3,335	13.1
5 to 9 units	599	2.4
10 or more units	3,584	14.1
Mobile home, trailer, other	17	0.1
Total Inventory	25,332	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000.

OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of West Hartford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	53	0.3	5,996	0.8
\$ 50,000 to \$ 99,999.....	1,031	6.5	85,221	11.7
\$100,000 to \$149,999.....	4,305	26.9	212,010	29.1
\$150,000 to \$199,999.....	4,532	28.4	156,397	21.5
\$200,000 to \$299,999.....	3,854	24.1	137,499	18.9
\$300,000 or more	2,204	13.8	131,121	18.0
Total	15,979	100.0	728,244	100.0
Median Value	\$176,400		\$166,900	

Source: U.S. Department of Commerce, Bureau of Census, 2000.

EDUCATIONAL ATTAINMENT

Years of School Completed Age 25 and Over

	Town of West Hartford		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade	1,796	4.1	132,917	5.8
9th to 12th grade	2,423	5.6	234,739	10.2
High school graduate	8,138	18.7	653,300	28.5
Some college, no degree	5,717	13.2	402,741	17.5
Associate degree	2,358	5.4	150,926	6.5
Bachelor's degree	11,634	26.8	416,751	18.2
Graduate or professional degree	11,388	26.2	304,243	13.3
Total	43,454	100.0	2,295,617	100.0
Total High School Graduate or Higher (%)	90.3		84.0	
Total Bachelor's Degree or Higher (%)	53.0		31.4	

Source: U.S. Department of Commerce, Bureau of Census, 2000.

EMPLOYMENT DATA

by Place of Residence

Period	Town of West Hartford		Percentage Unemployed		
	Employed	Unemployed	Town of West Hartford (%)	Hartford Labor Market (%)	State of Connecticut (%)
Oct. 2007 ¹	28,786	1,162	3.9	4.3	4.2
Annual Average					
2006	28,080	11092	3.8	4.4	4.3
2005	27,608	1,312	4.5	5.1	4.9
2004	27,494	1,288	4.5	5.2	4.9
2003	27,609	1,227	4.3	5.9	5.5
2002	27,879	861	3.0	4.5	4.3
2001 ²	27,443	618	2.2	3.3	3.3
2000	28,116	473	1.7	2.6	2.5
1999.....	27,206	649	2.3	3.3	3.2
1998.....	25,704	706	2.7	3.5	3.4
1997.....	25,941	1,140	4.2	5.4	5.1

¹ Not seasonally adjusted.

² Due to the change in the way the statistics have been compiled by the State Department of Labor, all previous data are not comparable.

EMPLOYMENT BY INDUSTRY

Employed Persons 16 Years and Over

Sector	Town of West Hartford		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fisheries, Mining	53	0.2	7,445	0.5
Construction	890	3.1	99,913	6.0
Manufacturing	2,334	8.1	246,607	14.8
Wholesale Trade	752	2.6	53,231	3.2
Retail Trade	2,281	7.9	185,633	11.2
Transportation, Warehousing, Utilities	739	2.6	64,662	3.9
Information	898	3.1	55,202	3.3
Finance, Insurance, Real Estate	4,817	16.8	163,568	9.8
Professional, Scientific, Management	3,824	13.3	168,334	10.1
Educational, Health, Social Services	8,115	28.2	366,568	22.0
Arts, Entertainment, Recreation	1,414	4.9	111,424	6.7
Other Services	1,222	4.3	74,499	4.5
Public Administration	1,413	4.9	67,354	4.0
Total Labor Force, Employed	28,752	100.0	1,664,440	100.0

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

MAJOR EMPLOYERS

<u>Employer</u>	<u>Business</u>	<u>Number of Employees</u>
University of Hartford	Education	1,500
Hebrew Home and Hospital.....	Nursing Home	750
Wiremold Products, Inc.	Manufacturing	720
St. Josephs College	Education	540
Colt Manufacturing.....	Manufacturing	520
Macy's	Retail	500
St. Mary's Home.....	Nursing Home	400
Goodrich Corporation	Manufacturing	375
Holo-Krome Company	Manufacturing	300
University of Connecticut	Education	<u>250</u>
Total.....		5,855

Source: Chamber of Commerce, Town of West Hartford, 2006.

LAND USE SUMMARY

The Town Planning and Zoning Commission, in conjunction with the Planning Division of the Department of Community Services, has responsibility for implementing the comprehensive plan of development for West Hartford. The Town Council adopted the most recent plan on September 23, 1997. The following table presents land use information in West Hartford.

<u>Land Use Category</u>	<u>Percent (%)</u>
Residential	46.0
Undeveloped including MDC land.....	22.0
Streets	11.0
Institutional.....	8.0
Recreational.....	7.0
Commercial/Industrial	<u>6.0</u>
Total Area	100.0

Source: Department of Community Services, Town of West Hartford

IV. REVENUE AND TAX POLICY

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

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

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

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

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 liened 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 of 10/1	Real Property ¹			Personal Property ¹		Less: Exemptions on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2006 ²	\$ 4,602,650	\$ 815,582	73,570	168,500	369,916	1,531,763 ²	4,498,455	38.63
2005	2,605,522	546,377	67,714	159,506	368,461	36,640	3,710,940	46.19
2004	2,583,536	535,544	67,590	152,863	355,022	34,623	3,659,932	44.07
2003	2,563,021	536,493	67,596	158,462	338,527	36,137	3,627,962	42.12
2002	2,546,055	543,125	67,694	160,637	359,628	38,284	3,638,855	39.70
2001	2,530,191	545,281	68,178	166,128	344,032	39,032	3,614,778	37.65
2000	2,514,916	548,371	71,036	149,106	333,103	40,887	3,575,645	35.69
1999	2,505,879	552,870	79,082	147,248	320,100	46,155	3,559,024	34.36
1998	2,896,294	507,477	80,720	145,730	295,183	49,766	3,875,638	30.05
1997	2,891,702	501,558	81,081	135,713	280,674	47,225	3,843,503	30.05

¹ Assessed Value is 70% of Estimated Actual Value.

² The Town conducted its State-mandated revaluation as of October 1, 2006. The Town Council of the Town of West Hartford elected to phase-in revaluation over a period not to exceed five years. The amount of the new assessments that is being phased-in is reflected as a tax exemption and totals \$1,486,499 as of 10/1/06.

Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities. The State of Connecticut will directly reimburse municipalities for 100% of the foregone taxes.

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

EXEMPT PROPERTY

Assessed Value

Public	Assessed Value as of 10/1/06
Federal	\$10,439,200
Town of West Hartford	98,961,400
State of Connecticut	35,987,900
Sub-Total Public	<u>\$145,388,500</u>
Private	
Public Service Companies	\$5,579,000
Scientific, Educational, Historical, Charitable	236,931,300
Churches	157,260,500
Cemeteries	13,464,000
Veteran's Organizations	1,015,000
Recreation	69,161,100
Private Colleges and Hospitals	80,586,500
Sub-Total Private	<u>\$563,997,400</u>
Total Exempt Property	<u>\$709,385,900</u>

Percent of Net Taxable Grand List of 10/1/06 15.77%

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, 2006		
		Net Taxable Value	Rank	Percent of Total
Blue Back Square, LLC	Real Estate Inv	\$ 31,508	1	0.70%
Westfarms Associates	Shopping Mall	29,750	2	0.66%
Corbins Corner Shopping Center LLC	Retail, Office	27,916	3	0.62%
E & A Northeast Limited Partnership	Retail, Office	25,109	4	0.56%
Connecticut Light and Power	Utility	24,662	5	0.55%
Town Center West Associates	Office	21,438	6	0.48%
Wiremold	Industrial	20,365	7	0.45%
Sisters of Mercy	Assisted Living	14,765	8	0.33%
Prospect Plaza Improvements, LLC	Retail	10,884	9	0.24%
Bishops Albany, LLC	Retail	9,581	10	0.21%
<i>Total</i>		\$215,978		4.80%

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

Source: Town of West Hartford, Department of Assessment

PROPERTY TAX LEVIES AND COLLECTIONS
(Amounts Expressed in Thousands)

Fiscal Year Ending 6/30	Mill Rate	Total Adjusted Tax Levy	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	46.19	\$ 172,700	\$ 171,389	99.2%	n/a	n/a	n/a
2006	44.07	162,715	161,504	99.3%	692	162,196	99.7%
2005	42.12	153,917	152,782	99.3%	697	153,479	99.7%
2004	39.70	144,883	143,663	99.2%	915	144,578	99.8%
2003	37.65	136,908	135,655	99.1%	953	136,608	99.8%
2002	35.69	128,280	126,952	99.0%	911	127,863	99.7%
2001	34.36	122,520	121,285	99.0%	633	121,918	99.5%
2000	30.05	117,131	116,024	99.1%	631	116,655	99.6%
1999	30.05	116,016	114,776	98.9%	1,010	115,786	99.8%
1998	30.08	115,200	113,598	98.6%	1,328	114,926	99.8%

n/a – information not yet available

Source: Revenue Collection Department, Town of West Hartford.

PROPERTY TAXES RECEIVABLE

(Amounts Expressed in Thousands)

(as of June 30, 2007)

Grand List Year	Adjusted Total Tax Levy	Remaining Uncollected Levy ¹	Percent Adjusted Levy Uncollected
2005	\$172,700	\$1,312	0.76%
2004	162,715	418	0.26
2003	153,917	49	0.03
2002	144,883	31	0.02
2001	136,908	27	0.02
2000	128,280	23	0.02
1999	122,520	30	0.02
1998	117,131	32	0.03
1997	116,016	32	0.03
1996	115,200	31	0.03

¹ Unaudited Tax Collector's Report, Town of West Hartford.

Note: As of June 30, 2007 the total uncollected levy from all years was \$2,123.

V. DEBT SUMMARY

PRINCIPAL AMOUNT OF BONDED INDEBTEDNESS

January 30, 2008

(Pro forma)

Date	Purpose	Rate %	Original Issue	Debt Outstanding After This Issue	Date of Fiscal Year Maturity
01/15/01	General Purpose	4.10 - 4.50	\$10,250,000	\$6,662,500	2021
01/15/01	Schools	4.10 - 4.50	4,750,000	3,087,500	2021
01/15/02	General Purpose	3.50 - 4.75	6,415,000	4,490,500	2022
01/15/02	Schools	3.50 - 4.75	7,085,000	4,959,500	2022
11/19/02	General Purpose	2.50 - 4.00	3,846,751	1,923,375	2013
11/19/02	Schools	2.50 - 4.00	3,653,249	1,826,625	2013
01/15/03	Refunding - General Purpose	2.00 - 5.00	7,766,668	6,526,462	2015
01/15/03	Refunding - Schools	2.00 - 5.00	11,803,332	9,918,538	2015
02/04/04	General Purpose	3.00 - 5.00	7,232,874	5,786,299	2024
02/04/04	Schools	3.00 - 5.00	16,767,126	13,413,701	2024
03/01/05	General Purpose	3.25 - 5.00	9,815,593	7,858,248	2020
03/01/05	Schools	3.25 - 5.00	7,184,407	5,751,752	2020
06/09/05	Refunding - Schools	3.00 - 5.00	11,105,000	10,970,000	2018
10/12/05	General Purpose	3.50 - 5.00	48,820,000	48,820,000	2026
02/01/07	General Purpose	4.00 - 5.50	12,546,510	11,710,076	2022
02/01/07	Schools	4.00 - 5.50	2,453,490	2,289,924	2022
01/15/08	General Purpose (This Issue)	3.00 - 5.00	10,722,000	10,722,000	2023
01/15/08	Schools (This Issue)	3.00 - 5.00	4,278,000	4,278,000	2023
			<u>\$186,495,000</u>	<u>\$160,995,000</u>	

SHORT-TERM DEBT

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

CAPITAL IMPROVEMENT PROGRAM

The Town has adopted a twelve year Capital Improvement Program (“CIP”) in which approximately \$169.7 million is expected to be invested in capital improvements through fiscal year 2019. Approximately \$56.3 million (33%) of such improvements are for school facilities, and \$113.4 million (67%) has been allocated to other Town projects for repairs, replacements, or improvements to streets, sidewalks, sewers, recreational facilities, communications, and drainage facilities. The CIP anticipates non-debt financing of approximately \$35.4 million. The remainder of the CIP funding is subject to debt authorization by the Town Council or the development of other funding sources during the period 2008-2019.

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 the payments received during that fiscal year. Under the new program, the Town expects to receive progress payments for eligible school construction costs at the rate of approximately 25-35 percent.

Debt service reimbursement will continue under the old school grant program for all school projects approved prior to July 1, 1996. Under the old program the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds. As of January 30, 2008 the Town expects to receive grant reimbursements under the old program in an aggregate amount of \$4,180,184.

GENERAL FUND
ANNUAL BONDED DEBT MATURITY SCHEDULE ¹
As of January 30, 2008

Fiscal Year	Outstanding Principal Payments	Outstanding Interest Payments²	Principal on 2008A Bonds	Interest on 2008A Bonds	Total Debt Service	Cumulative Percent of Principal Retired
2008	\$ -	\$1,372,781			\$1,372,781	0.00%
2009	11,845,000	6,360,800	\$1,000,000	\$482,354	19,688,154	7.98
2010	11,895,000	5,873,425	1,000,000	478,750	19,247,175	15.99
2011	11,945,000	5,379,056	1,000,000	448,750	18,772,806	24.03
2012	12,015,000	4,861,350	1,000,000	418,750	18,295,100	32.11
2013	10,090,000	4,389,775	1,000,000	388,750	15,868,525	39.00
2014	8,430,000	3,968,838	1,000,000	358,750	13,757,588	44.86
2015	8,530,000	3,570,388	1,000,000	328,750	13,429,138	50.78
2016	8,180,000	3,172,038	1,000,000	296,250	12,648,288	56.48
2017	8,300,000	2,798,962	1,000,000	263,750	12,362,712	62.26
2018	8,420,000	2,435,550	1,000,000	231,250	12,086,800	68.11
2019	8,550,000	2,062,400	1,000,000	181,250	11,793,650	74.04
2020	7,715,000	1,717,562	1,000,000	146,250	10,578,812	79.45
2021	6,730,000	1,365,650	1,000,000	111,250	9,206,900	84.25
2022	6,140,000	1,050,187	1,000,000	75,000	8,265,187	88.69
2023	4,630,000	759,750	1,000,000	37,500	6,427,250	92.19
2024	4,805,000	531,675			5,336,675	95.17
2025	3,790,000	294,000			4,084,000	97.52
2026	3,985,000	99,625			4,084,625	100.00
	<u>\$145,995,000</u>	<u>\$52,063,812</u>	<u>\$15,000,000</u>	<u>\$4,247,354</u>	<u>\$217,306,166</u>	

¹ Excludes Underlying/Overlapping Debt.

² Excludes payments made between July 1, 2007 and January 30, 2008.

OVERLAPPING/UNDERLYING DEBT

Overlapping Debt

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under State statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of January 30, 2008, the total overlapping debt of the MDC was \$141,674,763 of which the Town of West Hartford is responsible for \$30,375,070 or 21.44%.

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

The MDC has conducted studies of the CSO under the direction of the CTDEP. 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, voters in the eight member towns overwhelmingly approved a referendum authorizing the MDC to appropriate \$800,000,000 for the Clean Water Project to be financed by the issuance of bonds. The MDC is pursuing state funding from the Clean Water Fund and federal funding from Congress to assist with the cost of the project. The total cost for the program is expected to be in excess of \$1,600,000,000 and a future authorization from the voters will be required. The MDC has adopted a special sewer service charge for customers of the Metropolitan District who utilize the District sewer system and are furnished water directly by the Metropolitan District. The proceeds from the special sewer service charge shall be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. Bonds and other loans used to finance the Clean Water Project that are supported by the Special Sewer Service Charge will not be included in the calculation of overlapping debt since they are not supported by the ad valorem taxes of the Town.

Underlying Debt

The Town of West Hartford has no underlying debt.

DEBT STATEMENT

As of January 30, 2008

(pro forma)

LONG-TERM DEBT	
School Bonds ¹	\$56,495,539
Sewer Bonds	--
General Purpose Bonds ¹	104,499,461
Urban Renewal	
TOTAL LONG-TERM DEBT	\$160,995,000
SHORT-TERM DEBT	
Bond Anticipation Notes	--
TOTAL DIRECT DEBT	160,995,000
Overlapping Debt - MDC	30,375,070
TOTAL OVERALL DEBT	\$191,370,070
Less: School Construction Grants Receivable ²	3,714,512
TOTAL OVERALL NET DEBT	\$187,655,558

¹ Includes the Bonds of this issue

² For all school projects approved prior to July 1, 1996, the State will continue reimburse the Town for a portion of principal and interest costs over the life of the bonds. For all school projects approved after July 1, 1996, the State will provide proportional progress grant payments.

CURRENT DEBT RATIOS

January 30, 2008

(pro forma)

Population 2000 ¹	61,045
Net Taxable Grand List (10/1/06).....	\$4,498,455,413
Full Value	\$6,426,364,878
Equalized Net Grand List (10/1/05) ²	\$9,287,369,286
Per Capita Income ¹	\$33,468

¹ Source: U.S. Department of Commerce, Bureau of Census, 2000.

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

	Total Direct Debt	Total Overall Debt	Total Overall Net Debt
Debt per Capita	\$2,637	\$3,135	\$3,074
Percent of Assessed Valuation	3.58%	4.25%	4.17%
Percent of Estimated Full Value	2.51%	2.98%	2.92%
Percent to Equalized Full Value	1.73%	2.06%	2.02%
Percent of Debt per Capita to Income per Capita	7.88%	9.37%	9.19%

BOND AUTHORIZATION PROCEDURE

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

TEMPORARY FINANCING

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

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

LIMITATION OF INDEBTEDNESS

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

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

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

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

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

STATEMENT OF STATUTORY DEBT LIMITATION

as of January 30, 2008

(Pro forma, all amounts in thousands))

TOTAL TAX COLLECTIONS (including interest and lien fees)	
received by the Tax Collector for the year ended June 30, 2007	\$172,914
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly	13
BASE.....	<u>\$172,927</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Benefit Obligation
DEBT LIMITATION:					
2 1/4 times base.....	\$389,086	--	--	--	--
4 1/2 times base.....	--	\$778,172	--	--	--
3 3/4 times base.....	--	--	\$648,476	--	--
3 1/4 times base.....	--	--	--	\$562,013	--
3 times base	--	--	--	--	\$518,781
Total debt limitation	<u>\$389,086</u>	<u>\$778,172</u>	<u>\$648,476</u>	<u>\$562,013</u>	<u>\$518,781</u>
INDEBTEDNESS:					
Bonds Payable	104,499	56,496	--	--	--
Notes Payable	--	--	--	--	--
Debt Authorized but Unissued	7,779	3,019	--	--	--
Total Indebtedness	<u>\$112,278</u>	<u>\$59,515</u>	<u>--</u>	<u>--</u>	<u>--</u>
Less: School Construction Grants Receivable	--	(3,715)	--	--	--
Net Indebtedness:	<u>\$112,278</u>	<u>\$55,800</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEBT LIMITATION IN EXCESS OF TOTAL INDEBTEDNESS ¹	<u>\$276,808</u>	<u>\$722,372</u>	<u>\$648,476</u>	<u>\$562,013</u>	<u>\$518,781</u>

¹ Excludes overlapping debt. See "Overlapping Debt" herein.

Note: In no case shall indebtedness exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$1.21 billion.

**RATIOS OF ANNUAL BONDED DEBT SERVICE
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
(Amounts Expressed in Thousands)**

Fiscal Year Ended 6/30	Total Debt Service	Total Governmental Funds Expenditures ¹	Ratio of Debt Service to General Governmental Expenditures (%)
2007	\$16,803	\$219,827	7.64%
2006	15,810	207,270	7.63
2005	13,403	190,296	7.04
2004	12,193	179,294	6.80
2003	11,445	171,635	6.67
2002	10,603	161,121	6.58
2001	10,053	155,824	6.45
2000	9,784	149,095	6.56
1999	9,427	141,153	6.68
1998	8,707	138,686	6.28

¹ Includes all Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis of accounting.
Source: Department of Finance, Town of West Hartford

RATIOS OF NET LONG-TERM DEBT TO VALUATION, POPULATION, AND INCOME

Fiscal Year Ended 6/30	Net Assessed Value¹	Estimated Full Value	Total Direct Debt²	Ratio of Long-Term Debt to Net Assessed Value (%)	Ratio of Long-Term Debt to Estimated Full Value (%)	Population³	Net Long-Term Debt per Capita	Ratio of Long-Term Debt per Capita to Per Capita Income⁴ (%)
2007	\$ 3,710,940,390	\$5,301,343,414	\$156,055,000	4.21	2.94	61,045	2,556	7.64
2006	3,659,932,780	5,228,475,400	151,115,000	4.13	2.89	61,045	2,475	7.40
2005	3,627,960,740	5,182,801,057	112,400,000	3.10	2.17	61,045	1,841	5.50
2004	3,638,854,650	5,198,363,786	104,195,000	2.86	2.00	61,045	1,707	5.10
2003	3,614,778,748	5,163,969,640	88,395,000	2.45	1.71	61,045	1,448	4.33
2002	3,575,645,530	5,108,065,043	88,250,000	2.47	1.73	61,045	1,446	4.32
2001	3,559,024,147	5,084,320,210	81,500,000	2.29	1.60	61,045	1,335	3.99
2000	3,875,638,031	5,536,625,759	73,000,000	1.88	1.32	60,110	1,214	4.51
1999	3,843,503,236	5,490,718,909	71,600,000	1.86	1.30	60,110	1,191	4.42
1998	3,817,223,856	5,453,176,937	57,775,000	1.51	1.06	60,110	961	3.57

¹ Assessment Ratio: 70%.

² Excludes school building grants receivable and overlapping MDC debt.

³ Source: U.S. Department of Commerce, Bureau of the Census (2000)

⁴ Bureau of Census, Per Capita Income 1998-2000 based on 1990 Census of \$26,943 and 2001-2007 on 2000 Census of \$33,468.

VI. ECONOMIC INITIATIVES AND PROPOSALS

The Town of West Hartford is a 150 year old community which is considered by many people to have already been fully developed. Nothing could be further from the truth. There are currently numerous development projects pending approval, approved, under construction or proposed for the community.

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

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

WEST HARTFORD CENTER

Created at the geographic center of the community, the intersection of Main Street and Farmington Avenue, the “Center” is reflective of a traditional town center. The original Center developed primarily to the west of Main Street with most of the municipal property located to the east. The majority of western buildings date to the 1930s and the 1940s and wide sidewalks, mature trees, and large seasonal planters dominate the streetscape. A consolidated parking system behind the buildings and prevalent well marked cross walks provide safe and inviting pedestrian travel throughout the entire district. In 2006, there were over 140 specialty shops and restaurants in addition to banks, professional offices, and salons in the western portion of the Center.

BLUE BACK SQUARE

Active construction and redevelopment of the eastern portion of the Center began in recent years. The second phase of the redevelopment is currently underway and is referred to as Blue Back Square. When completed, this area will include 20 ± acres of land, 600,000 ± square feet of mixed residential, retail and office improvements, two (2) parking structures and new supporting infrastructure. Additionally, the area will house a new public square and the stately façade of the former Board of Education building will be preserved.

The project has an overall budget of \$200 million. The developer is funding \$150 million through equity and debt and the Town is providing approximately \$50 million from the proceeds of tax exempt general obligation bonds for the public improvement portion of the development. Town Hall renovations, police station addition and renovation, library expansion, and construction of a new senior center renovation are all part of the bond expense. It is expected that the bond debt service will be paid from revenues generated by the new parking structures and from an additional tax levy being imposed on the property within the West Hartford Center - Special Services District by the authority of the Connecticut General Statutes.

The redevelopment of this area reflects the evolution of the Center into the uses Town officials and Plans of Development first contemplated over twenty (20) years ago. The actual planning and redevelopment has and will occur over a period of approximately 5 years. The result of this large scale development will be the transformation of a former commercial use that was no longer appropriate or desirable for its location into a mixed use development that permits people to live, work, and shop in close proximity.

Both the Town Council acting as the Town’s zoning authority and the Town Planning and Zoning Commission approved the Project plans. The Council, acting as the Town’s legislative body, held public hearings and enacted ordinances establishing the Special Services District and approving authorization of bonds in 2004. In a referendum held on October 12, 2004 the Town’s residents overwhelming approved the ordinance authorizing bonds and the resolution authorizing execution of an agreement between the developer and the Town (the “Master Agreement”).

Additionally, on April 13, 2005, the Town Council approved certain amendments to the Master Agreement in order to permit the Project to go forward while litigation was pending. In response, a group known as “Save the Center” which advocated against the Blue Back Square Development sought a new referendum on the Project and the Master Agreement. The referendum was held on June 22, 2005, and the question was approved by 70% of the voters. The referendum permitted the Project to proceed during pending litigation by allowing execution of the Master Agreement and the conveyance of municipal property, among other provisions (See Section IX “LEGAL AND OTHER INFORMATION – BLUE BACK SQUARE LITIGATION” herein.)

On November 14, 2006, following a hearing, the Town Council of West Hartford approved amended Special Development District plans for the Blue Back Square project. The amended plans contained a number of minor changes intended to identify changes routinely made during construction. These included the installation of an emergency generator not shown on earlier plans, the alteration of the design for a canopy to be installed at the

entrance to one of the buildings and an adjustment to the radius of the corner in the Town's street right of way to allow for a nine-inch encroachment into the original street line caused by construction error.

The most significant change made was the alteration of the design for one of the residential buildings in the project. This building (identified as "Building B" on the plans) was originally approved in 2004 as a 4-story, 25 unit residential condominium above one-story retail. At that time, the developer obtained approval, but could not commit to building immediately due to financing constraints. Subsequently, on March 14, 2006, the Town Council approved an expansion of this building to include an additional story and to increase the overall size of the building in order to increase the total number of condominium units to 62. In its November application, the developer obtained approval to restructure the residential portion of the building again by lowering its height to 2 stories of residential units above 1 story of retail and changing the design of the units to include 52 "loft" style rental apartments.

As of Fall 2007, much of the Blue Back Square Development has opened and all phases of construction are either underway or completed. Tenants already open include Crate and Barrel, Criterion Theaters, Cheesecake Factory, REI, Hartford Hospital Surgical Center, New York Sports Club, Lucy, Homeward Bound and JD Essentials.

Approximately 85% of the retail space was leased prior to opening and greater than 50% of the office space was also pre-leased. The 40 of the 62 condo units located in the Heritage Building have contracts and the apartments, while not opening until summer 2008, have generated hundreds of inquiries.

When completed the shops, stores, restaurants and offices will result in the new employment of approximately 2,000 people.

WHOLE FOODS MARKET

Adjacent to the Blue Back Square location is the site of the recently constructed Whole Foods Market. This development consists of 42,000 sq. ft. specialty food store and future plans call for a full service hotel to also be located on this site. This is only the second Whole Foods store located in the Connecticut market, the other being in Greenwich.

ELMWOOD

Ginsburg Development, CT, LLC (GDC), a residential real estate developer, received approval in 2003 from the West Hartford Town Council to construct a 148 unit condominium development along South Quaker Lane in the Elmwood section and as part of the development to obtain a small portion of Beachland Park in a land swap with the Town. Certain neighbors appealed the Town Council's decision in an administrative appeal. That administrative appeal was dismissed by the Superior Court. No further appellate review of that decision was sought so the final judgment cannot be appealed. Also, in the Elmwood section is the former Elm Theatre property which was redeveloped as a new commercial structure housing a 14,000 square foot Walgreen's store. The same plaintiffs, and two more, brought a second administrative appeal from a decision granting an approval for the redevelopment of the Theatre site, and sought to combine that appeal with a declaratory judgment action seeking to overturn the GDC proposal. This administrative appeal was dismissed by Superior Court. There is also an injunction action pending against the Town and GDC. That action seeks to prevent the transfer to GDC of the portion of Beachland Park previously approved by the Town Council. The Town and GDC are vigorously defending against that action and anticipate that they will be successful.

It is also noted that NBC 30, local affiliate WVIT recently broke ground on its new state-of-the-art broadcast facility. This long anticipated development reflects their outstanding commitment to the community.

ADDITIONAL PROJECTS

A new single family residential subdivision is currently under construction on Avon Mountain. This development consists of sixteen (16) homes and each will have values in the two million dollar range. Additionally, there are two other smaller condominium projects currently under construction in the east central section of the community.

In the Bishop's Corner section of the community, a new seventy eight (78) unit condominium complex – Somerset- has recently been completed. At this time approximately 80% of the units are under contract.

An older, existing 40,000 square foot industrial structure has been converted to house six (6) new smaller business enterprises on New Park Avenue and two (2) new medical office buildings (5,000 square feet and 12,000 square feet) have recently been constructed on South Quaker Lane. Other development projects are also in the planning stages. Included among these are a 30,000 square foot office building near South Main Street and New Britain Avenue and a new retail center of approximately 107,000 square feet anchored by a new grocery store on Newington Avenue.

Also in the discussion stages at this time is the possible 50,000 square foot expansion of a major local manufacturing facility on New Park Avenue. This expansion, when complete, will result in the new employment of 100 highly skilled persons.

Lastly, the United Tool and Die Corporation on Carney Road completed construction of a 60,000 square foot manufacturing facility to include modern offices. This investment reflects one of the very few investments in manufacturing to occur in central Connecticut during recent times.

VII. FINANCIAL ADMINISTRATION

AUDIT

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

ACCOUNTING AND BUDGETARY BASIS

By Charter, the responsibility for managing the Town's finances rests with the Director of Financial Services. The Director is responsible for a broad and integrated fiscal operation consisting of general accounting, grants accounting, cash management, revenue collection, purchasing, risk management, 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 the Town's 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, pension, and non-expendable trust funds.

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

A twelve year capital improvement program (CIP) provides the basis for formulating the annual capital budget. A capital financing model is used to determine the impact of debt service on the operating budget over the life of the CIP. The capital budget is funded through bonds, Town 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.

LIABILITY INSURANCE

Refer to the “Notes to the General Purpose Financial Statements”, Note (10).

PENSION PLAN

Refer to the “Notes to the General Purpose Financial Statements”, Note (12).

OTHER POST-EMPLOYMENT BENEFITS

In 1986, the Town established a reserve fund for retiree health care benefits. Annual contributions are made to the fund by employees and the General Fund and retiree health care costs are paid from this fund. The Town actuarially measures its post-employment benefit obligations every two years in order to determine its liability and model its funding policy. In the current labor contracts for all unions, the Town negotiated significant changes in the retirement benefits for new employees. For non-public safety employees, the normal retirement age was increased from 55 to 65 years of age and the early retirement age was increased from 45 to 55 years of age. The required years of service for the Police and Fire Unions, was increased from 20 to 25 years. A minimum age of 50 was established for retirement for the Fire Union. These changes will have a long term effect on retiree pension and health care liabilities as the existing workforce retires and new employees are hired to replace them. The Town continues long-term financial planning to manage liabilities and funding for post employment pension and health care benefits for employees and is prepared to implement the new accounting standards that address this issue. Refer to the “Notes to the General Purpose Financial Statements”, (Note 11).

INVESTMENT POLICY FOR OPERATING FUNDS AND PENSION FUNDS

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Sections 7-400, and 7-402, and 7-403(a). Refer to the “Notes to the General Purpose Financial Statements”, Note (4), regarding the Town's investments and investment policies.

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

GENERAL FUND REVENUES AND EXPENDITURES
(BUDGETARY BASIS) ¹

	Adopted Budget 2008 ³	Actual 2007 ²	Actual 2006	Actual 2005	Actual 2004	Actual 2003
Revenues						
Property taxes	\$172,051,640	\$172,564,726	\$162,738,800	\$154,636,482	\$145,257,528	\$137,271,158
Intergovernmental	20,193,554	16,726,200	16,622,863	15,727,205	13,848,191	14,646,059
Charges for Services	3,957,785	4,559,892	4,710,239	3,717,690	3,706,041	2,997,849
Interest on Investments	2,675,000	3,342,393	2,933,603	1,538,762	666,402	878,628
Miscellaneous Revenues	752,050	471,008	549,244	507,320	536,414	568,685
Total Revenues	\$199,630,029	\$197,664,219	\$187,554,749	\$176,127,459	\$164,014,576	\$156,362,379
Expenditures						
General Government:						
Town Council/Town Clerk	\$687,359	\$757,263	\$739,136	\$697,259	\$719,327	\$680,251
Town Manager	318,007	322,831	330,590	288,160	315,625	256,677
Corporation Counsel	585,078	535,911	499,120	451,370	482,391	457,371
Registrar of Voters	275,113	287,331	203,112	316,841	260,259	404,873
Financial Services	3,054,106	5,389,414	1,685,217	1,653,324	1,577,188	1,432,323
Assessors	772,768	883,092	747,717	643,520	711,500	549,142
Administrative Services	--	--	3,346,149	3,119,923	3,058,959	3,379,072
Employee Services	530,413	469,054	522,381	526,180	507,071	566,609
Public Safety:						
Fire Services	11,967,438	11,839,029	11,667,067	10,758,056	10,118,809	10,075,053
Police Services	17,496,099	17,068,931	16,414,596	15,576,772	14,350,216	12,991,072
Community Maintenance:						
Community Services	3,986,266	3,970,810	3,672,283	3,427,135	3,039,023	3,111,769
Public Works	12,099,081	11,251,738	16,943,086	16,137,546	15,201,547	14,530,197
Facilities Services	2,206,063	--	--	--	--	--
Human & Cultural Resources:						
Human & Leisure Services	1,195,826	1,080,442	--	--	--	--
Library Services	3,677,823	3,604,688	3,460,628	3,303,309	3,127,433	3,061,019
Human Services	--	--	1,191,876	1,113,905	1,025,896	1,441,099
Debt and Sundry	23,116,198	22,048,763	15,863,913	14,331,466	13,173,959	12,217,183
Sub-Total Town	\$81,967,638	\$79,509,297	\$77,286,871	\$72,343,766	\$67,669,203	\$65,153,710
Board of Education	117,796,941	113,232,423	106,267,279	100,554,489	95,051,200	90,677,482
Total Expenditures	\$199,764,579	\$192,741,720	\$183,554,150	\$172,898,255	\$162,720,403	\$155,831,192
Excess of Revenues Over (Under)						
Expenditures	\$(134,550)	\$4,922,499	\$4,000,599	\$3,229,204	\$1,294,175	\$531,187
Other Financing Sources (Uses):						
Transfers In	1,257,172	920,000	1,540,052	1,712,312	\$1,648,185	\$1,652,066
Transfers Out	(1,903,807)	(4,115,527)	(4,232,801)	(3,011,413)	(2,803,079)	(2,246,480)
Sale of Assets	--	--	--	--	--	--
Total Other Financing Sources (Uses)	\$(646,635)	\$(3,158,225)	\$(2,692,749)	\$(1,299,101)	\$(1,154,894)	\$(594,414)
Excess of Revenues & Other Sources Over Expenditures and Other Uses	\$(781,185)	\$1,727,062	\$1,307,850	\$1,930,103	\$139,281	\$(63,227)
Fund Balance, Beginning of Year	\$15,412,136	\$14,466,259	\$13,158,409	\$11,228,306	\$11,089,025	\$11,152,252
Designated Fund Balance, End of Year	-	781,185	-	-	-	-
Undesignated Fund Balance, End of Year	\$15,412,136	\$15,412,136	\$14,466,259	\$13,158,409	\$11,228,306	\$11,089,025

¹On a budgetary basis, encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. This accounting treatment is different from that utilized under GAAP. All unencumbered budget appropriations lapse at the end of each fiscal year.

²In fiscal year 2007, the Administrative Services Department was combined with the Financial Services Department; the Human Services Department was combined with the Leisure Services Department; and the Town's payment to MDC was moved from the Public Works Department to Debt and Sundry.

³In the fiscal year 2008 adopted budget, the Facilities Services department was separated from the Financial Services department.

VIII. TAX MATTERS

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

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

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

In the opinion of Robinson & Cole LLP, Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Connecticut tax law could be affected by a decision of the United States Supreme Court in the case of *Kentucky Department of Revenue Services v. Davis*. The case was argued before the Court on November 5, 2007. In *Davis*, the Kentucky Court of Appeals ruled that Kentucky’s scheme of taxing interest income on out-of-state bonds while exempting interest earned on bonds issued by the Commonwealth of Kentucky and its political subdivisions violates the Commerce Clause of the United States Constitution. Like Kentucky and a number of other states, the State of Connecticut taxes interest on the bonds of out-of-state issuers but exempts from taxation the interest on bonds issued by the State of Connecticut and its political subdivisions. In the event that the United States Supreme Court upholds the Kentucky decision and rules that it is unconstitutional to exempt the interest on in-state bonds while taxing the interest on out-of-state bonds, the State of Connecticut may decide to modify its tax laws and include the interest on bonds issued by the State of Connecticut and its political subdivisions, including interest on the Bonds, in Connecticut taxable income. No opinion can be rendered as to the likelihood of any change in Connecticut tax laws regarding the taxation of interest on the Bonds based on the outcome of the *Davis* case and there can be no assurance that any such change will not reduce or eliminate the benefit of the exclusion from Connecticut taxable income of interest on the Bonds or affect the market value of the Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding the potential impact of the *Davis* case and other state and local tax consequences of ownership and disposition of, and receipt of interest on, the Bonds.

ORIGINAL ISSUE PREMIUM

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call dates constitutes original issue premium. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective investors in the bonds should consult their tax advisors with respect to the federal income tax consequences of the disposition of the Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such period during each such day. Prospective investors in the Bonds should consult their tax advisors with respect to the federal income tax consequences of the disposition of the Bonds.

IX. LEGAL AND OTHER INFORMATION

LITIGATION

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

LEGAL MATTERS

Robinson & Cole LLP, Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render their opinion in substantially the form included in the Official Statement as Appendix A.

FINANCIAL ADVISOR

The Town of West Hartford has retained Lamont Financial Services Corporation as Financial Advisor in connection with the issuance of the Series 2008A Bonds.

TRANSCRIPT AND DOCUMENTS DELIVERED AT CLOSING

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.

2. A certificate on behalf of the Town signed by the Town Manager and the Director of Financial Services, which will be dated the date of delivery, together with a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Robinson & Cole LLP, Bond Counsel of Hartford, Connecticut.

5. An executed continuing disclosure agreement substantially in the form attached as Appendix C to this Official Statement.

6. The Town of West Hartford, Connecticut has prepared an Official Statement for the Bond issue, which is dated January 23, 2008. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment.

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

CONCLUDING STATEMENT

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

Additional information may be obtained upon request from the Department of Finance, Attn. Mr. Chris Johnson or Mrs. C. Elizabeth Hewitt, 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/ James W. Francis

JAMES W. FRANCIS
Town Manager

/s/ Chris Johnson

CHRIS JOHNSON
Director of Financial Services

Dated as of
January 30, 2008

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

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February __, 2008

Town of West Hartford
West Hartford,
Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of West Hartford, Connecticut (the "Town"), a Tax Regulatory Agreement of the Town dated February 7, 2008 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$15,000,000 Town of West Hartford, Connecticut General Obligation Bonds, Series 2008A, dated February 7, 2008 (the "Bonds"), maturing on January 15 in each of the years in the principal amounts and bearing interest payable on July 15, 2008 and semiannually thereafter on January 15 and July 15 in each year until maturity at the rates per annum as follows:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
2009	\$1,000,000	%	2017	\$1,000,000	%
2010	1,000,000		2018	1,000,000	
2011	1,000,000		2019	1,000,000	
2012	1,000,000		2020	1,000,000	
2013	1,000,000		2021	1,000,000	
2014	1,000,000		2022	1,000,000	
2015	1,000,000		2023	1,000,000	
2016	1,000,000				

with principal payable at the principal office of U.S. Bank National Association, Hartford, Connecticut and with interest 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 such registered owner at his address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

Except as stated in the Official Statement, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are a valid general obligation of the Town of West Hartford the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by ownership or disposition of the Bonds.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

Robinson & Cole LLP

APPENDIX B

GENERAL PURPOSE FINANCIAL STATEMENTS

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Report of Independent Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages A-3 through A-15 and budgetary comparison information on pages A-49 through A-54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blum, Shapiro & Company, P.C.

December 31, 2007

**TOWN OF WEST HARTFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

This discussion and analysis of the financial performance of the Town of West Hartford (the Town) is prepared by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts, unless otherwise stated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The General Fund reported an unreserved undesignated fund balance of \$15,412 as of June 30, 2007, which equates to 7.8% of expenditures. This represents an increase of \$979 from the prior year.
- The General Fund resources available for appropriation exceeded the amended budget by \$1,152 and expenditures were \$575 less than the amended budget.
- The Town has met or exceeded a current year property tax collection rate of 99% for the past 7 years. Delinquent tax collections continue to remain strong.
- Bonds in the amount of \$15,000 were issued during the year to finance renovations and expansion of various town buildings as well as improvements to arterial and neighborhood streets.
- During the year, the Town had governmental program expenses of \$222,205, which were \$4,085 less than the \$226,290 generated in tax and other revenues, before internal transfers.
- The Town's net assets increased in fiscal year 2007. Net assets of business-type activities increased \$1.3 million or 15%; net assets of governmental activities increased \$1.2 million or 0.7%.
- The Town's business-type activities experienced a net change of \$1,342 based upon revenues of \$3,656, expenses of \$5,171 and a transfer into the fund of \$2,857.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the operations of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX.

Government-Wide Financial Statements

The statement of net assets and the statement of activities, Exhibits I and II, report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Town's net assets, the difference between assets and liabilities, are one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. However, the reader needs to consider other non-financial factors, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall financial health of the Town.

In the statement of net assets and the statement of activities, the Town's financial activities are divided into two types:

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

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (such as the Capital Projects Fund and the Police Private Duty Services Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received from the State Department of Education and the Federal Department of Housing and Urban Development). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending. 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. 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 near-term financing requirements. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in the reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported using the full accrual accounting method. The Town's enterprise fund statements (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The Town's only enterprise fund is the Leisure Services Fund. An internal service fund (the other component of proprietary funds) is used to report activities that provide supplies and services for the Town's other programs and activities. The Town's Risk Management Fund and the Utilities Services Fund are the only internal service funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. 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 assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements as the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The analyses below focus on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental and business-type activities.

TABLE 1 Net Assets <i>In Thousands</i>						
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business Type Activities <u>2007</u>	Business Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Current and other assets	\$ 94,157	\$ 114,212	\$ 522	\$ 424	\$ 94,629	\$114,636
Capital assets	<u>273,473</u>	<u>255,679</u>	<u>11,523</u>	<u>11,305</u>	<u>286,016</u>	<u>266,984</u>
Total assets	<u>367,630</u>	<u>369,891</u>	<u>13,065</u>	<u>11,729</u>	<u>380,695</u>	<u>381,620</u>
Long-term liabilities	159,896	153,169	222	228	160,118	153,397
Other liabilities	<u>33,978</u>	<u>44,194</u>	<u>2,582</u>	<u>2,582</u>	<u>36,560</u>	<u>46,776</u>
Total liabilities	<u>193,874</u>	<u>197,363</u>	<u>2,804</u>	<u>2,810</u>	<u>196,678</u>	<u>200,173</u>
Net assets:						
Invested in capital assets net of debt	152,329	143,346	12,543	11,305	164,872	157,297
Restricted	2,162	2,216	-	-	2,162	2,216
Unrestricted (deficit)	<u>19,265</u>	<u>23,966</u>	<u>(2,282)</u>	<u>(2,386)</u>	<u>16,983</u>	<u>21,580</u>
Total Net Assets	<u>\$173,756</u>	<u>\$172,528</u>	<u>\$10,261</u>	<u>\$ 8,919</u>	<u>\$184,017</u>	<u>\$181,447</u>

The Town's combined net assets increased from \$181,447 in fiscal year 2006 to \$184,017 in fiscal year 2007. Net assets of the Town's governmental activities increased by 0.7% in fiscal year 2007 (\$173,756 in 2007 compared to \$172,528 in 2006). Within net assets, the Town experienced an increase in its investment in capital assets which was offset by a decrease in unrestricted net assets. This is the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements which totaled \$19,265 for governmental activities at June 30, 2007.

The net assets of business-type activities increased by 15% (\$10,261 in 2007 compared to \$8,919 in 2006) and are comprised of investment in capital assets offset by an operating deficit. Net capital assets, as opposed to unrestricted net assets, cannot be used to pay for governmental activities.

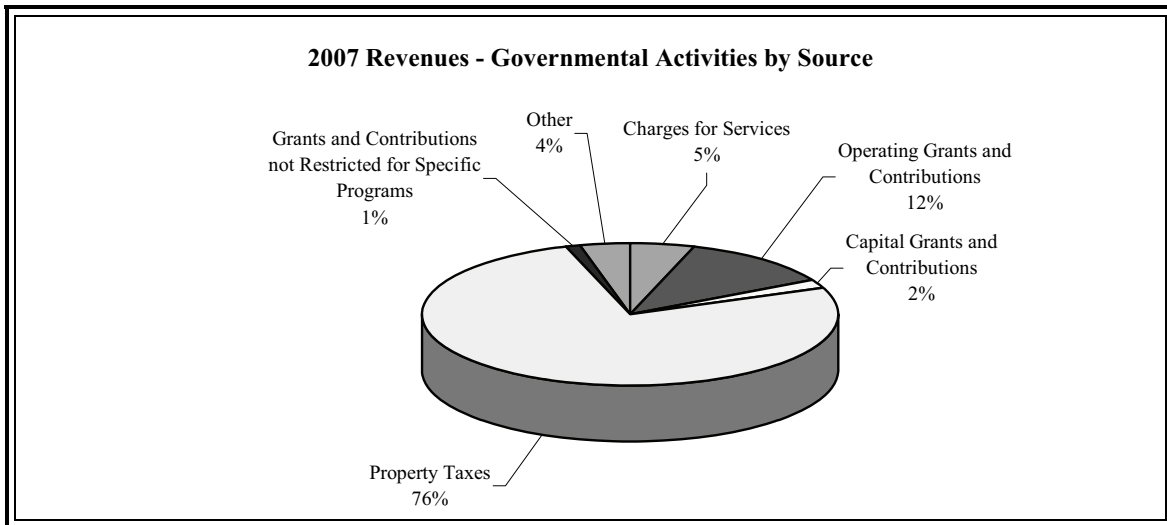
TABLE 2
Changes In Net Assets
In thousands

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business Type Activities <u>2007</u>	Business Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,804	\$ 10,702	\$3,656	\$3,343	\$ 14,460	
Operating grants and contributions	27,643	27,484	-	-	27,643	\$ 14,045
Capital grants and contributions	2,756	3,135	-	-	2,756	27,484
General revenues:						3,135
Property taxes	173,039	163,096	-	-	173,039	
Grants and contributions not restricted to specific purposes	3,135	2,875	-	-	3,135	163,096
Unrestricted investment earnings	7,323	5,090	-	-	7,323	2,875
Other general revenues	<u>1,590</u>	<u>803</u>	<u>-</u>	<u>-</u>	<u>1,590</u>	<u>5,090</u>
						<u>803</u>
Total revenues	<u>226,290</u>	<u>213,185</u>	<u>3,656</u>	<u>3,343</u>	<u>229,946</u>	<u>216,528</u>
Program expenses:						
General government	13,465	11,638	-	-	13,465	11,638
Public safety	30,845	29,659	-	-	30,845	29,659
Community maintenance	26,260	25,078	-	-	26,260	25,078
Human and cultural	6,735	6,839	-	-	6,735	6,839
Education	137,341	129,420	-	-	137,341	129,420
Interest on long-term debt	7,559	7,446	-	-	7,559	7,446
Leisure services	<u>-</u>	<u>-</u>	<u>5,171</u>	<u>4,806</u>	<u>5,171</u>	<u>4,806</u>
Total program expenses	<u>222,205</u>	<u>210,080</u>	<u>5,171</u>	<u>4,806</u>	<u>227,376</u>	<u>214,886</u>
Excess (deficiency) before transfers	4,085	3,105	(1,515)	(1,463)	2,570	1,642
Transfers	(2,857)	(1,077)	2,857	1,077	-	-
Special Item-Cap Asset Retirement	<u>-</u>	<u>(2,613)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,613)</u>
Increase/(decrease) in net assets	1,228	\$ (585)	1,342	(386)	2,570	(971)
Net Assets, Beginning of Year (restated)	<u>172,528</u>	<u>173,113</u>	<u>8,919</u>	<u>9,305</u>	<u>181,447</u>	<u>182,418</u>
Net Assets, End of Year	<u>\$ 173,756</u>	<u>\$172,528</u>	<u>\$10,261</u>	<u>\$ 8,919</u>	<u>\$184,017</u>	<u>\$181,447</u>

The Town's total revenues were \$229,946 for fiscal year 2007. The total cost of all programs and services for this same period was \$227,376. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for governmental activities totaled \$226,290. Property taxes (76%), operating grants and contributions (12%) and charges for services (5%) are the major revenue sources, contributing 93% of the Town's revenues.



Program expenses for governmental activities totaled \$222,205, of which 20% were supported by program revenues and 80% were supported from general revenues. Expenses for Education (62%), Public Safety (14%) and Community Maintenance (12%) made up 88% of the total governmental expenses.

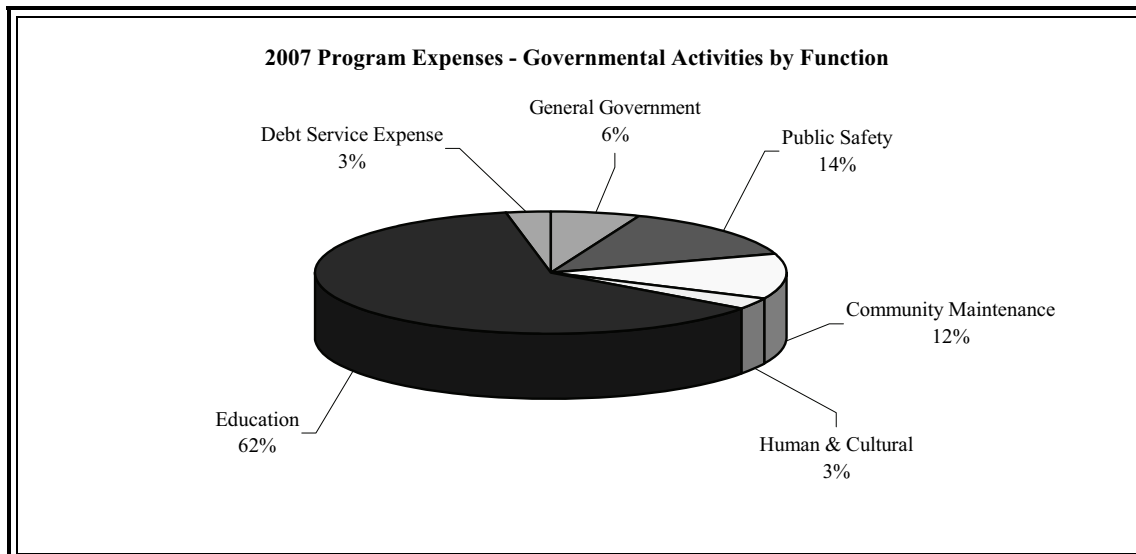
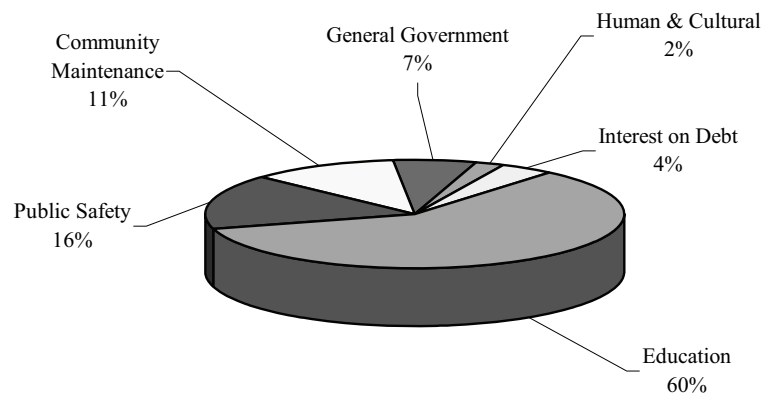


Table 3 presents the total cost of each of the Town's six major functions - education, public safety, community maintenance, general government, human and cultural and interest on long-term debt - as well as each function's net cost (total cost less revenues generated by each activity). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions. The chart below depicts the percentage of total net costs by function.

TABLE 3
Cost of Governmental Activities by Function
In Thousands

	<u>Total Cost of Services</u> <u>2007</u>	<u>Total Cost of Services</u> <u>2006</u>	<u>Net Cost of Services</u> <u>2007</u>	<u>Net Cost of Services</u> <u>2006</u>
Education	\$137,341	\$129,420	\$107,778	\$100,691
Public Safety	30,845	29,659	29,503	27,887
Community Maintenance	26,260	25,078	20,472	19,070
General Government	13,465	11,638	11,925	9,534
Human & Cultural	6,735	6,839	3,942	4,388
Interest on Long Term Debt	<u>7,559</u>	<u>7,446</u>	<u>7,382</u>	<u>7,189</u>
Totals	<u>\$222,205</u>	<u>\$210,080</u>	<u>\$181,002</u>	<u>\$168,759</u>

**2007 Net Cost of Services - Governmental Activities by
Function**



Business-Type Activities

Operating revenue of business-type activities increased from \$3,343 in 2006 to \$3,656 in 2007 an increase of \$313. Operating expenses for 2007 were \$5,171, an increase of \$365 from fiscal year 2006. The net increase in net assets for fiscal year 2007 including transfers was \$1,342. The General Fund contributed \$909 to the Leisure Services Fund to subsidize certain programs.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the fiscal year, its governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$60,692, which is a decrease of \$7,706 from the prior year's total of \$68,398. Included in fiscal year 2007's total change in fund balance, is an increase of \$1,760 in the General Fund's unreserved fund balance. Factors affecting the General Fund are discussed below in the General Fund Budgetary Highlights section. The Capital Projects Fund's unreserved fund balance decreased from \$38,076 in 2006 to \$15,391 in 2007 primarily due to Blue Back Square construction expense. More typically, the Town funds projects after completion. The reserved fund balance in the Capital Projects Fund increased from \$7,796 in 2006 to \$20,225 in 2007 due to an increase in open encumbrances. The remainder of the decrease of \$780 in total fund balance was the result of the activity in the other governmental funds.

Proprietary Funds

The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net assets were \$10,261 at year-end, an increase of \$1,342 from the prior year.

General Fund Budgetary Highlights

Tables 4 and 5 highlight the changes from the original adopted budget to the final amended budget for fiscal year 2007. Significant changes are discussed on the following page:

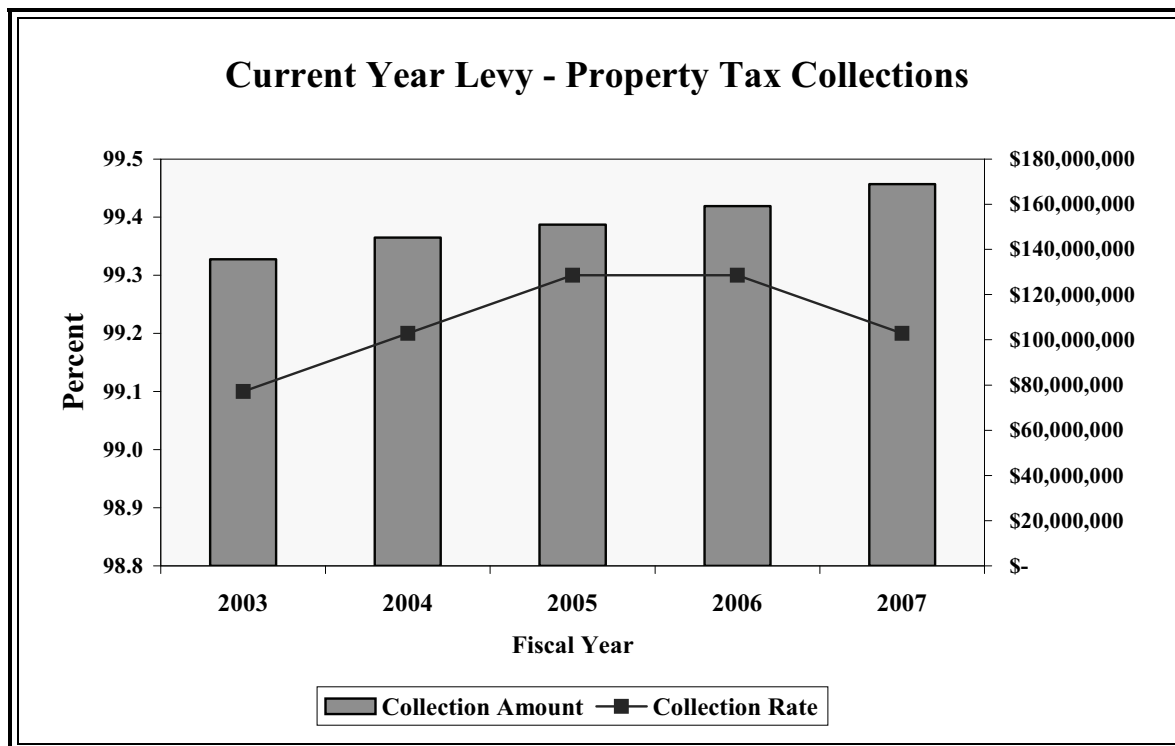
Revenue

TABLE 4
Summary of General Fund Budget
Original and Final Estimated Revenues vs. Actual
In Thousands

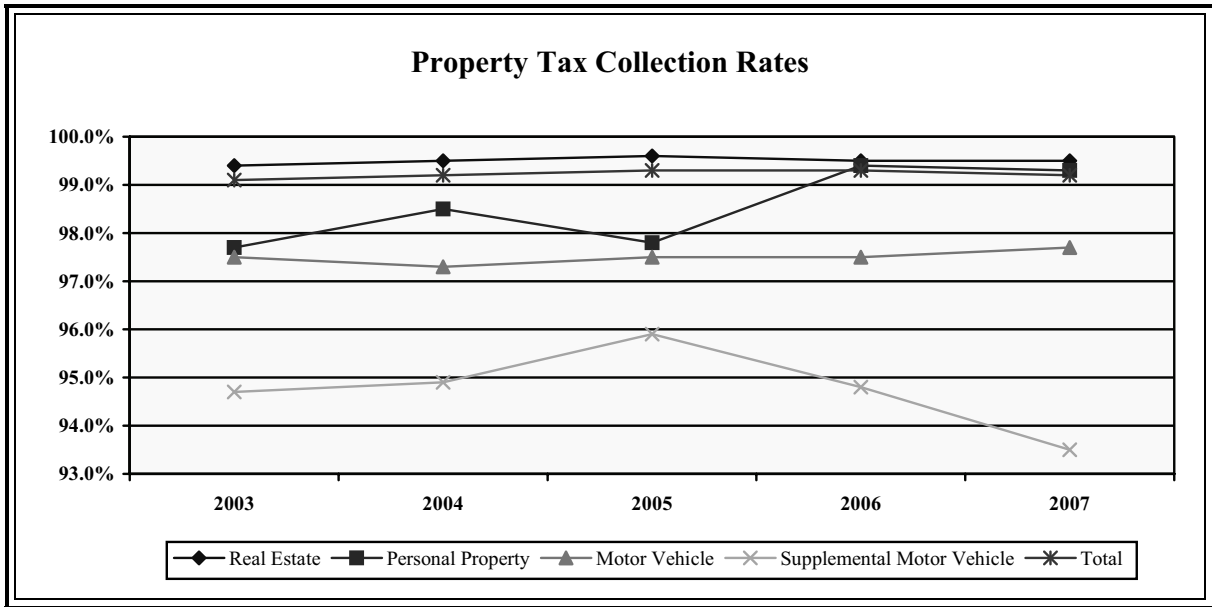
	Budget			Actual	Over/ (Under)
<u>Revenue</u>	<u>Original</u>	<u>Final</u>	<u>Change</u>	<u>Revenue</u>	<u>Final Budget</u>
Property taxes	\$171,943	\$171,942	\$ (1)	\$172,565	\$ 623
Federal	-	123	123	91	(32)
State	16,930	16,947	17	16,637	(310)
Charges for services	3,791	3,856	65	4,558	702
Local revenues	307	311	4	471	160
Income on investments	2,425	3,350	925	3,342	(8)
Transfers in	<u>903</u>	<u>903</u>	<u>-</u>	<u>920</u>	<u>17</u>
Total Revenues	<u>\$196,299</u>	<u>\$197,432</u>	<u>\$1,133</u>	<u>\$198,584</u>	<u>\$1,152</u>

The General Fund's final estimated revenues increased \$1,133 or 0.6% from the original adopted budget. This increase is attributable to several factors. The interest rate environment continued to be favorable with no changes in the federal fund rate during fiscal year 2007, resulting in a budget increase of \$925. In addition, the Town submitted applications for Federal funds (\$120) available under the Federal Highway Safety program to provide expanded DUI enforcement during Memorial Day and July 4th. The Town also applied for and was awarded Federal funds in the amount of \$60 available through the State of Connecticut, Department of Transportation, Division of Highway Safety for Highway Safety Projects. These funds were used to purchase two motorcycles and related equipment to improve traffic enforcement in areas in which it has been difficult to enforce by police cruisers. The appropriations that were increased are discussed on page 12.

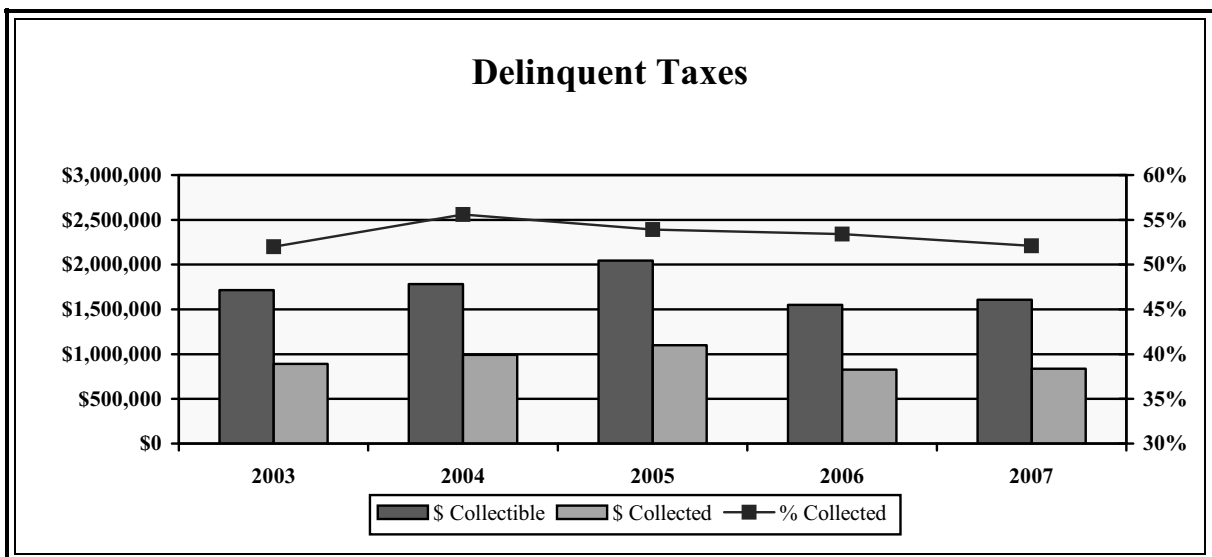
In comparison to final estimated revenues, actual revenue was \$1,152 more than anticipated. The majority of the increase in local revenues was attributable to charges for services (\$702). Fiscal year 2007 marks the highest value of building permits ever recorded by the Town resulting in additional building permit revenue. Housing sales remained strong resulting in conveyance tax revenues exceeding budgetary amounts. In addition, the Town received more than anticipated in workers' compensation reimbursements. In fiscal year 2007, the Town achieved a current year property tax collection rate of 99.2%, which accounted for 87% of General Fund revenue. The current year levy collected and the Town's collection rate are detailed on the chart below.



Collection rates by property tax type are shown on the chart on the following page. As detailed, the collection rate for real estate taxes has been in excess of 99% for the past seven fiscal years. Personal property and motor vehicle collection rates have exceeded 97% over the five years presented. Supplemental motor vehicle tax, which has historically had the lowest collection rate, is currently at 93.5%.



The Department of Financial Services has been very successful in collecting delinquent taxes over the past several years. Delinquent taxes collectible totaled \$1.7 million at the end of fiscal year 2007 (net of lawful corrections, allowance for doubtful accounts and transfers to suspense). As detailed on the following chart, the collection rate for delinquent taxes has ranged from 52% to 56% for the years presented.



Expenditures

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

<u>Department</u>	<u>Original</u>	<u>Final</u>	<u>Change</u>	<u>Actual</u> <u>Expenditure</u>	<u>(Over)/</u> <u>Under</u> <u>Final Budget</u>
Town Council	\$ 751	\$ 762	\$ 11	\$ 757	\$ 5
Town Manager	286	323	37	323	-
Corporation Counsel	540	540	-	536	4
Registrar of Voters	267	288	21	287	1
Financial Services	1,823	5,389	3,566	5,389	-
Assessment	928	927	(1)	883	44
Administrative Services	3,386	-	(3,386)	-	-
Employee Services	570	595	25	469	126
Fire	11,475	11,840	365	11,839	1
Police	16,839	17,069	230	17,069	-
Community Services	3,840	3,971	131	3,971	-
Public Works	11,505	11,505	-	11,252	253
Library	3,591	3,605	14	3,605	-
Human & Leisure Services	1,107	1,107	-	1,080	27
Education	113,232	113,232	-	113,232	-
Debt and Sundry	22,774	21,970	(805)	22,049	(79)
Transfers Out	<u>3,384</u>	<u>4,309</u>	<u>925</u>	<u>4,116</u>	<u>193</u>
Total Adopted Budget	<u>\$196,299</u>	<u>\$197,432</u>	<u>\$1,133</u>	<u>\$196,857</u>	<u>\$575</u>

Changes to departmental budgets resulted from transfers between departments, resolutions relating to grant funds and a resolution authorized by the Town Council at fiscal year end to contribute funds to the Capital and Non-recurring Expenditure Fund. Significant variances between the original and amended budget are the result of the following:

- The Department of Administrative Services was eliminated and both its budget and its responsibilities were consolidated in the Department of Financial Services.
- Debt and Sundry costs were \$805 less than anticipated due to the favorable timing of debt issuance (\$520) and savings (\$405) in several non-departmental budgets such as Probate Court, Paramedics/Ambulance Services and Revaluation Litigation.
- The Fire Department required an increase in its appropriation of \$365 due to larger than anticipated overtime costs. The department has minimum staffing requirements by union contract which require that vacancies due to military leave, workers' compensation leave, vacations etc. be covered, resulting in significant overtime costs.
- The Police Department's budget appropriation was increased by \$140 during the fiscal year and an additional \$90 at year end. The increases during the year were made as grants became available and were appropriated by the Town Council. Position vacancies in the department created an increase in overtime necessitating a year end budget increase.

- Transfers out were increased by \$925 to provide funds to the Capital and Non-recurring Expenditure Fund for future capital outlay.

In comparison to final appropriations, actual expenditures were \$575 less than anticipated. An unseasonably mild winter helped to give the Department of Public Works a \$253 surplus. Transfers out had a surplus of \$193 primarily due to lower than anticipated expenditures in the Private School Services Fund, which receives all of its funding from State grants and contributions from the General Fund.

Total fund balance of the Town's General Fund was \$16,981 at June 30, 2007, as reported on Exhibit III. This differs from the unreserved undesignated fund balance of \$15,412 reported in exhibit A-1 of the combining and individual fund statements and schedules. The variance is the result of \$788 in outstanding encumbrances, inventory, and prepaid items at year end, which are reported as expenditures for budgetary purposes, as well as \$781 in fund balance designated for use in fiscal year 2008.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007, the Town had \$286,015 (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 \$19,031, or 7.1%, over the prior year.

TABLE 6 Capital Assets at Year-End Net of Depreciation <i>In Millions</i>						
	Governmental Activities		Business-Type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 8.6	\$ 8.5	\$ -	\$ -	\$ 8.6	\$ 8.5
Construction in progress	66.3	48.0	1.0	.1	67.3	48.1
Buildings and land improvements	125.6	125.9	11.3	11.1	136.9	137.0
Furniture and equipment	1.7	1.5	.2	.1	1.9	1.6
Vehicles	2.5	2.5	-	-	2.5	2.5
Infrastructure	<u>68.8</u>	<u>69.3</u>	<u>-</u>	<u>-</u>	<u>68.8</u>	<u>69.3</u>
Total Capital Assets	<u>\$273.5</u>	<u>\$255.7</u>	<u>\$12.5</u>	<u>\$11.3</u>	<u>\$286.0</u>	<u>\$267.0</u>

This year's major capital additions in governmental activities include various capital projects as follows:

- Costs associated with the construction of the Blue Back Square project totaling \$12,734 as well as major renovations to the Police Station totaling \$4,000 were added to construction in progress.
- A variety of projects including street rehabilitation, sidewalk improvements and school re-roofing totaling \$3,454 were completed throughout the year and transferred from construction in progress to buildings and infrastructure.

The Town's capital budget anticipates a spending level of \$12,120 for various capital projects during the 2008 fiscal year. The Town has no plans to fund current operations from the proceeds of debt issuance. More detailed information about the Town's capital assets is presented in Note 6 to the basic financial statements.

Long-term debt

At June 30, 2007 the Town had \$156,055 in bonds and notes outstanding versus \$151,115 in the prior year. This is an increase of 3.3% as shown in Table 7.

<p align="center">Table 7 <i>Outstanding Debt at Year-End</i> <i>In Millions</i></p>						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation Bonds (Backed by the Town)	<u>\$156.0</u>	<u>\$151.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$156.0</u>	<u>\$151.1</u>

A net increase in outstanding debt resulted from the issuance of \$15,000 in general obligation bonds in January 2007, offset by principal payments of \$10,060 during the year. The bond issue is being used to fund recurring capital projects that are included in the Town's twelve year Capital Improvement Plan. The Town's general obligation bonds continue to carry the highest ratings awarded by both Moody's and Standard and Poor's (Aaa and AAA respectively). This rating has been assigned to the Town since 1972 and was reaffirmed in January 2007.

The State limits the amount of general obligation debt that towns can issue based upon a State mandated formula calculated on the type of debt and tax base. The Town of West Hartford's total debt of \$171,188, which includes \$16,218 of overlapping Metropolitan District Commission debt, is significantly below the \$1,210,489 State-imposed limit. In addition to the State-imposed limit, the Town has adopted its own guidelines in its capital financing policies. 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 2007 was 7.6% 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 following factors were considered when preparing the fiscal year 2008 budget:

- Implementation of the October 1, 2006 revaluation and its effect on residents.
- Fiscal pressures - including contractual wage increases, benefit costs and rising energy prices - which increased the cost of services.
- An increase of \$4 million in education aid from the State.
- Strong building permit activity and stable housing prices indicating that West Hartford continues to be a desirable and attractive place to live.
- Consistently high tax collection rates for both current and delinquent taxes. A current year tax collection rate of 99.0% was assumed for the 2008 budget.

The Town completed its revaluation of real property for the October 1, 2006 Grand List in accordance with State statutes. The revaluation significantly changed the composition of the Grand List, such that property tax liability shifted from commercial taxpayers to residential taxpayers. In order to mitigate the impact this shift would have on residents, the Town Council took two main actions. First, current year property tax revenue was held at the same amount as fiscal year 2007 and second, revaluation was phased in over a period of not more than five years under a modified State law advocated for by the Town. Under this approach, the tax increase on property owners resulted solely from the phased-in revaluation and was 4.5%.

Total General Fund appropriations for fiscal year 2008 are \$201,668, an increase of 2.7% from fiscal year 2007. The majority of the \$5,241 increase in appropriations supported education spending. The Board of Education budget assumed rising costs of health benefits, energy, and educational materials, as well as wage and salary increases in accordance with union contracts. In addition, the budget supported initiatives to address the increasing diversity of students, efforts to close the achievement gap, and safe and orderly schools.

The town services appropriation increase of \$2,046 resulted from cost of living increases for wages and salaries (\$1,062) and fringe benefits (\$525) for existing employees. These additional fringe benefit costs were driven by higher contributions for the pension plan (\$72) and the retiree health care reserve (\$750), offset by savings in workers compensation and purchased insurance. The health care reserve contribution continues the long term plan to restore the fund balance in the reserve. Operating expenses increase \$547 in fiscal year 2008. The Town's contribution to sewer services to the MDC increased by \$295 or 4.5%. Energy costs accounted for a significant increase, reflecting price increases for gasoline, natural gas and electricity. In addition, contractual services increased (\$662) to reflect cost-of-living adjustments and a contract for automated refuse and recycling collection service, offset by a reduction in professional services (\$355) with the elimination of the contracts for revaluation services and facility management services (which will be provided by in-house staff beginning in fiscal year 2008).

The capital financing appropriation reflects a decrease of \$1,118 due to the elimination of the fiscal year 2008 contribution to the Capital Non-recurring Expenditure Fund.

A net increase of \$3,266 in State aid, \$250 in additional investment income as a result of higher interest rates, and \$500 in reimbursement from the Connecticut Resource Recovery Authority (CRRA) were also utilized to support the increase in fiscal year 2008 appropriations. Budget estimates for all other revenue sources remained relatively constant through the continued policy to conservatively estimate elastic revenues and anticipated State Aid. Finally, \$781 of surplus revenue from fiscal year 2007 was designated for use in fiscal year 2008 to mitigate the tax increase to residents.

The Town's financial position should remain strong as projected current year property tax collection rates are met, expenditures are expected to stay within budgeted appropriations and the estimates for elastic revenues are conservative.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2007
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 66,132	\$ 2	\$ 66,134
Investments	14,545		14,545
Receivables, net	11,516	2	11,518
Inventories	306		306
Prepaid asset	1,658	518	2,176
Capital assets:			
Assets not being depreciated	74,853	1,020	75,873
Assets being depreciated, net	198,620	11,523	210,143
Total assets	<u>367,630</u>	<u>13,065</u>	<u>380,695</u>
Liabilities:			
Accounts and other payables	6,240	147	6,387
Payroll liabilities	2,149	95	2,244
Other current liabilities	1,825	79	1,904
Internal balances	(1,528)	1,528	
Unearned revenue	1,271	602	1,873
Unamortized premium on bonds	2,904		2,904
Noncurrent liabilities:			
Due within one year	21,117	131	21,248
Due in more than one year	159,896	222	160,118
Total liabilities	<u>193,874</u>	<u>2,804</u>	<u>196,678</u>
Net Assets:			
Invested in capital assets, net of related debt	152,329	12,543	164,872
Restricted for:			
Perpetual care:			
Expendable	1,785		1,785
Nonexpendable	82		82
Other expendable	295		295
Unrestricted	19,265	(2,282)	16,983
Total Net Assets	<u>\$ 173,756</u>	<u>\$ 10,261</u>	<u>\$ 184,017</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 13,465	\$ 1,528	\$ 12	\$	\$ (11,925)	\$	\$ (11,925)
Public safety	30,845	1,161	77	104	(29,503)		(29,503)
Community maintenance	26,260	3,954	343	1,491	(20,472)		20,472
Human and cultural	6,735	667	1,812	314	(3,942)		(3,942)
Education	137,341	3,494	25,222	847	(107,778)		(107,778)
Interest on long-term debt	7,559		177		(7,382)		(7,382)
Total governmental activities	222,205	10,804	27,643	2,756	(181,002)		(181,002)
Business-type activities:							
Leisure services	5,171	3,656				(1,515)	(1,515)
Total	\$ 227,376	\$ 14,460	\$ 27,643	\$ 2,756	(181,002)	(1,515)	(182,517)
General revenues:							
Property taxes					173,039		173,039
Grants and contributions not restricted to specific programs					3,135		3,135
Unrestricted investment earnings					7,323		7,323
Miscellaneous					1,590		1,590
Transfers					(2,857)	2,857	-
Total general revenues and transfers					182,230	2,857	185,087
Change in net assets					1,228	1,342	2,570
Net Assets at Beginning of Year, as Restated					172,528	8,919	181,447
Net Assets at End of Year					\$ 173,756	\$ 10,261	\$ 184,017

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2007
(In Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 19,688	\$ 35,565	\$	\$ 8,592	\$ 63,845
Receivables, net	6,738	538	1,900	1,126	10,302
Due from other funds	1,996				1,996
Inventories	225			81	306
Prepaid items		2			2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 28,647</u>	<u>\$ 36,105</u>	<u>\$ 1,900</u>	<u>\$ 9,799</u>	<u>\$ 76,451</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 2,248	\$ 407	\$ 6	\$ 407	\$ 3,068
Payroll liabilities	2,035	2		103	2,140
Due to other funds			32	436	468
Other liabilities	1,725	80		20	1,825
Deferred revenue	5,658		1,894	706	8,258
Total liabilities	<u>11,666</u>	<u>489</u>	<u>1,932</u>	<u>1,672</u>	<u>15,759</u>
Fund balances:					
Reserved	788	20,225	8	2,398	23,419
Unreserved, reported in:					
General Fund	16,193				16,193
Special Revenue Funds			(40)	5,729	5,689
Capital Project Funds		15,391			15,391
Total fund balances	<u>16,981</u>	<u>35,616</u>	<u>(32)</u>	<u>8,127</u>	<u>60,692</u>
Total Liabilities and Fund Balances	<u>\$ 28,647</u>	<u>\$ 36,105</u>	<u>\$ 1,900</u>	<u>\$ 9,799</u>	
Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					273,473
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					9,568
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.					6,791
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					<u>(176,768)</u>
Net Assets of Governmental Activities (Exhibit I)					<u>\$ 173,756</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	General	Capital Projects	CDBG Housing Rehabilitation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 172,565	\$ 509	\$	\$	\$ 173,074
Intergovernmental	24,177	2,403	183	6,793	33,556
Charges for services	4,558	251	2	5,961	10,772
Income on investments	3,342	1,582	13	288	5,225
Miscellaneous	471		173	848	1,492
Total revenues	<u>205,113</u>	<u>4,745</u>	<u>371</u>	<u>13,890</u>	<u>224,119</u>
Expenditures:					
Current:					
General government	8,630			5	8,635
Public safety	28,968			771	29,739
Community maintenance	15,213			1,136	16,349
Human and cultural	4,685		372	1,804	6,861
Education	120,280			10,431	130,711
Debt and sundry	22,022	2,302			24,324
Capital outlay		28,402		938	29,340
Total expenditures	<u>199,798</u>	<u>30,704</u>	<u>372</u>	<u>15,085</u>	<u>245,959</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,315</u>	<u>(25,959)</u>	<u>(1)</u>	<u>(1,195)</u>	<u>(21,840)</u>
Other Financing Sources (Uses):					
Bonds issued		15,000			15,000
Transfers in	920	1,431		4,295	6,646
Transfers out	(4,116)	(728)	(1,070)	(1,598)	(7,512)
Total other financing sources (uses)	<u>(3,196)</u>	<u>15,703</u>	<u>(1,070)</u>	<u>2,697</u>	<u>14,134</u>
Net Change in Fund Balances	2,119	(10,256)	(1,071)	1,502	(7,706)
Fund Balances at Beginning of Year	<u>14,862</u>	<u>45,872</u>	<u>1,039</u>	<u>6,625</u>	
Fund Balances at End of Year	<u>\$ 16,981</u>	<u>\$ 35,616</u>	<u>\$ (32)</u>	<u>\$ 8,127</u>	

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	17,820
In the statement of activities, only the gain or loss on the sale or other disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. This is the amount of disposals.	(26)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(675)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of bond debt and other debt exceeded repayment.	(4,582)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,559)
Internal service fund are used by management to charge the costs of risk management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	(2,044)

Change in Net Assets of Governmental Activities (Exhibit II) \$ 1,228

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2007

(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Leisure Service Enterprise Fund</u>	<u>Internal Service Funds</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 2	\$ 2,287
Investments		14,545
Receivables, net	2	89
Prepaid items	518	311
Total current assets	<u>522</u>	<u>17,232</u>
Capital assets:		
Assets not being depreciated	1,020	
Assets being depreciated, net	<u>11,523</u>	
Total assets	<u>13,065</u>	<u>17,232</u>
Liabilities:		
Current:		
Accounts and other payables	147	665
Payroll liabilities	95	9
Other liabilities	79	
Due to other funds	1,528	
Risk management claims		5,492
Unearned revenue	602	
Compensated absences	131	
Total noncurrent assets	<u>2,582</u>	<u>6,166</u>
Noncurrent:		
Compensated absences	222	
Risk management claims		4,275
Total liabilities	<u>2,804</u>	<u>10,441</u>
Net Assets:		
Invested in capital assets	12,543	
Unrestricted	<u>(2,282)</u>	<u>6,791</u>
Total Net Assets	<u>\$ 10,261</u>	<u>\$ 6,791</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Service Enterprise Fund	Internal Service Funds
Operating Revenues:		
Fund premiums	\$	\$ 23,809
Charges for services	3,656	
Employee contributions		5,660
Other		117
Total operating revenues	<u>3,656</u>	<u>29,586</u>
Operating expenses:		
Administrative expense		154
Personal services	2,029	
Employee benefits		29,005
Insurance and program services		5,352
Utilities	257	
Other operating expense	2,093	
Depreciation	792	
Total operating expenses	<u>5,171</u>	<u>34,511</u>
Operating Loss	(1,515)	(4,925)
Nonoperating Revenue:		
Utility rebate		876
Income on investments		2,078
		<u>2,954</u>
Loss Before Contributions and Transfers	(1,515)	(1,971)
Capital Contributions	1,267	
Transfers In	1,590	
Transfers Out		(73)
		<u>(73)</u>
Change in Net Assets	1,342	(2,044)
Net Assets at Beginning of Year	<u>8,919</u>	<u>8,835</u>
Net Assets at End of Year	<u>\$ 10,261</u>	<u>\$ 6,791</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	Business-Type Activities Leisure Services Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 5,660
Cash received from operating funds		23,809
Cash received from customers	3,656	
Cash payments to employees for services	(2,042)	
Cash payments to providers benefits		(28,053)
Cash payments to suppliers for goods and services	(2,441)	(5,577)
Other operating receipts		237
Net cash provided by (used in) operating activities	<u>(827)</u>	<u>(3,924)</u>
Cash Flows from Noncapital Financing Activities:		
Utility rebate		876
Transfers from other funds	939	
Transfers to other funds		(73)
Net cash flow from noncapital financing activities	<u>939</u>	<u>803</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	<u>(1,379)</u>	
Cash Flows from Investing Activities:		
Income on investments		1,100
Sale (purchase) of investments		3,069
Net cash provided by investing activities	<u>-</u>	<u>4,169</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,267)	1,048
Cash and Cash Equivalents at Beginning of Year	<u>2</u>	<u>1,239</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>(1,265)</u></u>	\$ <u><u>2,287</u></u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Operating loss	\$ (1,515)	\$ (4,925)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	792	
Change in assets and liabilities:		
(Increase) decrease in receivables		120
(Increase) decrease in prepaid items	(98)	(146)
Increase (decrease) in accounts and other payables	78	73
Increase (decrease) in payroll liabilities	13	2
Increase (decrease) in risk management claim liability		952
Increase (decrease) in due to other funds	(87)	
Increase (decrease) in unearned revenue	<u>(10)</u>	
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(827)</u></u>	\$ <u><u>(3,924)</u></u>
Noncash Investing and Capital Financing Activities:		
Net increase in fair value of investments	\$ <u><u></u></u>	\$ <u><u>978</u></u>
Contribution of Capital Assets from Town	\$ <u><u>651</u></u>	\$ <u><u></u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2007
(In Thousands)

	Pension Trust Fund December 31, 2006	Student Activity Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 5,257	\$ 778
Investments:		
Mutual funds	152,678	
Common stock	20,739	
Receivables:		
Interest and dividends	<u>21</u>	<u> </u>
Total assets	<u>178,695</u>	\$ <u><u>778</u></u>
Liabilities:		
Accounts and other payables	135	\$ 778
Securities purchased not yet settled	<u>622</u>	<u> </u>
Total Liabilities	<u>757</u>	\$ <u><u>778</u></u>
Net Assets:		
Held in Trust for Pension Benefits	\$ <u><u>177,938</u></u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS
PENSION TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

(In Thousands)

Additions:

Contributions:

Employer	\$	8,857
Plan members		1,364
Total contributions		<u>10,221</u>

Investment income:

Net appreciation in fair value of investments		18,306
Interest		53
Dividends		3,060
Total investment income		<u>21,419</u>
Less investment expense		<u>(441)</u>
Net investment income		<u>20,978</u>

Total additions		<u>31,199</u>
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Deductions:

Benefits		16,840
Administration		266
Total deductions		<u>17,106</u>

Net Increase		14,093
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Net Assets Held in Trust for Pension Benefits at Beginning of Year		<u>163,845</u>
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Net Assets Held in Trust for Pension Benefits at End of Year	\$	<u>177,938</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 not properly included among program revenues are reported instead as general revenues.

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

The various funds included in the financial statements are described below:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Leisure Services Fund is the Town's only enterprise fund.

Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Risk Management Fund and the Utilities Service Fund are the Town's internal service funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Fund accounts for the West Hartford Retirement System.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The school system Student Activity Fund is the Town's only agency fund.

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

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

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

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

The Town reports the following major governmental funds:

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

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

The CDBG Housing Rehabilitation Fund accounts for housing loan activity under the federal grant program.

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the risk management activities and utilities services of the Town.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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 and of the Town's Risk Management Fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund 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.

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, 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 \$469 has been established as an allowance for uncollectible taxes. At June 30, 2007, this represents 22% of all property taxes receivable.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 (\$100,000 for infrastructure) (amounts not rounded) and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

H. Compensated Absences

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

Eligible Town employees earn 15 days of sick leave per year and 10-25 days of vacation per year depending on the employees' length of service. A maximum of 150 days of sick leave and 50 days of vacation leave may be accrued. An employee leaving the employ of the Town is entitled to be paid for all unused vacation and a maximum of 75 days unused sick leave upon retirement.

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.

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 assets. Bond premiums and discounts, as well as issuance costs, 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 are reported as deferred charges and amortized over the term of the related debt.

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. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation is other long-term assets not available to pay for current-period expenditures:

Property taxes	\$ 1,192
School building grants	3,715
Net pension asset	1,345
Housing loans	2,080
Accrued interest	1,125
Other	<u>111</u>
Total	\$ <u>9,568</u>

Another element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this \$176,768 difference are as follows:

Bonds payable	\$ 156,055
Accrued interest payable	2,507
Compensated absences	15,302
Bond premium	<u>2,904</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities	\$ <u>176,768</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$17,820 difference are as follows:

Capital outlay	\$ 26,131
Depreciation expense	<u>(8,311)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u>17,820</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar

items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$(4,582) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (15,000)
Principal repayments:	
General obligation debt	10,060
Capital leases	133
Deferred charges	(22)
Bond premiums	<u>247</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u>(4,582)</u>

A further element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$(1,559) difference are as follows:

Compensated absences	\$ (1,473)
Accrued interest	<u>(86)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u>(1,559)</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

The Town Manager is authorized to transfer appropriated amounts within departments as long as the characters of expenditure remain the same. Transfers between different characters of expenditure must be approved by the Town Council, and transfers between departments may be made by the Town Council only

during the last three months of the fiscal year. Any revisions which alter the total revenues or expenditures must be approved by the Town Council.

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

For financial statement comparisons, budgetary results have been reconciled to generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Town Council. Supplemental budget amendments totaling \$2,668 were made to the adopted fiscal year 2007 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 three percent of the current tax levy in any one fiscal year, may be made upon the recommendation of the Town Manager and by a vote of not less than two-thirds of the entire membership of the 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 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 Council.

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

B. Deficit Fund Equity

	<u>Amount</u>
Special Revenue Funds:	
CDBG Housing Rehabilitation Fund	\$ 32

The special revenue fund deficit balance will be eliminated by program income.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2007:

Deposits:		
Demand accounts (including interest bearing accounts)	\$	30,795
Petty cash		7
Cash equivalents:		
State Short-Term Investment Fund (STIF)		35,919
Pooled and mutual funds		<u>5,448</u>
Total Cash and Cash Equivalents	\$	<u><u>72,169</u></u>

Deposits

At June 30, 2007, the carrying amount of the Town deposits was \$30,795 and the bank balance was \$32,997.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Of the June 30, 2007 bank balance, \$310 was covered by federal depository insurance. 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. A minimum of \$3,269, based on June 30, 2007 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Town's name). The balance of deposits of \$29,418 was uninsured and uncollateralized.

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, 2007 the Town's cash equivalents amounted to \$41,367. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>	<u>Not Rated</u>
State Short-Term Investment Fund (STIF)	AAAm	
Pooled and mutual funds		X

B. Investments

Investments as of June 30, 2007 (December 31, 2006 for Pension Trust Fund) in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest-bearing investments:		
U.S. government obligations	\$ 6,175	7.41
Other investments:		
Common stock	20,739	
Pooled open-end mutual fund accounts:		
Pension Trust Funds	152,678	
Internal Service Fund	<u>8,370</u>	
Total	\$ <u>187,962</u>	
Portfolio weighted average maturity for interest-bearing Investments		7.41

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the 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, 2007, 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.

5. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 2,123	\$	\$	\$	\$ 2,123
Interest*				109	109
Accounts and other	160	1		254	415
Housing loans	8		1,900	176	2,084
Intergovernmental	<u>4,916</u>	<u>537</u>		<u>699</u>	<u>6,152</u>
Gross receivables	7,207	538	1,900	1,238	10,883
Less allowance for uncollectibles	<u>469</u>				<u>469</u>
Net Total Receivables	<u>\$ 6,738</u>	<u>\$ 538</u>	<u>\$ 1,900</u>	<u>\$ 1,238</u>	<u>\$ 10,414</u>

* Accrued interest on property taxes and long-term housing loans in the amount of \$1,125 are not included in the fund financial statements.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 1,192	\$
Grant drawdowns prior to meeting all eligibility requirements		29
Property taxes collected in advance		498
School Building grants	3,715	
Housing loans	2,080	8
Bond premium		232
Other		<u>504</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 6,987</u>	<u>\$ 1,271</u>

Business-type activities unearned revenue of \$602 represents program charges and other revenue that is considered unearned.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,454	\$ 120	\$ (4)	\$ 8,570
Construction in progress	48,052	26,538	(8,307)	66,283
Total capital assets not being depreciated	<u>56,506</u>	<u>26,658</u>	<u>(8,311)</u>	<u>74,853</u>
Capital assets being depreciated:				
Buildings*	165,762	3,500		169,262
Land improvements	2,352	495		2,847
Vehicles	8,577	672	(851)	8,398
Furniture and equipment	8,571	613	(6)	9,178
Infrastructure	139,882	2,500		142,382
Total capital assets being depreciated	<u>325,144</u>	<u>7,780</u>	<u>(857)</u>	<u>332,067</u>
Less accumulated depreciation for:				
Buildings*	(41,958)	(4,082)		(46,040)
Land improvements	(306)	(130)		(436)
Vehicles	(6,035)	(663)	829	(5,869)
Furniture and equipment	(7,112)	(394)	6	(7,500)
Infrastructure	(70,560)	(3,042)		(73,602)
Total accumulated depreciation	<u>(125,971)</u>	<u>(8,311)</u>	<u>835</u>	<u>(133,447)</u>
Total capital assets being depreciated, net	<u>199,173</u>	<u>(531)</u>	<u>(22)</u>	<u>198,620</u>
Governmental Activities Capital Assets, Net	<u>\$ 255,679</u>	<u>\$ 26,127</u>	<u>\$ (8,333)</u>	<u>\$ 273,473</u>

* The beginning balance of buildings has been restated for a correction of previously reported amounts (net increase - \$354)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 116	\$ 953	\$ (49)	\$ 1,020
Capital assets being depreciated:				
Buildings and systems	17,636	651		18,287
Land improvements	2,609	364		2,973
Furniture and equipment	1,565	111	(242)	1,434
Total capital assets being depreciated	<u>21,810</u>	<u>1,126</u>	<u>(242)</u>	<u>22,694</u>
Less accumulated depreciation for:				
Buildings and system	(8,917)	(582)		(9,499)
Land improvements	(273)	(140)		(413)
Furniture and equipment	<u>(1,431)</u>	<u>(70)</u>	<u>242</u>	<u>(1,259)</u>
Total accumulated depreciation	<u>(10,621)</u>	<u>(792)</u>	<u>242</u>	<u>(11,171)</u>
Total capital assets being depreciated, net	<u>11,189</u>	<u>334</u>	<u>-</u>	<u>11,523</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,305</u>	<u>\$ 1,287</u>	<u>\$ (49)</u>	<u>\$ 12,543</u>

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

Governmental activities:	
General government	\$ 236
Public safety	588
Community maintenance	3,463
Human and cultural	196
Education	<u>3,828</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 8,311</u>
Business-type activities:	
Leisure Services Fund	<u>\$ 792</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2007. The following is a summary of capital projects as of June 30, 2007:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Public buildings	\$ 19,778	\$ 11,436
Blue Back Square	47,686	19,801
Parks and recreation	2,680	1,395
Infrastructure	24,727	14,718
Schools	36,139	29,435
Miscellaneous	<u>2,386</u>	<u>1,502</u>
Total	<u>\$ 133,396</u>	<u>\$ 78,287</u>

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

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2007 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,996	\$
CDBG Housing Rehabilitation Fund		32
Other governmental funds		436
Leisure Services Enterprise Fund		<u>1,528</u>
Total	\$ <u>1,996</u>	\$ <u>1,996</u>

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

The following is a schedule of transfers by fund type:

<u>Transfers to</u>	<u>Transfers From</u>				<u>Total Transfers</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Internal Service</u>	
General	\$	\$ 710	\$ 137	\$ 73	\$ 920
Capital Projects			1,431		1,431
Other Governmental	3,207	18			3,225
Enterprise	<u>909</u>		<u>30</u>		<u>939</u>
Total	\$ <u>4,116</u>	\$ <u>728</u>	\$ <u>1,598</u>	\$ <u>73</u>	6,515

Transfer of general capital assets:

To Leisure Services Enterprise Fund from existing general capital assets	<u>651</u>
Total Transfers In	\$ <u>7,166</u>

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

In the fund financial statements, total transfers in of \$8,236 are greater than total transfers out of \$7,585 because of the treatment of transfers of capital assets to the Enterprise Fund. During the year, existing capital assets related to governmental funds with a book value of \$651 were transferred to the Leisure Services Enterprise Fund. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources. However, the Enterprise Fund did report a transfer in for the capital resources received.

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 151,115	\$ 15,000	\$ 10,060	\$ 156,055	\$ 10,060
Less deferred amounts on Refunding	(133)		(22)	(111)	
Total bonds payable	<u>150,982</u>	<u>15,000</u>	<u>10,038</u>	<u>155,944</u>	<u>10,060</u>
Capital lease obligations	133		133		
Compensated absences	13,829	6,724	5,251	15,302	5,565
Risk management liability	<u>8,815</u>	<u>952</u>		<u>9,767</u>	<u>5,492</u>
Governmental Activity Long-Term Liabilities	<u>\$ 173,759</u>	<u>\$ 22,676</u>	<u>\$ 15,422</u>	<u>\$ 181,013</u>	<u>\$ 21,117</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 353</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 353</u>	<u>\$ 131</u>

All general long-term bonds are secured by the general revenue raising powers of the Town and payment will be provided by General Fund revenues. No sinking funds have been established as of June 30, 2007. 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.

The annual requirements to amortize bonds payable as of June 30, 2007 are as follows:

<u>General Obligations</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 10,060	\$ 6,784	\$ 16,844
2009	11,845	6,361	18,206
2010	11,895	5,873	17,768
2011	11,945	5,379	17,324
2012	12,015	4,860	16,875
2013-2017	43,530	17,901	61,431
2018-2022	37,555	8,631	46,186
2023-2026	<u>17,210</u>	<u>1,686</u>	<u>18,896</u>
Total	<u>\$ 156,055</u>	<u>\$ 57,475</u>	<u>\$ 213,530</u>

Interest rates on the above bonds range from 2.0% to 6.0%. There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

The following is schedule of direct and overlapping debt as of June 30, 2007:

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to West Hartford</u>	<u>Outstanding Debt Applicable to Town</u>
West Hartford	\$ 156,055	100.00	\$ 156,055
Metropolitan District Commission	75,185	21.57	<u>16,218</u>
Total			<u>\$ 172,273</u>

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 389,086	\$ 99,463	\$ 289,623
Schools	778,172	55,507	722,665
Sewers	648,476	16,218	632,258
Urban renewal	562,013		562,013
Pension deficit	518,781		518,781

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.21 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 in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes are issued and outstanding. There was \$2.6 million of bonds authorized and unissued, for debt limitation purposes, at June 30, 2007. Additionally, school indebtedness is net of school building grants amounting to \$3.7 million.

As of June 30, 2007 the Town had, in addition to amounts referred to above, a total of \$27.4 million authorized but unissued debt, consisting of \$17.5 million for general public improvements and \$9.9 million for school purposes.

9. FUND BALANCES/NET ASSETS

The following is a description of the various reserve accounts used to indicate that a portion of equity is legally segregated for a specific purpose and is unavailable for appropriation:

A. Fund Balance and Net Assets Reserved

Reserved for Encumbrances - represents outstanding purchase orders at year end on contracts which the Town intends to honor.

Reserved for Inventory - the balance of inventory accounts has been reserved to indicate that the portion of fund balance represented is not available for appropriation or expenditure.

Reserved for Capital Projects - the balance of the Capital Reserve Account in the Capital and Non-Recurring Expenditure Fund has been reserved to indicate that a portion of fund balance represented is available for appropriation only for capital projects.

Reserved for Permanent Trust - represents amounts in all Special Revenue and Permanent Funds which are reserved to indicate that they are not available for appropriation or expenditure.

Reserved for Employees' Pension Benefits - represents the amount of funds accumulated in the Pension Trust Fund to pay for pension benefits.

Fund balance/net asset reserves are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Internal Service</u>	<u>Fiduciary</u>
Encumbrances	\$ 563	\$ 385	\$ 20,225	\$	\$	\$
Inventory and prepaid	225	81				
Capital projects		172				
Trust purposes		1,686		82		177,938
Pension benefits						
Self-insurance					5,915	
Total	<u>\$ 788</u>	<u>\$ 2,324</u>	<u>\$ 20,225</u>	<u>\$ 82</u>	<u>\$ 5,915</u>	<u>\$ 177,938</u>

B. Fund Balance - Designations

General Fund - The Town Council designated \$781 for the subsequent year's budget.

Special Revenue Funds - The School Special Programs has designated \$1,164 of fund balance to be used for future purposes.

10. RISK MANAGEMENT

A. Types of Risk

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

B. Insurance Coverage

The following is a summary of major coverage:

Coverage	Retention	Limits
Excess workers' compensation	\$500	Statutory
General liability	\$250	\$5,000
Law enforcement liability	\$250	\$5,000
Public officials liability	\$250	\$5,000
Automobile liability	\$250	\$5,000
Auto physical damage-comprehensive	\$5	Actual Cash Value
Property	\$50	\$400,000
School leaders liability	\$250	\$5,000
Umbrella liability	\$10	\$15,000

Excess liability insurance is maintained with Genesis for \$5 million excess of \$250 thousand self insurance retention and with Great American for \$15 million excess of \$5 million. Claims are self-administered for the Self-Insured Risk Program. Webster Insurance administers the Self-Insured Workers' Compensation Program. Settled claims have not exceeded the commercial coverages above in any of the previous three years.

C. Loss Estimation Methodology

The Risk Management Fund receives revenues from all other funds to finance its cost of risk allocations based on both exposure and experience factors, depending on the risk. In the case of the self-insured, workers' compensation and heart and hypertension programs, actuarial estimates are used to determine ultimate losses. Claims and loss expenses are accrued at their present value utilizing actuarially developed factors and discount rates. The discount rate used is 7.5%. The estimate of incurred but not reported (IBNR) health claims is based on two months average claims. Total claims liabilities of \$9.8 million at June 30, 2007 are based on the requirements of GASB Statement 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

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

Fiscal Year	Beginning of Fiscal Year Liability	Paid Claims and Changes in Estimates	End of Fiscal Year Liability
2005-06	\$8,363	\$452	\$8,815
2006-07	8,815	952	9,767

11. POSTEMPLOYMENT BENEFITS

The Town, in accordance with various collective bargaining agreements, is obligated to provide health and other benefits to eligible retirees and their spouses. The Government Accounting Standards Board (GASB) has issued statements to establish financial reporting and liability calculation of postemployment benefits as well as a requirement to disclose the government's funding strategy and progress. Actuarial valuations involve estimates of the value of reported amounts and assumption about the probability of occurrence of future events. Assumptions include future employment, mortality and healthcare and other benefit cost trends.

As of June 30, 2007, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. However, an actuarial valuation was prepared to value the estimated accrued liability as of June 30, 2007 and the annual required contribution (ARC) for the subsequent year ending June 30, 2008. The following reflects the assumptions and results of the actuarial report:

Valuation date	June 30, 2007
Actuarial cost method	Projected Unit Credit Cost
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	7.5%
Benefit cost trend	9% - reducing by 1% for 4 years
Actuarial accrued liability	\$86,873
ARC - fiscal year ending June 30, 2008	\$6,440

As of June 30, 2007, the funding and payment of postemployment benefits are accounted for in an internal service fund. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. The Town is considering establishing a trust fund to exclusively control the funding and reporting of postemployment benefits or a combination of both a trust fund and internal service fund may be used. In either case, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers. Net assets reserved for retiree postemployment benefits, in the Town's internal service fund, amount to \$9.0 million at June 30, 2007. The 2007-2008 General Fund budget appropriated \$3.4 million to the internal service fund.

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town of West Hartford Retirement System

A. Plan Description

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

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

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

Membership in the Plan as of the last valuation date of January 1, 2006 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	939
Terminated vested employees	42
Total inactive participant	<u>981</u>
Current employees:	
Fully vested	510
Nonvested	188
Total active participants	<u>698</u>
Total	<u><u>1,679</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. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of Plan assets are also recognized at fiscal year end.

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 (0% to 9%) of their salary to the Plan, depending upon their class of membership.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan amortizes the actuarial accrued liability over a 20-year period. Contributions are recommended by the actuary through the Town's fiscal year-end of June 30. The Town's contributions for the fiscal years ended June 30, 2007 and 2006 were \$5,942 and \$5,641, respectively, and were in accordance with actuarially determined requirements.

D. Annual Pension Cost and Net Pension Obligations

The Town's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 5,942
Interest on net pension obligation	(112)
Adjustment to annual required contribution	<u>84</u>
Annual pension cost	5,914
Contributions made	<u>5,942</u>
Increase in net pension obligation	(28)
Net pension obligation (asset), July 1, 2006	<u>(1,317)</u>
Net Pension Obligation (Asset), June 30, 2007	\$ <u>(1,345)</u>

* Represents cumulative net over contribution of the annual required contribution. Amount is included in prepaid items on Exhibit I

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

Valuation Date	January 1, 2006
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed
Amortization Period	30 years
Asset Valuation Method	4-year smoothed
Investment Rate of Return	8.5%
Projected Salary Increases	4.0%

E. Trend Information

<u>Fiscal Year</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/07	\$	5,914	100.5%	\$ (1,345)
6/30/06		5,612	100.5	(1,317)
6/30/05		5,487	103.3	(1,288)

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Projected Unit Credit Cost (b)	Overfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
1-1-06	\$ 166,423	\$ 221,165	\$ 54,742	75.2	\$ 40,074	\$ 136.6
1-1-05	171,644	215,631	43,987	79.6	38,533	114.2
1-1-04	168,758	191,885	23,127	87.9	38,800	59.6
1-1-03	168,594	186,062	17,468	90.6	37,670	46.4
1-1-02	201,862	179,333	(22,529)	112.6	37,545	(60.0)
1-1-01	206,565	173,149	(33,416)	119.3	36,306	(92.0)

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6-30-07	\$ 5,942	100.0%
6-30-06	5,641	100.0
6-30-05	5,120	106.6
6-30-04	5,333	100.1
6-30-03	1,165	99.4
6-30-02	-	100.0

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

State of Connecticut Teachers' Retirement System

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

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

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The Town does not contribute to the Connecticut Teachers' Retirement System nor has any legal obligation for benefits. For the year ended June 30, 2007 the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$7.4 million as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

13. 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 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 Commission, through the Connecticut Resource Recovery Authority (CRRA) and 33 municipalities, including West Hartford, operates a solid waste disposal and energy recovery facility in the City of Hartford. The Town has a service agreement with CRRA pursuant to which the Town has agreed to deliver or cause to be delivered all of the solid waste under the legal control of the municipality.

The CRRA is required to impose service payments at a uniform rate per ton for all municipalities. If the Town delivers less than its minimum commitment (33,000 tons per year as defined in the service contract) such rates shall be applied to its minimum commitment amount. The service fee, per the agreement, is \$69.00 per ton. The Service Agreement provides that the obligation of the Town to pay the service fee is a general obligation of the Town and the full faith and credit of the Town has been pledged to the payments thereof.

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

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Property taxes:				
Current year levy	\$ 168,693	\$ 168,692	\$ 169,000	\$ 308
Prior year's collections	800	800	796	(4)
Interest and liens fees	500	500	680	180
Motor vehicle supplement	1,950	1,950	2,047	97
Suspense	-	-	42	42
Total property taxes	<u>171,943</u>	<u>171,942</u>	<u>172,565</u>	<u>623</u>
Intergovernmental revenue:				
Federal:				
DOT Red Light compliance grant		60		(60)
Dial-A-Ride reimbursement			25	25
Justice Assistance grant		3	3	-
Traffic Enforcement grant		60	63	3
Total federal assistance	<u>-</u>	<u>123</u>	<u>91</u>	<u>(32)</u>
State:				
Education cost sharing	11,372	11,372	11,431	59
Elementary school transportation	324	324	273	(51)
School building grants	823	823	953	130
Payments in lieu of taxes	1,806	1,806	1,819	13
Property tax relief	493	493	177	(316)
Machinery exemption	312	312	362	50
Elderly tax exemption - circuit breaker	284	284	254	(30)
Elderly tax relief - homeowner tax credit	20	20	19	(1)
Veterans exemptions	83	83	79	(4)
Youth services grant	35	35	35	-
Local prevention council grant	6	6	6	-
Highway town aid	424	424	342	(82)
Mashantucket Pequot fund	435	435	412	(23)
Boating safety grant	13	13	13	-
Library grants	5	5	4	(1)
Miscellaneous State grants	82	99	16	(83)
EMS grants	78	78	125	47
Telephone access grant	335	335	317	(18)
Total state assistance	<u>16,930</u>	<u>16,947</u>	<u>16,637</u>	<u>(310)</u>
Total intergovernmental revenues	<u>16,930</u>	<u>17,070</u>	<u>16,728</u>	<u>(342)</u>

(Continued on following page)

TOWN OF WEST HARTFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Charges for services:				
Town Clerk	\$ 1,341	\$ 1,341	\$ 1,499	\$ 158
Assessment	6	6	5	(1)
Financial service	14	14	44	30
Employee services	3	3	-	(3)
Fire Department	3	3	-	(3)
Police Department	429	442	438	(4)
Community services	1,716	1,768	2,341	573
Public works	175	175	157	(18)
Library	99	99	69	(30)
Human services	5	5	5	-
Total charges for services	<u>3,791</u>	<u>3,856</u>	<u>4,558</u>	<u>702</u>
Miscellaneous local revenues:				
Town-owned property rentals	22	22	26	4
Workers' compensation reimbursement	200	200	298	98
Miscellaneous	85	89	147	58
Total miscellaneous revenues	<u>307</u>	<u>311</u>	<u>471</u>	<u>160</u>
Income on investments	<u>2,425</u>	<u>3,350</u>	<u>3,342</u>	<u>(8)</u>
Total revenues	<u>195,396</u>	<u>196,529</u>	197,664	<u>1,135</u>
Other financing sources:				
Transfers in	<u>903</u>	<u>903</u>	920	<u>17</u>
Total Budgeted Revenues and Transfers	\$ <u>196,299</u>	\$ <u>197,432</u>		\$ <u>1,152</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			<u>7,449</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>206,033</u>	

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General Government:				
Town Council:				
Personal services	\$ 277	\$ 276	\$ 275	\$ 1
Nonpersonal expense	343	355	353	2
Debt and sundry	131	131	129	2
Total	<u>751</u>	<u>762</u>	<u>757</u>	<u>5</u>
Town Manager:				
Personal services	194	226	226	-
Non-personal expense	17	20	20	-
Debt and sundry	75	77	77	-
Total	<u>286</u>	<u>323</u>	<u>323</u>	<u>-</u>
Corporation Counsel:				
Personal services	268	274	274	-
Non-personal expense	153	147	143	4
Debt and sundry	119	119	119	-
Total	<u>540</u>	<u>540</u>	<u>536</u>	<u>4</u>
Register of Voters:				
Personal services	144	120	120	-
Non-personal expense	93	140	140	-
Debt and sundry	30	28	27	1
Total	<u>267</u>	<u>288</u>	<u>287</u>	<u>1</u>
Financial Services:				
Personal services	1,010	2,286	2,286	-
Non-personal expense	343	2,170	2,170	-
Debt and sundry	470	933	933	-
Total	<u>1,823</u>	<u>5,389</u>	<u>5,389</u>	<u>-</u>
Assessment:				
Personal services	498	519	519	-
Non-personal expense	212	189	145	44
Debt and sundry	218	219	219	-
Total	<u>928</u>	<u>927</u>	<u>883</u>	<u>44</u>
Administrative Services:				
Personal services	1,214	-	-	-
Non-personal expense	1,705	-	-	-
Debt and sundry	467	-	-	-
Total	<u>3,386</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued on following page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
General Government (continued):				
Employee Services:				
Personal services	\$ 334	\$ 358	\$ 268	\$ 90
Non-personal expense	96	96	65	31
Debt and sundry	141	141	135	6
Total	<u>571</u>	<u>595</u>	<u>468</u>	<u>127</u>
Total general government	<u>8,552</u>	<u>8,824</u>	<u>8,643</u>	<u>181</u>
Public Safety:				
Fire Department:				
Personal services	7,890	8,245	8,245	-
Non-personal expense	577	584	584	-
Debt and sundry	3,008	3,011	3,011	-
Total	<u>11,475</u>	<u>11,840</u>	<u>11,840</u>	<u>-</u>
Police Department:				
Personal services	11,142	11,263	11,263	-
Non-personal expense	779	779	779	-
Capital outlay	-	70	70	-
Debt and sundry	4,918	4,957	4,957	-
Total	<u>16,839</u>	<u>17,069</u>	<u>17,069</u>	<u>-</u>
Total public safety	<u>28,314</u>	<u>28,909</u>	<u>28,909</u>	<u>-</u>
Community Maintenance:				
Community Services:				
Personal services	2,090	2,195	2,195	-
Non-personal expense	637	672	672	-
Debt and sundry	1,113	1,104	1,104	-
Total	<u>3,840</u>	<u>3,971</u>	<u>3,971</u>	<u>-</u>
Public Works:				
Personal services	3,081	3,081	2,985	96
Non-personal expense	6,579	6,554	6,432	122
Capital outlay	-	25	10	15
Debt and sundry	1,845	1,845	1,825	20
Total	<u>11,505</u>	<u>11,505</u>	<u>11,252</u>	<u>253</u>
Total community maintenance	<u>15,345</u>	<u>15,476</u>	<u>15,223</u>	<u>253</u>

(Continued on following page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human and Cultural:				
Library:				
Personal services	\$ 2,165	\$ 2,200	\$ 2,200	\$ -
Non-personal expense	596	564	564	-
Debt and sundry	830	841	841	-
Total	<u>3,591</u>	<u>3,605</u>	<u>3,605</u>	<u>-</u>
Human Services:				
Personal services	373	379	379	-
Non-personal expense	568	562	537	25
Debt and sundry	166	166	164	2
Total	<u>1,107</u>	<u>1,107</u>	<u>1,080</u>	<u>27</u>
Total human and cultural	<u>4,698</u>	<u>4,712</u>	<u>4,685</u>	<u>27</u>
Education	<u>113,232</u>	<u>113,232</u>	<u>113,232</u>	<u>-</u>
Debt and sundry	<u>22,774</u>	<u>21,970</u>	<u>22,049</u>	<u>(79)</u>
Total expenditures	<u>192,915</u>	<u>193,123</u>	<u>192,741</u>	<u>382</u>
Other financing uses:				
Transfers out	<u>3,384</u>	<u>4,309</u>	4,116	<u>193</u>
Total	<u>\$ 196,299</u>	<u>\$ 197,432</u>		<u>\$ 575</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	7,449
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(338)
Inventory purchases are reported as expenditures for budgetary purposes	<u>(54)</u>

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

\$ 203,914

TOWN OF WEST HARTFORD, CONNECTICUT

CDBG HOUSING REHABILITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2007
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 352	\$ 183	\$ (169)
Charges for services		2	2
Interest		13	13
Miscellaneous	<u>132</u>	<u>173</u>	<u>41</u>
Total revenues	<u>484</u>	<u>371</u>	<u>(113)</u>
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Non-personal expense	<u>786</u>	<u>380</u>	<u>406</u>
Excess (deficiency) of revenues over expenditures	<u>(302)</u>	<u>(9)</u>	<u>293</u>
Other financing sources (uses):			
Transfer in	302		(302)
Transfers out	<u>(1,070)</u>	<u>(1,070)</u>	<u>(1,070)</u>
Total other financing sources (uses)	<u>302</u>	<u>(1,070)</u>	<u>(1,372)</u>
Net Change in Fund Balances	\$ <u>-</u>	(1,079)	\$ <u>(1,079)</u>
Fund Balance, Beginning of Year		<u>1,039</u>	
Fund Balance, End of Year		\$ <u>(40)</u>	

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT
By The TOWN OF WEST HARTFORD, CONNECTICUT
Dated As Of February 7, 2008
In Connection With The Issuance And Sale Of
\$ 15,000,000 Town of West Hartford, Connecticut
General Obligation Bonds Series 2008A
Dated February 7, 2008

WHEREAS, the TOWN OF WEST HARTFORD, Connecticut (the "Issuer") has heretofore authorized the issuance of \$15,000,000 in aggregate principal amount of its General Obligation Bonds, Series 2008A (the "Bonds") to be dated February 7, 2008 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement dated January 30, 2008 describing the Bonds (the "Official Statement"); and

WHEREAS, the Issuer has offered the Bonds for sale through competitive bid pursuant to its Notice of Sale dated January 23, 2008 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale the Issuer has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Section 3-20e of the General Statutes of Connecticut, as amended, to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Fiscal Year End" shall mean the last day of the Issuer's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"NRMSIR" shall mean any nationally recognized municipal securities information repository for purposes of the Rule.

"SID" shall mean any state information depository established or designated by the State of Connecticut for the purposes of the Rule. As of the date of this Agreement no SID has been so established or designated by the State of Connecticut.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to each NRMSIR and to the SID the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;

(G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's comprehensive annual financial report, including audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to each NRMSIR and the SID, including official statements of the Issuer which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information within 60 days of receipt.

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of the occurrence of any of the following events, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities; and
- (xi) rating changes.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended 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. A copy of any such amendment will be filed in a timely manner with (i) each NRMSIR or the MSRB, and (ii) the SID. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Miscellaneous Any filing under this Continuing Disclosure Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the “MAC”) as provided at <http://www.disclosureuse.org> unless the SEC has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF WEST HARTFORD
CONNECTICUT

By _____
James W. Francis,
Town Manager

By _____
Chris Johnson,
Director of Financial Services

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