

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including Federal alternative minimum tax on certain corporations, as described under Appendix B "Form of Legal Opinion of Bond Counsel" and "Tax Matters" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

\$15,000,000
Town of West Hartford, Connecticut
General Obligation Bonds
Series 2012A
Book-Entry Only

Dated: Date of Delivery

To Mature: July 15, as shown below

The Bonds will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2012. 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. See "Optional Redemption" 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.

MATURITY SCHEDULE

Maturity Date	Principal Amount	Coupon (%)	Yield (%)	CUSIP	Maturity Date	Principal Amount	Coupon (%)	Yield (%)	CUSIP
2013	\$1,000,000	2.500	0.200	953106T43	2021	\$1,000,000	5.000	1.720	953106U41
2014	\$1,000,000	3.000	0.290	953106T50	2022	\$1,000,000	3.000	1.870	953106U58
2015	\$1,000,000	5.000	0.460	953106T68	2023*	\$1,000,000	3.000	2.060	953106U66
2016	\$1,000,000	5.000	0.540	953106T76	2024*	\$1,000,000	3.000	2.270	953106U74
2017	\$1,000,000	5.000	0.720	953106T84	2025*	\$1,000,000	3.000	2.420	953106U82
2018	\$1,000,000	5.000	1.010	953106T92	2026*	\$1,000,000	3.000	2.530	953106U90
2019	\$1,000,000	5.000	1.270	953106U25	2027*	\$1,000,000	3.000	2.620	953106V24
2020	\$1,000,000	5.000	1.540	953106U33					

* Priced assuming redemption on July 15, 2022; however any such redemption is at the election of the Town. (See "Optional Redemption" herein.)

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about March 8, 2012 through the facilities of DTC or its custodial agent.

BofA Merrill Lynch

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 is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

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Appendix A – Form of Opinion of Bond Counsel

Appendix B - General Purpose Financial Statements

Appendix C - Form of Continuing Disclosure Agreement

Financial Advisor:

LAMONT FINANCIAL SERVICES CORPORATION

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Bond Issue Summary

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

Issuer:	Town of West Hartford, Connecticut (the "Town").
Issue:	\$15,000,000 General Obligation Bonds, Series 2012A, Book-Entry Only (the "Bonds").
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due on July 15 in each of the years 2013 through 2027, inclusive. Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2012.
Purpose:	Bond proceeds will be used to finance various capital improvement projects authorized by the Town Council.
Security:	The Bonds will be general obligations of the Town of West Hartford, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated Aaa (negative outlook) and AAA (stable outlook) by Moody's Investors Service, Inc. and Standard & Poor's respectively. The Town has received long-term ratings on its outstanding general obligation bonds of Aaa (negative outlook) and AAA (stable outlook) from Moody's Investors Service, Inc. and Standard & Poor's, respectively.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC).
Tax Exemption:	In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including Federal alternative minimum tax on certain corporations, as described under Appendix B "Form of Legal Opinion of Bond Counsel" and "Tax Matters" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.
Bank Qualification:	The Bonds shall <u>not</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Optional Redemption:	The Bonds are subject to redemption prior to maturity, as more fully described herein under "Optional Redemption."
Continuing Disclosure:	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, timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events and timely notice of a failure by the Town to provide annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Hartford, Connecticut.
Financial Advisor:	Lamont Financial Services Corporation, 30 Two Bridges Road, Suite 205, Fairfield, New Jersey 07004, telephone (973) 785-8900.
Legal Opinion:	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.

Delivery and Payment:

It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company on or about March 8, 2012, in New York, New York, against payment in Federal funds.

Issuer Official:

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.

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 2012A (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. U.S. 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 its 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 July 15 in each of the years 2013-2027, in the amounts, and will bear interest at the rate or rates per annum payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2012, as set forth on the cover page of this Official Statement. The interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, NY, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank National Association in Hartford, Connecticut.

Optional Redemption

The Bonds maturing on or before July 15, 2022 are not subject to redemption prior to maturity. The Bonds maturing on and after July 15, 2023 are subject to redemption prior to maturity, at the option of the Town, on and after July 15, 2022, 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 July 15, 2022 and thereafter	100%

Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner of any Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC.

Security and Remedies

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

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. There was, however, no such classified property on the last completed Grand List of the Town, and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its powers to tax such dwelling houses.

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

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

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

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

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

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, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement, pursuant to a Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12 (b) (5). 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)	Amount¹ Authorized	Series 2012A	Authorized¹ but Unissued
General Public Improvements			
Arterial Streets (2012-2013).....	\$ 2,452,000	\$ 2,452,000	\$ --
Athletic Playfield Improvements (2012-2013).....	150,000	50,000	100,000
Energy Conservation (2012-2013).....	200,000	--	200,000
Miracle League Field (2012).....	50,000	50,000	--
Neighborhood Street Improvements (2012-2013).....	2,682,000	2,682,000	--
Outdoor Pools (2011-2013).....	1,650,000	1,650,000	--
Pedestrian & Bicycle Management (2012-2013).....	544,000	268,000	276,000
Public Works Rolling Stock (2012-2013).....	800,000	800,000	--
Storm Water Management (2012-2013).....	650,000	650,000	--
Street Resurfacing (2012-2013).....	1,092,000	1,092,000	--
Town Building Improvements (2011-2013).....	3,060,053	1,754,053	1,306,000
Traffic System Management (2012).....	200,000	200,000	--
Sub-Total General Public Improvements.....	<u>\$13,530,053</u>	<u>\$11,648,053</u>	<u>\$1,882,000</u>
School Improvements²			
Asbestos (2011-2013).....	\$430,000	\$140,000	\$290,000
Elementary School Expansion (2008).....	123,226	--	123,226
Heating & Ventilation Systems (2007-2013).....	1,548,945	1,500,000	48,945
Portable Classrooms (2011).....	190,000	--	190,000
Roofing & Masonry (2011-2013).....	1,855,516	510,000	1,345,516
School Building Improvements (2008-2013).....	2,431,913	951,947	1,479,966
Site & Athletic Field Improvements (2012-2013).....	500,000	250,000	250,000
Window Replacement (2012-2013).....	500,000	--	500,000
Sub-Total School Improvements.....	<u>\$7,579,600</u>	<u>\$3,351,947</u>	<u>\$4,227,653</u>
Grand Total	<u>\$21,109,653</u>	<u>\$15,000,000</u>	<u>\$6,109,653</u>

¹ Net of long-term debt previously issued and school progress payments received from the State of Connecticut prior to March 8, 2012. 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 \$10,399,000 authorized for fiscal year 2013 are included in this listing because they were authorized in April 2011.

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 prior program for all projects approved prior to July 1, 1996.

Under the prior program, the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the approved school projects. The Town expects to receive reimbursements under the prior program in an aggregate amount of \$1,302,902.

Under the current 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 current 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 Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

Ratings

The Bonds are rated Aaa (negative outlook) and AAA (stable outlook) by Moody's Investor Service, Inc. and Standard and Poor's (the "Rating Agencies"), respectively. The Town has received long-term ratings on its outstanding general obligation bonds of Aaa (negative outlook) from Moody's Investors Service and AAA (stable outlook) 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 2010 Census population of 63,268.

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 260,000 volumes. Additionally the Town has 46 public parks and squares, one playhouse and 24 churches and synagogues. 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 11/01-11/13
Deputy Mayor/Vice President of Council	Shari G. Cantor	Appointed 12/04-11/05
		Elected 11/05-11/13
Minority Leader	Denise B. Hall	Elected 11/09-11/13
	Steven Adler	Elected 11/07-11/13
	Harry J. Captain	Appointed 3/11-11/11
		Elected 11/11-11/13
	Judy Casperson	Elected 11/09-11/13
	Leon S. Davidoff	Elected 11/07-11/13
	Burke Doar	Appointed 03/11-11/11
		Elected 11/11-11/13
	Clare Kindall	Elected 11/11-11/13
	<u>Other Elected Officials</u>	
Town Clerk	Essie Labrot	Elected 1/08-1/16
Registrar of Voters	Eleanor Brazell	Appointed 7/03-1/05
		Elected 1/05-1/15
	Carolyn Thornberry	Elected 1/11-1/15
	<u>Board of Education</u>	
Chairperson	Bruce Putterman	Elected 11/03-11/15
Vice-Chairperson	Elin Katz	Elected 11/09-11/13
Secretary	Naogan Ma	Elected 11/09-11/13
	Ellen Brassil	Appointed 09/11-11/11
		Elected 11/11-11/15
	Lib Brassil-Spinella	Elected 11/05-11/13
	Mark Overmyer-Velazquez	Appointed 11/11-11/13
	Terry Schmitt	Elected 11/03-11/15

Town Council

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

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

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

Steven Adler received his undergraduate degree in Public Administration from Western Connecticut State University and his MS in Business Management from Rensselaer Polytechnic. He was elected to the Town Council in 2007.

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

Judy Casperson, who has made her career in the banking industry, was elected to the Town Council in November 2009. She is an active community volunteer, serving on numerous local boards and committees.

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

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

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

Town Administration

<u>Position</u>		<u>Manner of Selection and Term</u>
Town Manager	Ronald F. Van Winkle	Appointed-Indefinite
Corporation Counsel	Joseph O'Brien	Appointed-Indefinite
Director of Assessment	Joseph Dakers Sr.	Appointed-Indefinite
Director of Community Services	Robert Rowison	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	John Phillips	Appointed-Indefinite
Interim Chief, Fire Department	Gary S. Allyn	Appointed-Indefinite
Chief, Police Department	Tracey Gove	Appointed-Indefinite

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

Chris Johnson, Director of Financial Services, holds a BA and a 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.

Board of Education Administration

Position

Superintendent of Schools
Assistant Superintendent of Schools
Assistant Superintendent of Schools

Karen List
Thomas Moore
Eileen Howley

Manner of Selection and Term

Appointed-Indefinite
Appointed-Indefinite
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.

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 260,000 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 28,000 registered borrowers.

Department of Public Works

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

Fire Department

The Town provides around-the-clock fire prevention and control services through a professionally staffed Fire Department. The departmental staff of 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 152 Police Department employees. The Department is divided into four divisions: patrol services, investigatory services, management, and support services. The Police Department has three full-time training officers and a police systems analyst who provide assistance to the Chief of Police.

Water and Sewer Services

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water, sanitary sewers and related services in eight member towns. Water services are provided directly by MDC 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. The Town's Service Contract with the Authority will expire on November 1, 2012. The Authority has developed a Renewal Service Contract which is currently being reviewed by the Town along with the evaluation of other disposal options. A decision on a new disposal contract with the Authority is expected during the first quarter of 2012.

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 on the Authority's bonds 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 approximately 10,000 students. The curriculum exceeds all basic State requirements, in depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. In addition, comprehensive programs in special education are available. The middle schools (Grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

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

SCHOOL ENROLLMENT¹

School Year	Elementary (K-5)	Middle (6-8)	Historical		Total Enrollment
			Senior High (9-12)	Special Education ²	
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
2008-2009	4,659	2,187	3,035	-	9,881
2009-2010	4,677	2,172	3,147	-	9,996
2010-2011	4,678	2,228	3,129	-	10,035
2011-2012	4,633	2,249	3,003	-	9,885

School Year	Elementary (K-5)	Middle (6-8)	Senior High (9-12)	Special Education	Total Enrollment
2012-2013	4,551	2,249	3,085	-	9,885
2013-2014	4,520	2,256	3,022	-	9,798
2014-2015	4,449	2,283	3,054	-	9,786

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 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 has 1,909 full-time positions for general government and education. Included are six federally funded positions. With the exception of certain employees, all Town employees are represented by a collective bargaining organization. The following table shows the Town's authorized positions for the last five years:

	2012	2011	2010	2009	2008
Board of Education	1,467	1,454	1,482	1,484	1,482
General Government	436	438	443	454	448
Federally Funded	6	6	6	6	6
Total	1,909	1,898	1,931	1,944	1,936

Employee Bargaining Organizations

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

Bargaining Unit	Number of Members¹	Contract Expiration
<u>General Government</u>		
Local 1241 International Association of Firefighters	83	6/30/12
West Hartford Police Officers Association.....	121	6/30/13
Public Safety Dispatcher Union Local 2001 SEIU.....	12	6/30/13
Local 1142 of Council No. 4 AFL-CIO.....	23	6/30/14
Professional & Management Union Local 2001 SEUI.....	66	6/30/13
Grounds Union Local 2001 SEIU.....	24	6/30/13
Buildings Union Local 2001 SEIU.....	5	6/30/13
Clerical Union Local 2001 SEIU.....	39	6/30/13
Supervisory Union, Local 2001 SEIU	7	6/30/13
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance.....	4	6/30/13
Non-Bargaining Employees	37	n/a
Sub-Total General Government.....	421	

Bargaining Unit	Number of Members¹	Contract Expiration
<u>Board Of Education</u>		
West Hartford Education Association	890	6/30/13
West Hartford Administrators Association.....	56	6/30/14
West Hartford Federation of Educational Secretaries.....	55	6/30/14
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance.....	21	6/30/13
West Hartford Federation of Educational Personnel	219	6/30/14
West Hartford Public Schools Nurses Association.....	23	6/30/13
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians.....	78	6/30/14
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians.....	4	6/30/14
AFL-CIO AFSCME Local No. 1303 Council No.4 Security	15	6/30/14
West Hartford BOE Professional Employees Local 760 SEIU	34	6/30/12
Non-Bargaining Employees (includes Teaching Assistants).....	110	n/a
Sub-Total Board of Education	1,505	
Total General Government and Board of Education	1,926	

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

n/a – not applicable

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and

the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of the municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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
2010	63,268	+3.6	2,850

¹1950 - 2010 U.S. Census Bureau

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	3,473	5.5	202,106	5.7
5 - 9	4,210	6.6	222,571	6.2
10 - 14	4,347	6.9	240,265	6.7
15 - 19	4,376	6.9	250,834	7.0
20 - 24	3,009	4.8	227,898	6.4
25 - 34	6,953	11.0	420,377	11.8
35 - 44	8,329	13.1	484,438	13.5
45 - 54	9,660	15.3	575,597	16.1
55 - 59	4,319	6.8	240,157	6.7
60 - 64	3,772	6.0	203,295	5.7
65 - 74	4,438	7.0	254,944	7.1
75 - 84	3,784	6.0	166,717	4.7
85 and over	2,598	4.1	84,898	2.4
Total	63,268	100.0	3,574,097	100.0
Median Age (years)	41.5		40	

Source: U.S. Census Bureau, American FactFinder, 2010

INCOME DISTRIBUTION

	Town of West Hartford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000	337	2.1	30,380	3.4
10,000 - 14,999	208	1.3	20,523	2.3
15,000 - 24,999	406	2.5	51,093	5.7
25,000 - 34,999	773	4.8	57,582	6.5
35,000 - 49,999	1,435	8.9	97,394	10.9
50,000 - 74,999	2,416	14.9	151,236	17.0
75,000 - 99,999	2,079	12.8	137,004	15.4
100,000 - 149,999	3,551	21.9	176,375	19.8
150,000 - 199,999	2,262	14.0	77,052	8.7
200,000 and over	2,713	16.8	92,131	10.3
Total	16,180	100.0	890,770	100.0

Source: U.S. Census Bureau, American FactFinder, 2008-2010

INCOME LEVELS

	Town of West Hartford	State of Connecticut
Per Capita Income, 2010	\$43,998	\$35,078
Per Capita Income, 1999	\$33,468	\$28,766
Per Capita Income, 1989	\$26,943	\$24,548
Median Family Income, 2010	\$103,023	\$81,246
Median Household Income, 2010	\$77,156	\$64,032
Percent of Families Below Poverty Level	3.9	7.2

Source: U.S. Census Bureau, American FactFinder, 2008-2010

AGE DISTRIBUTION OF HOUSING

Year Built	Town of West Hartford		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier	6,770	25.8	350,392	23.5
1940 to 1959	10,909	41.6	326,813	22.0
1960 to 1969	3,029	11.6	196,651	13.2
1970 to 1979	2,188	8.3	205,924	13.8
1980 to 1989	1,874	7.1	190,703	12.8
1990 to 1999	561	2.1	106,593	7.2
2000 to 2010	914	3.5	111,139	7.5
Total	26,245	100.0	1,488,215	100.0
Percent Owner Occupied		73.5		68.0

Source: U.S. Census Bureau, American FactFinder, 2008-2010

WEST HARTFORD HOUSING INVENTORY

Type	Units	Percent
1-unit detached	17,146	65.3
1-unit attached	813	3.1
2 to 4 units	3,241	12.4
5 to 9 units	585	2.2
10 or more units	4,426	16.9
Mobile home, trailer, other	34	0.1
Total Inventory	26,245	100.0

Source: U.S. Census Bureau, American FactFinder, 2008-2010

OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of West Hartford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	193	1.1	15,235	1.7
\$ 50,000 to \$ 99,999.....	110	0.6	20,429	2.2
\$100,000 to \$149,999.....	579	3.1	55,321	6.0
\$150,000 to \$199,999.....	1,070	5.8	122,528	13.3
\$200,000 to \$299,999.....	6,763	36.6	278,420	30.1
\$200,000 to \$499,999.....	6,930	37.5	268,859	29.1
\$500,000 or more	2,822	15.3	162,825	17.6
Total	18,467	100.0	923,617	100.0
Median Value.....	\$310,600		\$288,800	

Source: U.S. Census Bureau, American FactFinder, 2008-2010

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	1,180	2.7	111,914	4.6
9th to 12th grade	1,655	3.8	165,094	6.8
High school graduate	7,464	17.0	687,618	28.3
Some college, no degree	5,392	12.3	431,411	17.7
Associate degree	2,619	5.9	173,047	7.1
Bachelor's degree	11,907	27.1	491,990	20.2
Graduate or professional degree	13,687	31.2	373,309	15.3
Total	43,904	100.0	2,434,383	100.0
Total High School Graduate or Higher (%)	93.5		88.6	
Total Bachelor's Degree or Higher (%)	58.3		35.5	

Source: U.S. Census Bureau, American FactFinder, 2008-2010

EMPLOYMENT DATA

by Place of Residence

Period	Town of West Hartford		Percentage Unemployed		
	Employed ¹	Unemployed ¹	Town of West Hartford (%) ¹	Hartford Labor Market (%) ¹	State of Connecticut (%)
Jan.-Nov. 2011	27,389	2,362	7.9	9.0	8.9
Annual Average					
2010.....	27,372	2,412	8.1	9.2	9.1
2009.....	27,550	2,164	7.3	8.3	8.3
2008	27,881	1,452	5.0	5.7	5.6
2007	27,748	1,189	4.1	4.7	4.6
2006	27,562	1,122	3.9	4.6	4.4
2005	27,313	1,232	4.3	5.1	4.9
2004	27,138	1,241	4.4	5.2	4.9
2003	27,199	1,363	4.8	5.7	5.5
2002	27,604	1,023	3.6	4.5	4.4
2001 ²	27,918	756	2.6	3.2	3.1

¹ Not seasonally adjusted.

² Due to the change in the way the statistics have been compiled by the State Department of Labor, previous data is 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	0	0.0	7,443	0.4
Construction	1,057	3.4	95,217	5.5
Manufacturing	2,195	7.0	188,493	10.9
Wholesale Trade	625	2.0	43,580	2.5
Retail Trade	2,668	8.4	187,540	10.8
Transportation, Warehousing, Utilities	943	3.0	64,696	3.7
Information	770	2.4	43,094	2.5
Finance, Insurance, Real Estate	4,361	13.8	156,695	9.0
Professional, Scientific, Management	3,760	11.9	193,794	11.2
Educational, Health, Social Services	10,279	32.5	454,976	26.2
Arts, Entertainment, Recreation	2,054	6.5	150,893	8.7
Other Services	1,585	5.0	82,017	4.7
Public Administration	1,301	4.1	68,008	3.9
Total Labor Force, Employed	31,598	100.0	1,736,446	100.0

Source:: U.S. Census Bureau, American FactFinder, 2008-2010

MAJOR EMPLOYERS

<u>Employer</u>	<u>Business</u>	<u>Number of Employees</u>
University of Hartford	Education	1,000-4,999
Lincoln Theater.....	Theatres-Movies	1,000-4,999
Town of West Hartford.....	Government	1,000-4,999
Wiremold Products, Inc.	Manufacturing	500-999
Goodrich Corporation	Manufacturing	250-499
University of Connecticut	Education	250-499
St. Mary's Home.....	Nursing Home	250-499
American Medical Response	Ambulance Service	250-499
Cheesecake Factory	Restaurant	250-499
Colt Manufacturing.....	Manufacturing	250-499
American School for the Deaf	Education	250-499
Renbrook School	Education	250-499
Total.....		<u>5,500-19,988</u>

Source: CT Department of Labor

LAND USE SUMMARY

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

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

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 lienied each year in June, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

COMPARATIVE ASSESSED VALUATIONS
(Amounts Expressed in Thousands)

Grand List of 10/1	Real Property ¹			Personal Property ¹		Less:	Net	Total
	Residential	Commercial	Industrial	Other	Motor Vehicle	Exemptions on Taxable Property	Taxable Grand List	Direct Tax Rate
2010	\$ 4,763,366	\$842,798	\$71,412	\$197,281	\$ 387,159	\$1,227,614	\$5,034,402	39.44
2009	4,738,213	837,183	71,579	197,343	366,554	1,211,022	4,999,850	38.38
2008	4,711,416	828,730	73,027	195,797	362,919	1,217,965	4,953,924	37.54
2007	4,651,563	801,976	74,008	180,180	377,062	1,195,360	4,889,430	36.97
2006 ²	4,602,650	815,582	73,570	168,500	369,916	1,531,763	4,498,455	38.63
2005	2,605,522	546,377	67,714	159,506	368,461	36,640	3,710,940	46.19
2004	2,583,536	535,544	67,590	152,863	355,022	34,623	3,659,932	44.07
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

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 value of the new assessments being phased-in is reflected as a tax exemption in the Grand List. In June 2009, the Town Council elected to suspend the phase-in in accordance with State legislation. The phase-in tax exemption totals \$1,072,480,480 as of 10/1/10.

Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities. 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 10/1/10
Federal	\$10,439,200
Town of West Hartford	117,659,400
State of Connecticut	33,740,900
Sub-Total Public	<u>\$161,839,500</u>
Private	
Public Service Companies	\$5,579,000
Scientific, Educational, Historical, Charitable	238,493,400
Churches	157,849,900
Cemeteries	13,464,000
Veteran's Organizations	1,408,000
Recreation	71,947,000
Private Colleges and Hospitals	82,032,400
Sub-Total Private	<u>\$570,773,700</u>
Total Exempt Property	<u><u>\$732,613,200</u></u>

Percent of Net Taxable Grand List of 10/1/10 14.55%

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, 2010		
		Taxable Value	Rank	Percent of Total
Blue Back Square LLC	Retail, Office, Apartments, Residential	\$62,701	1	1.00%
West Farms Mall LLC	Mall	\$35,000	2	0.56%
Corbins Corner Shopping Center LLC	Shopping Center	\$34,558	3	0.55%
CL & P	Utility	\$29,481	4	0.47%
E & A Northeast Limited Partnership	Retail & office	\$27,933	5	0.45%
Town Center West Associates	Office	\$23,054	6	0.37%
Sisters of Mercy/McAuley Center	Assisted Living	\$15,968	7	0.26%
Prospect Plaza Improvements LLC	Retail	\$14,619	8	0.23%
Bishops Albany LLC	Retail & office	\$14,401	9	0.23%
Corporate Center West	Office	<u>\$14,063</u>	10	<u>0.22%</u>
Total		\$271,778		4.37%

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
2011	38.38	\$ 192,761	\$ 190,585	98.9%	n/a	\$190,585	98.9%
2010	37.54	186,542	184,817	99.1%	1,106	185,923	99.7%
2009	36.97	181,771	180,089	99.1%	1,215	181,304	99.7%
2008	38.63	174,302	172,515	99.0%	1,391	173,906	99.8%
2007	46.19	172,700	171,389	99.2%	937	172,326	99.8%
2006	44.07	162,715	161,504	99.3%	843	162,347	99.8%
2005	42.12	153,917	152,782	99.3%	713	153,495	99.7%
2004	39.70	144,883	143,663	99.2%	919	144,582	99.8%
2003	37.65	136,908	135,655	99.1%	957	136,612	99.8%
2002	35.69	128,280	126,952	99.0%	911	127,863	99.7%

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, 2011)

Grand List Year	Adjusted Total Tax Levy	Remaining Uncollected Levy	Percent Adjusted Levy Uncollected
2009	\$ 192,761	\$ 2,176	1.13%
2008	186,542	761	0.41
2007	181,771	154	0.08
2006	174,302	50	0.03
2005	172,700	35	0.02
2004	162,715	9	0.01
2003	153,917	4	0.00
2002	144,883	6	0.00
2001	136,908	5	0.00
2000	128,280	5	0.00

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

Note: As of June 30, 2011 the total uncollected levy from all years was \$3,233.

V. DEBT SUMMARY
PRINCIPAL AMOUNT OF BONDED INDEBTEDNESS
As of March 8, 2012
(Pro forma)

Date	Purpose	Rate %	Original Issue	Debt Outstanding After This Issue	Fiscal Year Maturity
1/15/2001	General Purpose	4.10 - 4.50	\$10,250,000	\$4,612,500	2021
1/15/2001	Schools	4.10 - 4.50	4,750,000	2,137,500	2021
1/15/2002	General Purpose	3.50 - 4.75	6,415,000	3,207,500	2022
1/15/2002	Schools	3.50 - 4.75	7,085,000	3,542,500	2022
11/19/2002	General Purpose	2.50 - 4.00	3,846,751	384,675	2013
11/19/2002	Schools	2.50 - 4.00	3,653,249	365,325	2013
1/15/2003	Refunding-General Purpose	2.00 - 5.00	7,766,668	966,369	2015
1/15/2003	Refunding-Schools	2.00 - 5.00	11,803,332	1,468,631	2015
2/4/2004	General Purpose	3.00 - 5.00	7,232,874	361,644	2014
2/4/2004	Schools	3.00 - 5.00	16,767,126	838,356	2014
3/1/2005	General Purpose	3.25 - 5.00	9,815,593	1,310,670	2014
3/1/2005	Schools	3.25 - 5.00	7,184,407	959,330	2014
6/9/2005	Refunding-Schools	3.00 - 5.00	11,105,000	6,970,000	2019
10/12/2005	General Purpose	4.00 - 5.50	48,820,000	9,005,000	2017
2/1/2007	General Purpose	3.00 - 5.00	12,546,510	4,182,170	2023
2/1/2007	Schools	3.00 - 5.00	2,453,490	817,830	2023
1/30/2008	General Purpose	2.00 - 3.50	10,722,000	6,433,200	2025
1/30/2008	Schools	2.00 - 3.50	4,278,000	2,566,800	2025
6/15/2009	General Purpose	2.00 - 4.00	10,902,800	8,376,985	2026
6/15/2009	Schools	2.00 - 4.00	4,097,200	3,148,015	2026
9/15/2009	Refunding-General Purpose	2.00 - 5.00	38,582,956	37,869,829	2024
9/15/2009	Refunding-Schools	2.00 - 5.00	3,077,044	3,020,171	2024
4/1/2010	Refunding-General Purpose	2.00 - 5.00	10,280,268	10,280,268	2026
4/1/2010	Refunding-Schools	2.00 - 5.00	10,329,732	10,329,732	2026
10/15/2010	General Purpose	2.00 - 4.00	6,002,000	5,600,616	2026
10/15/2010	Schools	2.00 - 4.00	1,998,000	1,864,384	2026
3/8/2012	General Purpose (This Issue)	2.50 - 5.00	11,648,000	11,648,000	2028
3/8/2012	Schools (This Issue)	2.50 - 5.00	3,352,000	3,352,000	2028
			\$286,765,000	\$145,620,000	

SHORT-TERM DEBT

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

CAPITAL IMPROVEMENT PROGRAM

In April 2011, the Town Council approved a twelve year Capital Improvement Program ("CIP") in which approximately \$152.4 million is expected to be invested in capital improvements through fiscal year 2023. Approximately \$51.5 million (33%) of this investment is for school facilities, and \$101.0 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 \$27.9 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 2012-2023.

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

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

Debt service reimbursement will continue under the prior school grant program for all school projects approved prior to July 1, 1996. Under the prior program the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds. As of December 31, 2011 the Town expects to receive grant reimbursements under the prior program in an aggregate amount of \$1,302,902.

GENERAL FUND
ANNUAL BONDED DEBT MATURITY SCHEDULE¹
as of March 8, 2012
(Pro forma)

Fiscal Year Ending	Outstanding Principal Payments²	Outstanding Interest Payments²	Principal On the Bonds	Interest On the Bonds	Total Debt Service	Cumulative Percent of Principal Retired
2012	\$-	\$1,135,600	\$-	\$-	\$1,135,600	0.00%
2013	12,535,000	4,917,625	-	498,875	17,951,500	8.61
2014	11,255,000	4,404,362	1,000,000	572,500	17,231,862	17.02
2015	10,210,000	3,937,513	1,000,000	545,000	15,692,513	24.72
2016	10,890,000	3,541,544	1,000,000	505,000	15,936,544	32.89
2017	10,975,000	3,147,862	1,000,000	455,000	15,577,862	41.11
2018	11,070,000	2,734,569	1,000,000	405,000	15,209,569	49.40
2019	11,180,000	2,287,412	1,000,000	355,000	14,822,412	57.76
2020	10,315,000	1,852,813	1,000,000	305,000	13,472,813	65.53
2021	10,455,000	1,443,250	1,000,000	255,000	13,153,250	73.40
2022	8,745,000	1,062,713	1,000,000	205,000	11,012,713	80.09
2023	7,160,000	763,375	1,000,000	165,000	9,088,375	85.70
2024	6,275,000	493,050	1,000,000	135,000	7,903,050	90.69
2025	5,200,000	267,750	1,000,000	105,000	6,572,750	94.95
2026	4,355,000	84,450	1,000,000	75,000	5,514,450	98.63
2027	-	-	1,000,000	45,000	1,045,000	99.31
2028	-	-	1,000,000	15,000	1,015,000	100.00
	<u>\$130,620,000</u>	<u>\$32,073,888</u>	<u>\$15,000,000</u>	<u>\$4,641,375</u>	<u>\$19,641,375</u>	

¹Excludes Underlying/Overlapping Debt

²Excludes payments made on or before March 8, 2012.

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 the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of January 31, 2012, the total gross overlapping debt of the MDC is \$361,607,110 of which \$77,817,850 or 21.52% is attributable to the Town. The total net overlapping debt of the MDC is \$227,213,444 of which the Town of West Hartford is responsible for \$48,896,333 or 21.52%. This excludes \$134,393,666 in debt related to the Clean Water Project

described below, which is being financed from a special sewer service charge collected directly from MDC water customers (the “Special Sewer Service Charge”).

The MDC was cited by the U.S. Environmental Protection Agency (USEPA) and the United States Department of Justice (USDOJ) for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The District was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The District also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection (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 MDC who utilize the District sewer system and are furnished water directly by the MDC. The proceeds from the Special Sewer Service Charge shall be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. The \$28,921,517 attributable to the Town from bonds and other loans used to finance the Clean Water Project that are supported by the Special Sewer Service Charge (\$134,393,666) are deducted from the calculation of Overall Debt in the table below.

Underlying Debt

The Town of West Hartford has no underlying debt.

DEBT STATEMENT

as of March 8, 2012

(Pro forma)

LONG-TERM DEBT	
School Bonds ¹	\$41,380,574
General Purpose Bonds ¹	104,239,426
TOTAL LONG-TERM DEBT	\$145,620,000
SHORT-TERM DEBT	
Bond Anticipation Notes	\$0
TOTAL DIRECT DEBT	\$145,620,000
MDC Overlapping Debt - Gross.....	77,817,850
MDC Overlapping Debt – Clean Water Project ²	(28,921,517)
TOTAL OVERALL DEBT	\$194,516,333
Less: School Construction Grants Receivable ³	(1,302,902)
TOTAL OVERALL NET DEBT	\$193,213,431

¹ Includes the Bonds of this issue

² To be paid from proceeds of the MDC’s Special Sewer Service Charge (see “Overlapping/Underlying Debt”).

³ Represents principal component of all school projects approved prior to July 1, 1996, for which the State will continue to reimburse the Town over the life of the bonds. For all school projects approved after July 1, 1996, the State will provide proportional progress grant payments.

CURRENT DEBT RATIOS

as of January 31, 2012
(Pro forma)

Population 2010 ¹	63,268
Net Taxable Grand List (10/1/10).....	\$5,034,402,000
Full Value (exclusive of phase-in exemptions)	\$8,945,736,236
Equalized Net Grand List (10/1/08) ²	\$7,472,184,092
Per Capita Income ¹	\$43,998

¹ Source: U.S. Department of Commerce, Bureau of Census, 2010.

² Source: Office of Policy & Management, State of Connecticut, includes phase-in exemption per State statute.

	Total <u>Direct Debt</u>	Total <u>Overall Debt</u>	Total Overall <u>Net Debt</u>
Debt per Capita	\$2,302	\$3,075	\$3,054
Percent of Net Taxable Grand List	2.89%	3.86%	3.84%
Percent of Estimated Full Value	1.64%	2.19%	2.18%
Percent of Equalized Net Grand List	1.95%	2.60%	2.59%
Percent of Debt per Capita to Income per Capita	5.23%	6.99%	6.94%

BOND AUTHORIZATION PROCEDURE

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

TEMPORARY FINANCING

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

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

LIMITATION OF INDEBTEDNESS

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

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

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

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

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

STATEMENT OF STATUTORY DEBT LIMITATION

as of March 8, 2012

(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, 2011	\$192,853
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly	10
BASE	<u>\$192,863</u>

	General Purposes	Schools	Sewers¹	Urban Renewal	Pension Benefit Obligation
DEBT LIMITATION:					
2 1/4 times base	\$433,942	--	--	--	--
4 1/2 times base	--	\$867,884	--	--	--
3 3/4 times base	--	--	\$723,236	--	--
3 1/4 times base	--	--	--	\$626,805	--
3 times base	--	--	--	--	\$578,589
Total debt limitation	<u>\$433,942</u>	<u>\$867,884</u>	<u>\$723,236</u>	<u>\$626,805</u>	<u>\$578,589</u>
INDEBTEDNESS:					
Bonds Payable	104,239	41,381	--	--	--
Notes Payable	--	--	--	--	--
Overlapping Debt	--	--	48,896	--	--
Debt Authorized but Unissued	<u>1,882</u>	<u>4,227</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Indebtedness	<u>\$106,121</u>	<u>\$45,608</u>	<u>48,896</u>	<u>--</u>	<u>--</u>
Less: School Construction Grants Receivable	--	(1,303)	--	--	--
Net Indebtedness:	<u>\$106,121</u>	<u>\$44,305</u>	<u>\$48,896</u>	<u>--</u>	<u>--</u>
DEBT LIMITATION IN EXCESS OF TOTAL INDEBTEDNESS	<u>\$327,821</u>	<u>\$823,579</u>	<u>\$674,340</u>	<u>\$626,805</u>	<u>\$578,589</u>

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

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$1.31 billion.

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

Fiscal Year Ended 6/30	Total Debt Service	Total Governmental Funds Expenditures ¹	Debt Service as a % of Non-Capital Expenditures (%)
2011	\$ 19,877	\$ 257,064	7.73%
2010	19,268	244,463	7.88
2009	19,689	244,864	8.04
2008 ²	14,640	264,717	5.53
2007	16,803	219,827	7.64
2006	15,810	206,570	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

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

² Increase in Total Governmental Funds Expenditures for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: 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 Value²	Total Direct Debt³	Ratio of Long-Term Debt to Net Assessed Value (%)	Ratio of Long-Term Debt to Estimated Full Value (%)	Population⁴	Net Long-Term Debt per Capita	Ratio of Long-Term Debt per Capita to Per Capita Income⁵ (%)
2011	\$4,999,850,463	\$8,872,674,429	\$145,090,000	2.9%	1.6%	63,268	2,293	5.2%
2010	4,953,923,498	8,816,983,257	151,225,000	3.1	1.7	61,045	2,477	7.4
2009	4,889,430,313	8,692,557,657	148,150,000	3.0	1.7	61,045	2,427	7.3
2008	4,498,455,415	8,614,597,736	160,995,000	3.6	1.9	61,045	2,637	7.9
2007	3,710,940,390	5,353,686,271	156,055,000	4.2	2.9	61,045	2,556	7.6
2006	3,659,932,780	5,277,936,829	151,115,000	4.1	2.9	61,045	2,475	7.4
2005	3,627,960,740	5,234,425,343	112,400,000	3.1	2.1	61,045	1,841	5.5
2004	3,638,854,650	5,253,055,214	104,195,000	2.9	2.0	61,045	1,707	5.1
2003	3,614,778,748	5,219,729,640	88,395,000	2.5	1.7	61,045	1,448	4.3
2002	3,575,645,530	5,166,475,043	88,250,000	2.5	1.7	61,045	1,446	4.3

¹Assessment Ratio: 70%.

²Includes tax exempt property.

³Excludes school building grants receivable and overlapping MDC debt.

⁴Source: U.S. Department of Commerce, Bureau of the Census (2000)

⁵Per Capita Income based on U.S. Census Bureau, American FactFinder, 2008-2010 figure of \$43,998. Prior to 2011 the per capita income figure was \$33,468 per the US Census.

VI. ECONOMIC INITIATIVES AND PROPOSALS

The Town of West Hartford is a 150 year old community which, despite being considered fully developed by many people, currently has 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 private dollars have been invested in the community over the past decade and the vast majority of investment occurred in the redevelopment of existing but perhaps functionally obsolete 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 crosswalks provide safe and inviting pedestrian travel throughout the entire district. There are over 140 specialty shops and restaurants, in addition to banks, professional offices, and salons in the western portion of the Center. The Center has maintained a healthy occupancy level during the current economic downturn.

The most recent development activity within the Center involves the U. S. Post Office facility. This property was recently sold for private redevelopment for a price of \$2.5 million. The redevelopment of this property includes a small area of lease back to the Post Office and the major addition of a new banking facility (Rockville Savings Bank). In total, this project will result in an approximate \$10 million investment.

BLUE BACK SQUARE

Active construction and redevelopment of the eastern portion of the Center has recently been completed and is referred to as Blue Back Square. This area includes 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 houses a new public square and the stately façade of the former Board of Education building has been preserved. The development had an overall budget of \$200 million. The developer funded \$150 million through equity and debt and the Town provided approximately \$50 million from the proceeds of tax exempt general obligation bonds for the public improvement portion of the development. Town Hall renovations, police station addition and renovation, library expansion, and construction of a new senior center were all part of the bond expense. The debt service on the bonds is being paid from revenues generated by the new parking structures and from an additional tax levy being imposed on the property within the West Hartford Center - Special Services District in accordance with Connecticut General Statutes.

The redevelopment of this area reflects the evolution of the Center into the uses Town officials and Plans of Development first contemplated over twenty (20) years ago. The actual planning and redevelopment occurred over a period of approximately five (5) years. The result of this large scale development is 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. Approximately 92% of the retail space and 90% of the office space is currently leased. Tenants include Crate and Barrel, Criterion Theaters, Cheesecake Factory, REI, and Hartford Hospital Surgical Center, among others. All of the 59 condo units located in the Heritage Building have been sold and the apartments have a waiting list. When fully occupied the shops, stores, restaurants and offices will result in the new employment of approximately 2,000 people.

HOTEL

Absent from West Hartford Center is an upscale full service hotel. Discussions are ongoing concerning the potential of a hotel which houses approximately 120 rooms at a cost of \$30 million. With the changing economy this discussion is expected to generate more interest during the coming year.

WHOLE FOODS MARKET

Adjacent to the Blue Back Square location is the site of the recently constructed Whole Foods Market. This development consists of a 42,000 sq. ft. specialty food store. This property was recently transferred at a price of \$20 million.

ELMWOOD

Ginsburg Development, CT, LLC (GDC), a residential real estate developer, received approval from the West Hartford Town Council in 2003 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. The Ginsburg Development has been met with great market acceptance. All units constructed to date, approximately 82, have been sold. This development has had an extremely positive impact on the local economy. Financial market conditions affecting the developer had resulted in a temporary suspension of construction for the remaining units. Repositioning of this development is currently taking place and construction resumed recently. Also in the Elmwood section is the former Elm Theatre property which was redeveloped as a commercial structure housing a 14,000 square foot Walgreen's store. The plaintiffs mentioned previously, as well as two others, 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 also dismissed by the Superior Court.

It is also noted that NBC 30, local affiliate WVIT, has completed its new state-of-the-art broadcast facility. This long anticipated development reflects their outstanding commitment to the community. Lastly, the redevelopment of the former Caldor/Ames Plaza has been completed and is now being occupied. The first new tenant is a ShopRite grocery store.

ADDITIONAL PROJECTS

A new single family residential subdivision was recently completed on Avon Mountain. This development consists of sixteen (16) homes, each with a value in the two million dollar range. All but one of these homes has been sold. This developer is now undertaking a similar project of fourteen (14) homes in the northerly section of the community along Mountain Road. Additionally, there are two other smaller condominium projects currently under construction in the east central section of the community and a third small condominium complex is now under construction just west of the center of town.

In the Bishop's Corner section of the community, a new seventy-eight (78) unit condominium complex, Somerset, has been completed and is now fully absorbed in the market. At this time the Town is working with the owners of the Bishop's Corner retail/office complex to commence a refurbishing of this fifty (50) year old complex. When complete the owners will have invested twenty million dollars in this project. Construction improvements are currently underway and will be at full speed by this spring.

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 10,000 square foot office building on South Quaker Lane.

Construction of a new retail/office center of approximately 100,000 square feet on Newington Avenue, anchored by a grocery store, has recently been completed. This complex was 80% pre-leased. The total cost of this project is estimated at approximately \$15 million.

The Town is in discussion regarding several other development projects including expansion of an elderly continuing care facility, redevelopment of a small retail complex, and the repositioning of the Sears, Roebuck and Co. property in the southwest section of the community.

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, debt management, and capital financing. The Director of Financial Services is also the Treasurer of the Town, a voting member of the Pension Board, and an advisor to the Risk Management Advisory Board and the Finance and Budget Committee of the Town Council.

The Department of Financial Services utilizes a computerized financial management system which integrates budgeting, purchasing, accounting, and financial reporting. The Town uses the modified accrual basis of accounting for its governmental and expendable trust funds. Revenues are recognized when determined to be measurable and available, and expenditures are recognized when services or goods are received and a liability is incurred. The accrual basis of accounting is used for the Town's proprietary, 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, and sundry). Budgetary control is maintained via an encumbrance system. Expenditures require a purchase order and accounts are encumbered when the purchase order is issued. An expenditure or expense is recorded when a liability is incurred. Commitments which exceed an appropriation balance are not processed until transfers or additional appropriations are made. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of fund balance at June 30.

A twelve year capital improvement program (CIP) provides the basis for formulating the annual capital budget. A capital financing model is used to determine the impact of debt service on the operating budget over the life of the CIP. The capital budget is funded 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 9. Risk Management.

PENSION PLAN

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

The July 1, 2011 Pension Fund valuation reflects several assumption changes in order to better anticipate future plan experience. These changes included an updating of the mortality table and salary scale assumptions based upon the actual experience of the Plan. In addition, the discount rate was reduced from 8.5% to 8.25% with an eventual rate of 7.5%. These changes added \$16,684,000 to the Pension Plan's liabilities and \$1,272,000 to the annual required contribution.

Pension Plan Required Supplementary Information

Schedule of Funding Progress (in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$148,816	\$308,852	\$160,036	48.2%	\$55,078	290.1%
7-1-10	\$154,825	\$279,485	\$124,661	55.4%	\$55,150	226.0%

Schedule of Employer Contributions (in 000's)

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6-30-12	\$11,648 ¹	n/a
6-30-11	\$10,002	100.0%

n/a – not yet available

¹Fully appropriated in FY 2012 adopted budget.

OTHER POST-EMPLOYMENT BENEFITS

In 1986, the Town established a reserve fund for retiree health care benefits. Annual contributions to the fund are made by the General Fund and by employees and retiree health care costs are paid from this fund. The Town actuarially measures its post-employment benefit (OPEB) obligations every two years in order to determine its liability and model its funding policy. The July 1, 2009 valuation indicated an actuarial liability of \$89 million. The Town's funding policy calls for increasing contributions from the General Fund and employees, as well as Medigap reimbursements and investment income on the reserve balance, in order to fund current retiree health benefits and grow the reserve to cover future claims costs. As of June 30, 2011 the reserve had a balance of \$5.9 million.

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. During fiscal year 2009 the Town established an OPEB Trust Fund from which benefits for these new employees will be paid. The Town continues long-term financial planning to manage liabilities and funding for post employment pension and health care benefits for employees and has implemented the new accounting standards that address this issue. Refer to the "Notes to the General Purpose Financial Statements", Note 10. Other Postemployment Benefits

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 3. Cash, Cash Equivalents and Investments, regarding the Town's investments and investment policies.

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

GENERAL FUND REVENUES AND EXPENDITURES
(BUDGETARY BASIS) ¹

	Adopted Budget 2012	Actual 2011	Actual 2010 ⁴	Actual 2009	Actual 2008 ³	Actual 2007 ²
Revenues						
Property taxes.....	\$198,546,802	\$192,983,674	\$186,107,046	\$181,795,303	\$173,317,428	\$172,564,726
Intergovernmental	19,702,747	18,621,913	18,187,292	21,763,308	20,475,283	16,726,200
Charges for Services	6,181,308	4,303,666	5,023,016	3,842,699	4,196,926	4,559,982
Interest on Investments		710,532	1,045,452	1,939,717	2,535,631	3,342,393
Miscellaneous Revenues	1,497,850	1,139,786	840,955	1,263,195	951,782	471,008
Total Revenues.....	225,928,707	\$217,759,571	\$211,203,761	\$210,604,222	\$201,477,050	\$197,664,309
Expenditures						
General Government:						
Town Council/Town Clerk	\$651,753	\$642,041	\$637,457	\$712,456	\$756,674	\$757,263
Town Manager	259,801	262,140	256,402	397,791	322,634	322,831
Corporation Counsel	450,979	433,330	420,651	712,733	567,625	535,911
Registrar of Voters	264,156	318,599	260,883	276,822	351,579	287,331
Financial Services	2,448,876	2,486,510	2,393,932	3,011,436	3,159,025	5,389,414
Assessors	600,589	568,505	503,155	732,077	761,934	883,092
Administrative Services	--	--	--	--	--	--
Employee Services	386,437	352,330	315,264	496,497	526,885	469,054
Public Safety:						
Fire Services	10,062,490	9,989,335	9,413,246	12,002,732	12,395,580	11,839,029
Police Services	13,944,688	13,503,746	12,935,254	17,599,765	17,886,581	17,068,931
Community Maintenance:						
Community Services	2,554,891	2,623,274	2,566,910	3,637,517	4,016,611	3,970,810
Public Works	10,952,279	10,660,178	10,213,004	12,602,305	12,134,801	11,251,738
Facilities Services	1,990,318	1,778,024	2,560,492	2,399,337	2,265,984	--
Human & Cultural Resources:						
Human & Leisure Services	2,564,240	2,582,698	2,522,868	2,999,008	1,249,192	1,080,442
Library Services	3,045,775	2,919,121	2,933,180	3,611,701	3,684,505	3,604,688
Human Services	--	--	--	--	--	--
Debt and Sundry	42,794,954	25,901,099	39,951,799	27,431,392	22,611,372	22,048,763
Sub-Total Town	\$92,972,226	\$75,020,930	\$87,884,497	\$88,623,569	\$82,690,982	\$79,509,297
Board of Education	132,827,066	126,136,796	121,088,824	122,632,074	116,903,853	113,232,423
Total Expenditures	\$225,799,292	\$201,157,726	\$208,973,321	\$211,255,643	\$199,594,835	\$192,741,720
Excess of Revenues Over (Under)						
Expenditures	\$129,415	\$16,601,845	\$2,256,576	(\$651,421)	\$1,882,215	\$4,922,589
Other Financing Sources(Uses):						
Transfers In	1,001,555	878,214	1,106,321	1,853,065	1,238,896	920,000
Transfers Out	(1,130,970)	(16,785,699)	(2,484,019)	(1,657,731)	(2,480,693)	(4,115,530)
Total Other Financing Sources(Uses) ..	(\$129,415)	(\$15,907,485)	(\$1,414,698)	\$195,334	(\$1,241,797)	(\$3,195,530)
Excess of Revenues & Other Sources						
Over Expenditures and Other Uses..	\$ --	\$694,360	\$815,742	(\$456,087)	\$640,418	\$1,727,059
Fund Balance, Beginning of Year	\$17,887,751	\$17,193,391	\$16,377,649	\$16,833,736	\$16,193,318	\$14,466,259
Designated Fund Balance, End of						
Year	--	--	--	--	(781,185)	(781,185)
Undesignated Fund Balance, End of						
Year	\$17,887,751	\$17,887,751	\$17,193,391	\$16,377,649	\$16,052,551	\$15,412,133

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 fiscal year 2008, the Facilities Services department was separated from the Financial Services department.

⁴In fiscal year 2010, the budget for all Risk Management costs (Health, Workers Compensation, etc.) was transferred from individual departments to Debt and Sundry.

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 Compliance Agreement and Tax Certificate, which will be executed and delivered by the Town concurrently with the Bonds, contain 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 Compliance Agreement and Tax Certificate, 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 assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Compliance Agreement and Tax Certificate, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed 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, taxpayers utilizing the earned income credit, 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, or receipt of interest on, the Bonds.

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.

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.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding 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 Bonds for such owner. Amortized original issue premium on the Bonds is not treated as a deduction from 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 purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of, and receipt of interest on, 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 purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of, and receipt of interest on, 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

Shipman & Goodwin 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 2012A 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 Shipman & Goodwin 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 March 1, 2012. 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/ Ronald F. Van Winkle

Ronald F. Van Winkle
Town Manager

/s/ Chris Johnson

Chris Johnson
Director of Financial Services

Dated as of March 1, 2012

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

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APPENDIX A - FORM OF OPINION OF BOND COUNSEL

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

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

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Town of West Hartford, Connecticut (the "Town") of its \$15,000,000 General Obligation Bonds, Series 2012A, dated March 8, 2012 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of March 8, 2012, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

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

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

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

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

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

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

4. We are of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

APPENDIX B

GENERAL PURPOSE FINANCIAL STATEMENTS

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Accounting | Tax | Business Consulting

Independent Auditors' Report

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2011, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of June 30, 2011 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-16 and budgetary comparison information on pages A-54 through A-58 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 23, 2011

TOWN OF WEST HARTFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS **FOR THE YEAR ENDED JUNE 30, 2011**

This discussion and analysis of the financial performance of the Town of West Hartford (the Town) is prepared by management to provide a narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our transmittal letter, which can be found on pages v-x of this report, and the Town's financial statements, Exhibits I to IX. All amounts, unless otherwise stated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Town of West Hartford exceeded its liabilities at the close of fiscal year 2011 by \$203,480. Of this amount, \$21,657 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The governmental activities funds reported consolidated net assets of \$193,715 with \$23,842 available for spending at the Town's discretion.
- The business-type activities of the Town had net assets of \$9,765 at fiscal year end.
- The Town's net assets increased \$2,970 as a result of current year operations. Net assets from governmental activities increased \$3,558 or 1.9%, while net assets from business-type activities decreased \$588.
- The Town achieved a current year tax collection rate of 98.9% for fiscal year despite the sluggish economy. Delinquent tax collections continue to remain strong.
- During the fiscal year the Town implemented GASB Statement #54 - Fund Balance Reporting and Governmental Fund Type Definitions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

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

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

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

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

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

The government-wide financial statements include not only the Town itself, but also a discretely presented component unit known as West Hartford Center Special Services District that was established in 2008. Financial information for the discretely presented component unit is reported separately from the financial information of the primary government.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources segregated for a specific objective or activity. Some funds are required to be established by Town 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). The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. These financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in the reconciliation at the bottom of the fund financial statements. By reading both of these, readers may better understand the long-term impact of the government's short-term financing decisions.

The Town maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Funds (comprised of the Capital Projects Fund and the Capital Nonrecurring Expenditure Fund), CDBG Housing Rehabilitation Fund and the Debt Service Funds (comprised of the Debt Service Fund and the Blue Back Square Fund), all of which are considered major funds. The remaining 22 funds are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the combining statements located on pages 62-67 of this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, showing original budget, final budget and actual results has been provided to demonstrate compliance with this budget and is located in the required supplementary information on pages 54-58 of this report.

The basic governmental fund financial statements can be found on pages 19-22.

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

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

Notes to the financial statements. The notes provide additional information necessary to fully understand the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-53.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful tool to analyze a government's financial position. The Town's combined net assets increased from \$200,510 at the end of fiscal year 2010 to \$203,480 at the end of fiscal year 2011, an increase of 1.5%. The discussion below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental and business-type activities.

The largest component of the Town's net assets (\$179,321 or 88.1%), is its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, machinery and equipment), less any related debt outstanding to acquire such assets. These assets are used to provide services to citizens and thus are not available to finance future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that resources necessary to repay this debt must be provided from other sources, as capital assets cannot be used to satisfy these liabilities.

An additional portion of the Town's net assets (\$2,502 or 1.2%) represents resources subject to restrictions by external sources on how they may be used. The remaining balance (\$21,657 or 10.6%) relates to unrestricted net assets which may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

TABLE 1
Net Assets
In Thousands

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 73,388	\$ 72,463	\$ 330	\$ 373	\$ 73,718	\$ 72,836
Capital assets, net of accumulated depreciation	311,670	314,952	11,950	12,490	323,620	327,442
Total assets	<u>385,058</u>	<u>387,415</u>	<u>12,280</u>	<u>12,863</u>	<u>397,338</u>	<u>400,278</u>
Long-term liabilities	178,401	182,024	193	182	178,594	182,206
Other liabilities	12,942	15,234	2,322	2,328	15,264	17,562
Total liabilities	<u>191,343</u>	<u>197,258</u>	<u>2,515</u>	<u>2,510</u>	<u>193,858</u>	<u>199,768</u>
Net Assets:						
Invested in capital assets, net of related debt	167,371	164,752	11,950	12,490	179,321	177,242
Restricted	2,502	2,273			2,502	2,273
Unrestricted (deficit)	<u>23,842</u>	<u>23,132</u>	<u>(2,185)</u>	<u>(2,137)</u>	<u>21,657</u>	<u>20,995</u>
Total Net Assets	<u>\$ 193,715</u>	<u>\$ 190,157</u>	<u>\$ 9,765</u>	<u>\$ 10,353</u>	<u>\$ 203,480</u>	<u>\$ 200,510</u>

Governmental Activities. Net assets of the Town's governmental activities increased \$3,558 or 1.9% from the prior year. Net assets invested in capital assets (net of related debt) increased \$2,619, while restricted assets increased \$229 and unrestricted net assets (which may be used to finance day-to-day operations without constraints) increased \$710 or 3.1%.

Total assets decreased \$2,357, primarily due to current year capital asset activity in which depreciation expense exceeded current year additions. Total liabilities decreased \$5,915 due to the timing of payments of accounts payable and payroll liabilities as well as a reduction in general obligation bonds outstanding as repayment of principal on existing debt exceeded the issuance of new general obligation bonds.

Business-type Activities. The total net assets of the Town's business-type activities decreased by \$588 or 5.7%, the result of capital asset activity in which current year depreciation expense exceeded new asset additions.

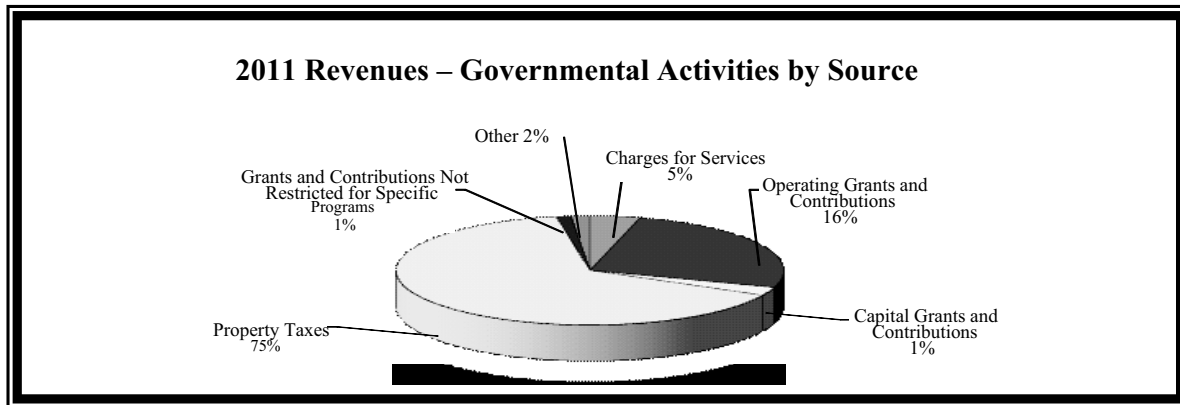
TABLE 2
Changes in Net Assets
In Thousands

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 13,703	\$ 12,844	\$ 2,752	\$ 2,794	\$ 16,455	\$ 15,638
Operating grants and contributions	41,375	39,951			41,375	39,951
Capital grants and contributions	1,837	2,317	332	279,000	2,169	2,596
General revenues:						
Property taxes	193,695	186,278			193,695	186,278
Grants and contributions not restricted to specific purposes	2,800	2,750			2,800	2,750
Unrestricted investment earnings	2,311	2,159			2,311	2,159
Other general revenues	4,072	4,700	2	1	4,074	4,701
Total revenues	<u>259,793</u>	<u>250,999</u>	<u>3,086</u>	<u>3,074</u>	<u>262,879</u>	<u>254,073</u>
Program expenses:						
General government	8,088	8,168			8,088	8,168
Public safety	35,114	32,541			35,114	32,541
Community maintenance	36,593	35,908			36,593	35,908
Human and cultural	9,459	9,246			9,459	9,246
Education	161,282	152,122			161,282	152,122
Interest on long-term debt	5,679	5,835			5,679	5,835
Leisure services			3,694	3,686	3,694,000	3,686,000
Total program expenses	<u>256,215</u>	<u>243,820</u>	<u>3,694</u>	<u>3,686</u>	<u>259,909</u>	<u>247,506</u>
Change in net assets before transfers	3,578	7,179	(608)	(612)	2,970	6,567
Transfers	(20)	(313)	20	313		
Change in net assets	<u>3,558</u>	<u>6,866</u>	<u>(588)</u>	<u>(299)</u>	<u>2,970</u>	<u>6,567</u>
Net Assets at Beginning of Year	<u>190,157</u>	<u>183,291</u>	<u>10,353</u>	<u>10,652</u>	<u>200,510</u>	<u>193,943</u>
Net Assets at End of Year	<u>\$ 193,715</u>	<u>\$ 190,157</u>	<u>\$ 9,765</u>	<u>\$ 10,353</u>	<u>\$ 203,480</u>	<u>\$ 200,510</u>

Total primary government revenues increased \$8,806 from the prior year, while total primary government program expenses increased \$12,403 over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for governmental activities exclusive of transfers totaled \$259,793 for fiscal year 2011. Property taxes (74.6%), operating grants and contributions (15.9%) and charges for services (5.3%) were the primary revenue sources, while capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined contributed 4.2% of the Town's revenues.



Operating grants and contributions totaled \$41,375 in fiscal year 2011, an increase of \$1,424 from the prior year. A reduction in operating grants/contributions from the nonrecurring receipt of \$2,759 in litigation proceeds in the Debt Service Fund in 2010 was offset by the recording of \$2,768 for a Board of Education intergovernmental grant, which in prior years was credited against education expenditures. In addition, there were slightly higher revenues in the Cafeteria Fund, Private Schools Services Fund and School Grants Fund.

On a government-wide basis, unrestricted investment earnings include both short-term investments in the governmental funds as well as investment income from the risk management reserve accounts. Although the short-term interest rate environment remained stagnant and interest earnings on short-term investments dropped approximately \$357 from the prior year, positive equity returns in the risk management reserves over fiscal year 2010 had a favorable impact of \$509, resulting in a net overall increase in unrestricted investment earnings of \$152.

The increase in non-property tax revenue was not sufficient to cover the increased cost of services, resulting in a property tax increase. The impact on residents was mitigated by Grand List growth of 1.0% resulting in a mill rate increase of 2.2%. Property tax revenue constituted 74.6% of governmental activities revenue as compared to the prior year's 74.2%.

Program expenses for governmental activities totaled \$256,215 of which 22.2% were supported by program revenues and 77.8% were funded from general revenues, the majority of which is property taxes. Expenses for education (62.9%), community maintenance (14.3%), and public safety (13.7%) comprise 90.9% of total governmental activities program expenses. Interest on long-term debt decreased due to the refunding of bonds.

2011 Program Expenses - Governmental Activities by Function

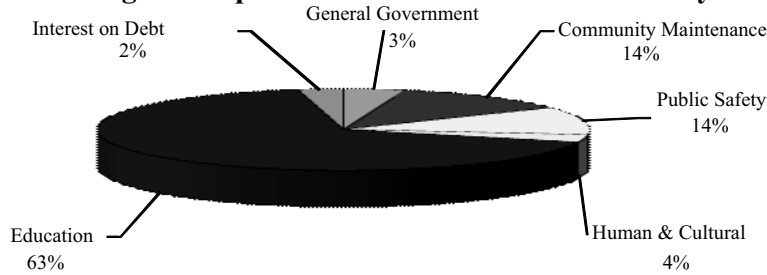


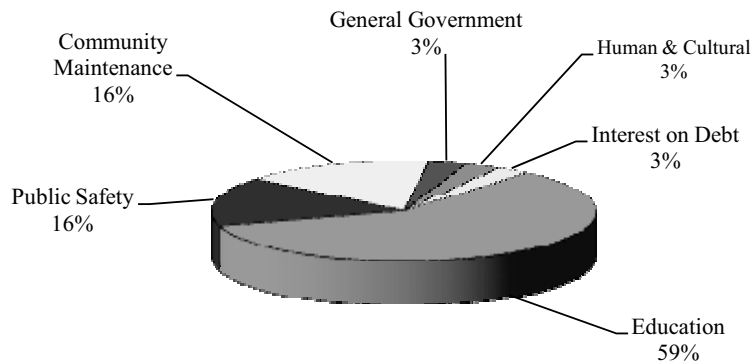
Table 3 presents the total cost of services for each of the Town's six major functions - education, public safety, community maintenance, general government, human and cultural and interest on long-term debt, as well as each function's net cost (total cost less revenues from nontax sources, directly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

TABLE 3
Cost of Governmental Activities by Function
In Thousands

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Education	\$ 161,282	\$ 152,122	\$ 117,735	\$ 113,028
Public safety	35,114	32,541	31,698	30,139
Community maintenance	36,593	35,908	31,942	27,517
General government	8,088	8,168	6,260	6,494
Human and cultural	9,459	9,246	6,057	5,789
Interest on long-term debt	5,679	5,835	5,608	5,741
Total	<u>\$ 256,215</u>	<u>\$ 243,820</u>	<u>\$ 199,300</u>	<u>\$ 188,708</u>

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

2011 Net Cost of Services - Governmental Activities by Function



Business-Type Activities

Revenues for business-type activities increased slightly (\$12) from the prior year while program expenses increased \$8. The fiscal year 2011 change in net assets subsequent to transfers was a decrease of \$588, resulting in net assets for business-type activities of \$9,765 at fiscal year end.

FUND FINANCIAL ANALYSIS

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

Governmental Funds

As of June 30, 2011, the Town's governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$36,569. This represents a slight increase of \$421 or 1.2% from the prior year. Based upon the new fund balance classification under GASB 54, \$17,161 or 46.9% is unassigned and represents the \$17,881 unassigned balance of the General Fund, offset by negative unassigned balances in the Capital Projects Funds (\$685) and CDBG Housing Rehabilitation Fund (\$35), in accordance with GASB Statement #54. An additional \$17,254 or 47.2% is committed, or constrained for a specific purpose by the Town Council. The remainder is comprised of nonspendable (\$255), restricted (\$1,191) and assigned (\$708) fund balance, as defined in Note 1.

Included in the fiscal year 2011 net change in fund balance is an increase of \$709 for the General Fund. Factors affecting the General Fund are discussed below in the General Fund Highlights section.

The net change in fund balance for the Capital Project Funds was an increase of \$1,159, reflecting an \$8,000 bond issuance, intergovernmental revenue of \$1,530 and other revenues of approximately \$726, with corresponding capital expenditures of \$9,097. The Debt Service Funds had a planned use of fund balance of \$1,768 as litigation proceeds received in fiscal year 2010 were used to mitigate the budget impact of increasing debt service. The CDBG Housing Rehabilitation Fund had a \$1 decrease in fund balance while Nonmajor Governmental Funds had a net increase in fund balance of \$322. As detailed in Exhibit B-2, the Cemetery Operating Fund achieved an increase in fund balance of \$177 while the School Interscholastic Sports Fund increased \$165.

There were no other significant changes in fund balances to the remaining governmental funds.

Proprietary Funds

The Town's proprietary fund statements (Exhibit V) provide the same type of information found in the government-wide financial statements, but in more detail. Total net assets were \$17,206 at year-end, an increase of \$1,345 from the prior year. Net assets of the internal service funds increased \$1,933 while the Leisure Services Fund had a decrease of \$588.

General Fund Highlights

Over the course of the year, the Town Council approved budget revisions for factors not known during the budget process. Tables 4 and 5 highlight the changes from the original adopted budget to the final amended budget for fiscal year 2011 and the final budget to actual results.

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

Revenue	Budget		Change	Actual Revenue	Over/ (Under) Final Budget
	Original	Final			
Property taxes	\$ 191,877	\$ 192,588	\$ 711	\$ 192,984	\$ 396
Federal	36	264	228	396	132
State	18,205	18,212	7	18,226	14
Charges for services	4,040	4,625	585	4,304	(321)
Local revenues	676	714	38	1,140	426
Income on investments	1,000	1,000		710	(290)
Transfers in	870	870		878	8
Total Revenues	216,704	218,273	1,569	218,638	365
Planned Use of Fund Balance					
Total Adopted Budget	\$ 216,704	\$ 218,273	\$ 1,569	\$ 218,638	\$ 365

General Fund Budgetary Amendments

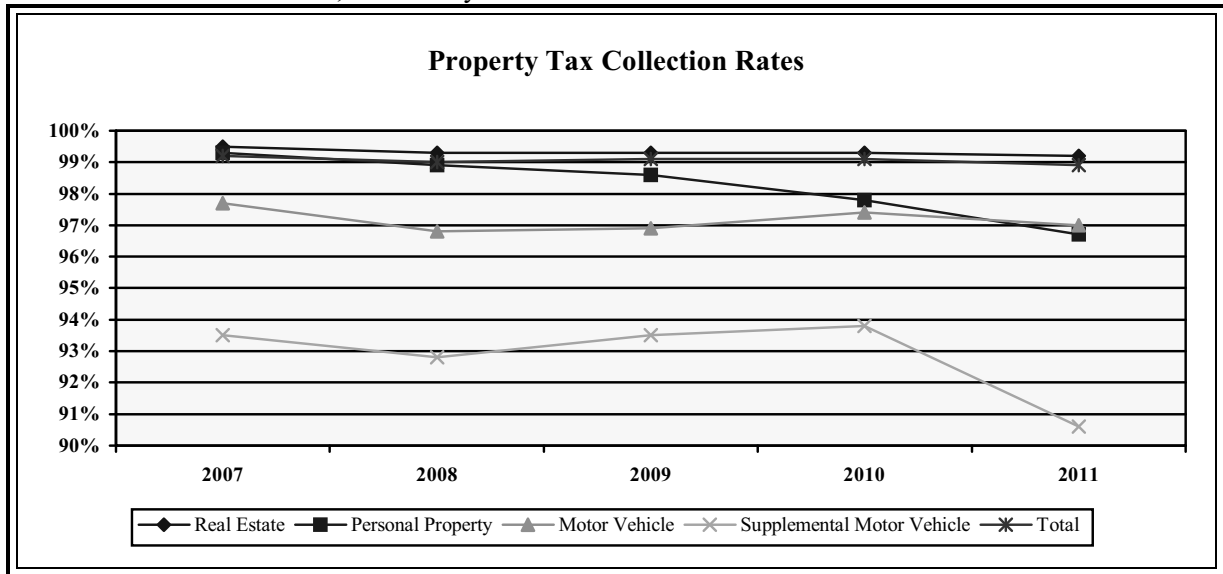
The General Fund's final estimated revenues increased \$1,569 or 0.7% from the original adopted budget. This increase is attributable to several factors.

- Estimated property taxes were increased a total of \$711 in fiscal year 2011. An increase in estimated revenues from prior year tax collections of \$350 and \$171 from interest and lien fees were used to fund \$61 in overtime for the Fire Department and a contribution of \$460 to the Board of Education Health program. In addition, \$190 in prior year taxes was appropriated to fund capital projects.
- Federal grants totaling \$228 were appropriated during the fiscal year. These grants include \$45 for two Justice Assistance Grants, \$110 for traffic enforcement grants and \$73 for Dial-a-Ride.
- The primary increases in estimated charges for services revenues were an increase of \$230 in parking violations and an increase of \$270 in building permits. These appropriations, along with \$190 in prior year taxes, were used to fund capital projects.

General Fund Revenue Variance

In comparison to final estimated revenues, actual revenue was \$365 more than anticipated. Property tax revenue was \$396 more than the final budget reflecting strong collections of both current and prior year taxes, as well as applicable interest and lien fees. Federal revenue exceeded budget due to a FEMA reimbursement for a winter snowstorm. Charges for services were \$321 less than budgeted primarily due to shortfalls in conveyance taxes (\$89), fire permits (\$136) and other miscellaneous permits and charges for services. Local revenues exceeded budget as a result of higher workers compensation reimbursements than anticipated (\$282) and sale of assets (\$63). Income on investments was \$290 less than projected due to the stagnant interest rate environment on short-term investments.

Property tax collection rates by type are shown on the following chart. The Town achieved an overall collection rate of 98.9% for fiscal year 2011. The collection rate for real estate taxes has met or exceeded 99.2% for the five fiscal years presented. Personal property and motor vehicle collection rates for fiscal year 2011 are 96.7% and 97.0%, respectively. Supplemental motor vehicle tax, which has historically had the lowest collection rate, is currently 90.6%.



I

The Department of Financial Services has been very successful in collecting delinquent taxes over the past several years. Delinquent taxes collectible totaled \$2.8 million at the end of fiscal year 2011 (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 51% to 62% for the years presented.

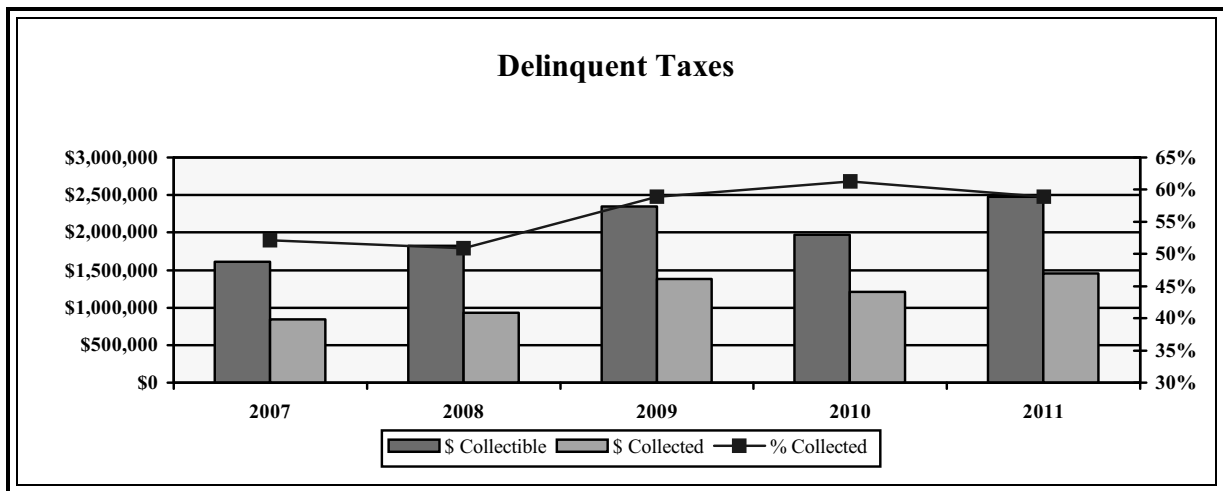


TABLE 5
Summary of General Fund Budget - Original and Final
Appropriations vs. Actual
In Thousands

Department	Original	Final	Change	Actual Expenditure	(Over)/ Under Final Budget
Town Council	\$ 379	\$ 372	\$ (7)	\$ 372	\$ -
Town Clerk	278	270	(8)	270	-
Town Manager	254	262	8	262	-
Corporation Counsel	439	433	(6)	433	-
Registrar of Voters	260	319	59	319	-
Financial Services	2,479	2,487	8	2,487	-
Assessment	556	568	12	568	-
Employee Services	373	352	(21)	352	-
Fire	9,383	9,989	606	9,989	-
Police	13,445	13,504	59	13,504	-
Community Services	2,668	2,623	(45)	2,623	-
Public Works	10,821	10,660	(161)	10,660	-
Facilities	1,806	1,778	(28)	1,778	-
Library	2,978	2,919	(59)	2,919	-
Human & Leisure Services	2,527	2,583	56	2,583	-
Education	126,423	126,423	-	126,137	286
Debt and Sundry	25,557	25,945	388	25,901	44
Transfers Out	16,078	16,786	708	16,786	-
Total Adopted Budget	\$ 216,704	\$ 218,273	\$ 1,569	\$ 217,943	\$ 330

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

- Historically, the Registrar of Voters budget includes funding only for a November election, as the need for primaries, budget referendums, etc., are unknown. In fiscal year 2011, this budget was increased \$59 to cover the cost of a gubernatorial primary and a special election held in February 2011.
- The Fire Department required a transfer of \$603 at year end due to higher than anticipated personal services costs resulting from employees on long-term injury leave and minimum staffing provisions in the Fire union contract.
- The Department of Public Works had a surplus of \$161 at year end due primarily to a lower volume of solid waste disposal than anticipated and payroll savings due to a hiring lag offset by an overage in snow materials used to treat roadways.
- The Debt and Sundry budget had a net increase of \$388. A year-end appropriation was adopted to contribute \$460 to the BOE Health Program of the Risk Management Fund, offset by small surpluses in several programs including revaluation litigation and probate court.
- Transfers out were increased \$708 to provide funding for CNRE projects included in the Town's 12-year Capital Improvement Program (\$690) and to cover increased costs of the nonpublic school transportation program (\$18).

General Fund Expenditure Variance

In comparison to final appropriations, actual expenditures were \$330 less than anticipated in the areas of Education (\$268) and Debt & Sundry (\$44).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the Town had \$323.6 million (net of accumulated depreciation) invested in a broad range of capital assets including land, land improvements, buildings, park facilities, vehicles, furniture and equipment, and infrastructure (such as roads, bridges, dams, storm sewers, and traffic signals) as detailed in Table 6. This amount represents a net decrease of \$3.9 million, or 1.2%, from the prior year.

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

	Activities		Activities		Primary Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 10.6	\$ 10.6	\$	\$	\$ 10.6	\$ 10.6
Construction in progress	21.9	22.6	0.7	0.6	22.6	23.2
Buildings and land improvements	198.8	201.6	11.1	11.7	209.9	213.3
Furniture and equipment	1.9	1.5	0.1	0.2	2.0	1.7
Vehicles	2.8	3.3			2.8	3.3
Infrastructure	75.7	75.4			75.7	75.4
Total Capital Assets	<u>\$ 311.7</u>	<u>\$ 315.0</u>	<u>\$ 11.9</u>	<u>\$ 12.5</u>	<u>\$ 323.6</u>	<u>\$ 327.5</u>

The Town's capital budget anticipates a spending level of \$9,205 for various capital projects during the 2012 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 5 to the basic financial statements.

Long-Term Debt

At June 30, 2011, the Town had \$145,095 in bonds and notes outstanding versus \$151,225 in the prior year. This is a decrease of 4.0% as shown in Table 7.

Table 7
Outstanding Debt at Year-End
In Millions

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds (backed by the Town)	<u>\$ 145.1</u>	<u>\$ 151.2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145.1</u>	<u>\$ 151.2</u>

The decrease in outstanding debt resulted from the issuance of \$8,000 in new debt offset by principal payments of \$14,130 during the year. Long-term debt is discussed in greater detail in Note 7 to the financial statements. The Town's general obligation bonds continue to carry the highest ratings awarded by both Moody's and Standard & Poor's (Aaa and AAA, respectively). This rating has been assigned to the Town since 1972 and was reaffirmed in October 2010.

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's total debt, as calculated by state guidelines, is significantly below the \$1.35 billion State-imposed limit. In addition to the State-imposed limit, the Town has adopted its own capital financing guidelines that state that annual debt service as a percentage of General Fund expenditures shall not exceed 10%, and is targeted to be 8% or less. Actual debt service for fiscal year 2011, inclusive of debt service of the Blue Back Square Fund, was 8.8% of General Fund expenditures. The General Fund portion of debt service was 7.3% 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 extraordinary economic conditions in the world and in the country continue to be the dominant influence on the annual budget process and the Town's financial position. The Town has responded with management and policy initiatives that continue to have a positive influence on the fiscal year 2012 budget. Union wage concessions negotiated in fiscal year 2010 reduce the amount needed for wages and salaries in fiscal year 2012 by \$855. During the last three years, seventeen (17) full-time positions have been eliminated at an annual savings of \$820 and part-time staffing has been reduced by \$537. Opportunities to maintain programs at a lower cost have been implemented. The restructured leaf collection program has reduced annual expenses by \$700 while providing a curbside collection program. Two long-term debt refinancings were completed that reduce debt service payments in fiscal year 2012 by \$383. The Town made \$35 million in adjustments to the Capital Improvement Program, which reduced debt service in fiscal year 2012 by \$493. The fiscal year 2012 budget also benefits from the use of available funds to reduce the amount needed from property taxes. This includes the establishment of a debt service fund from the proceeds of a legal settlement, which reduces the amount needed from property taxes to pay debt service costs by \$1,667 in fiscal year 2012. Annual budget savings have been used to contribute funding to the Utility Services Fund and the Risk Management Fund, which are being utilized over multiple years and provide \$705 to lower the amount needed from property taxes in fiscal year 2012.

The fiscal year 2012 budget continues to provide the municipal and educational services that comprise the fabric of the community and one of the important reasons residents decide to live in West Hartford. The budget also continues the commitment to fund future liabilities for retiree health care and pension costs. The fiscal year 2012 General Fund budget totals \$226,930 and represents an increase of \$10,074 or 4.6% over fiscal year 2011. The municipal services portion of the budget totals \$79,993, an increase of \$4,785 or 6.4% from the current year budget. The education budget totals \$132,827, an increase of \$6,154 or 4.9%. The capital financing portion of the budget for both municipal and education services is \$14,110, a decrease from fiscal year 2011 of \$865. Property taxes are the primary source of revenue for municipalities in Connecticut and increases in property tax revenue are generated from growth in the value of taxable property and increases to the tax rate. As a fully developed community, growth in the Town's taxable property is through re-use of existing property, which has been reduced with the economic climate. A total of \$1,112 in new property tax revenue is generated by the \$29,257 of growth in the value of taxable property on the October 1, 2010 Grand List. The fiscal year 2012 budget reflects State aid and tax revenue as recommended by the Governor in his proposed FY 2012 State budget. The Governor's proposed budget restored \$2,294 in education cost sharing grant revenue that was supplanted with federal American Recovery and Reinvestment Act (ARRA) funding in each of the last two years. This increase is offset with reductions in other State aid programs (\$839) for a net increase of \$1,455 in total State aid in the Town's adopted budget. The budget for fiscal year 2012 also assumes that the economy will continue to recover into next fiscal year and generate increases in elastic revenues of \$1,030. All of these changes were not sufficient to provide the necessary revenue to support the cost of

maintaining municipal and education services in fiscal year 2012. In order to finance the budget, an increase in current year property tax revenue of \$6,560 or 3.5% was required. A mill rate of 39.44 was needed to finance the remaining property tax revenue, representing an increase of 1.06 mills or 2.8% from the fiscal year 2011 mill rate.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2011
(In Thousands)

	Primary Government			Component Unit
	Governmental	Business-Type		West Hartford
	Activities	Activities	Total	Special
				Services District
Assets:				
Cash and cash equivalents	\$ 48,156	\$ 2	\$ 48,158	\$ 21
Investments	12,591		12,591	
Receivables, net	10,764	305	11,069	8
Inventories	249		249	
Prepaid asset	1,628	23	1,651	
Capital assets:				
Assets not being depreciated	32,452	730	33,182	
Assets being depreciated, net	279,218	11,220	290,438	
Total assets	<u>385,058</u>	<u>12,280</u>	<u>397,338</u>	<u>29</u>
Liabilities:				
Accounts and other payables	5,893	58	5,951	
Payroll liabilities	2,464	62	2,526	
Other current liabilities	2,209	6	2,215	9
Internal balances	(1,848)	1,848	-	
Unearned revenue	2,308	348	2,656	20
Unamortized premium on bonds	1,916		1,916	
Noncurrent liabilities:				
Due within one year	28,309	66	28,375	
Due in more than one year	150,092	127	150,219	
Total liabilities	<u>191,343</u>	<u>2,515</u>	<u>193,858</u>	<u>29</u>
Net Assets:				
Invested in capital assets, net of related debt	167,371	11,950	179,321	
Restricted for:				
Perpetual care:				
Expendable	2,420		2,420	
Nonexpendable	82		82	
Unrestricted	23,842	(2,185)	21,657	
Total Net Assets	<u>\$ 193,715</u>	<u>\$ 9,765</u>	<u>\$ 203,480</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

					Net (Expense) Revenue and Changes in Net Assets			
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Hartford Special Services District
Primary Government:								
Governmental activities:								
General government	\$ 8,088	\$ 1,271	\$ 6	\$ 551	\$ (6,260)	\$ (6,260)	\$	
Public safety	35,114	2,847	329	240	(31,698)	(31,698)		
Community maintenance	36,593	3,386	508	757	(31,942)	(31,942)		
Human and cultural	9,459	1,579	1,813	10	(6,057)	(6,057)		
Education	161,282	4,549	38,719	279	(117,735)	(117,735)		
Interest on long-term debt	5,679	71			(5,608)	(5,608)		
Total governmental activities	256,215	13,703	41,375	1,837	(199,300)	(199,300)		
Business-type activities:								
Leisure services	3,694	2,752		332		(610)	(610)	
Total Primary Government	\$ 259,909	\$ 16,455	\$ 41,375	\$ 2,169	(199,300)	(610)	(199,910)	
Component Unit:								
West Hartford Special Services District	\$ 3,793	\$ 2,089	\$ -	\$ -			(1,704)	
General revenues:								
Property taxes					193,695	193,695	1,700	
Grants and contributions not restricted to specific programs					2,800	2,800		
Unrestricted investment earnings					2,311	2,311	4	
Miscellaneous					4,072	2	4,074	
Transfers					(20)	20	-	
Total general revenues and transfers					202,858	22	202,880	
Change in net assets					3,558	(588)	2,970	
Net Assets at Beginning of Year					190,157	10,353	200,510	
Net Assets at End of Year					\$ 193,715	\$ 9,765	\$ 203,480	
							\$ -	

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 23,538	\$ 4,456	\$	\$ 5,812	\$ 7,598	\$ 41,404
Receivables, net	4,179	486	3,024		1,781	9,470
Due from other funds	2,503					2,503
Inventories	170				77	247
Prepaid items	8					8
Total Assets	<u>\$ 30,398</u>	<u>\$ 4,942</u>	<u>\$ 3,024</u>	<u>\$ 5,812</u>	<u>\$ 9,456</u>	<u>\$ 53,632</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 2,457	\$ 189	\$ 5	\$	\$ 211	\$ 2,862
Payroll liabilities	2,289	2			157	2,448
Due to other funds			37		618	655
Other liabilities	2,198	1			10	2,209
Deferred revenue	4,743		3,017		1,129	8,889
Total liabilities	<u>11,687</u>	<u>192</u>	<u>3,059</u>		<u>2,125</u>	<u>17,063</u>
Fund balances:						
Nonspendable	178				77	255
Restricted					1,191	1,191
Committed		5,435		5,812	6,007	17,254
Assigned	652				56	708
Unassigned	17,881	(685)	(35)			17,161
Total fund balances	<u>18,711</u>	<u>4,750</u>	<u>(35)</u>	<u>5,812</u>	<u>7,331</u>	<u>36,569</u>
Total Liabilities and Fund Balances	<u>\$ 30,398</u>	<u>\$ 4,942</u>	<u>\$ 3,024</u>	<u>\$ 5,812</u>	<u>\$ 9,456</u>	<u>\$ 53,632</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$	36,569
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	482,716	
Less accumulated depreciation		<u>(171,046)</u>	
Net capital assets			311,670

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

Net pension asset	1,566
Property tax receivables greater than 60 days	2,147
Interest receivable on property taxes	675
Housing loans receivable	3,150
Interest receivable on housing loans	402
Deferred charges	796
Receivable from the state for school construction projects	1,284

Internal service funds are used by management to charge the costs of
risk management and utility services to individual funds. The assets and
liabilities of the internal service funds are reported with governmental
activities in the statement of net assets.

7,441

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(145,095)
Interest payable on bonds and notes	(2,057)
Compensated absences	(20,030)
Other postemployment obligations	(2,887)
Bond premium	<u>(1,916)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>193,715</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 192,984	\$	\$	\$	\$	\$ 192,984
Intergovernmental	32,117	1,530	295		11,694	45,636
Charges for services	4,304	127	2	118	8,701	13,252
Income on investments	710		9	4	354	1,077
Miscellaneous	1,140	307	98	2,966	710	5,221
Total revenues	<u>231,255</u>	<u>1,964</u>	<u>404</u>	<u>3,088</u>	<u>21,459</u>	<u>258,170</u>
Expenditures:						
Current:						
General government	5,033				81	5,114
Public safety	23,497				1,501	24,998
Community maintenance	15,011			12	2,111	17,134
Human and cultural	5,503		405		1,738	7,646
Education	139,573				16,136	155,709
Debt and sundry	25,922			19,809	-	45,731
Capital outlay	99	9,097		82	471	9,749
Total expenditures	<u>214,638</u>	<u>9,097</u>	<u>405</u>	<u>19,903</u>	<u>22,038</u>	<u>266,081</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,617</u>	<u>(7,133)</u>	<u>(1)</u>	<u>(16,815)</u>	<u>(579)</u>	<u>(7,911)</u>
Other Financing Sources (Uses):						
Transfers in	878	955		14,745	1,211	17,789
Transfers out	(16,786)	(663)			(310)	(17,759)
Issuance of bonds		8,000				8,000
Bond premium				302		302
Total other financing sources (uses)	<u>(15,908)</u>	<u>8,292</u>	<u>-</u>	<u>15,047</u>	<u>901</u>	<u>8,332</u>
Net Change in Fund Balances	709	1,159	(1)	(1,768)	322	421
Fund Balances at Beginning of Year, as Restated	<u>18,002</u>	<u>3,591</u>	<u>(34)</u>	<u>7,580</u>	<u>7,009</u>	<u>36,148</u>
Fund Balances at End of Year	<u>\$ 18,711</u>	<u>\$ 4,750</u>	<u>\$ (35)</u>	<u>\$ 5,812</u>	<u>\$ 7,331</u>	<u>\$ 36,569</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$	421
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	9,017
Depreciation expense	(12,075)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net assets.	(225)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(552)
Property tax receivable - accrual basis change	150
Property tax interest and lien revenue - accrual basis change	561
Housing loans accrued interest	50
Housing loans receivable	192
Net pension asset	31
Other postemployment obligations	(636)

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

Bond principal payments	14,130
Issuance of bonds and notes	(8,000)

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

Compensated absences	(1,404)
Accrued interest	(53)
Amortization of deferred charge on refunding	(229)
Amortization of bond premiums	247

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

	1,933
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Change in Net Assets of Governmental Activities (Exhibit II)	\$	<u>3,558</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2011
(In Thousands)

	<u>Business-Type Activities Leisure Services Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 2	\$ 6,752
Investments		12,591
Receivables, net	305	217
Prepaid items	23	56
Total current assets	<u>330</u>	<u>19,616</u>
Noncurrent:		
Capital assets:		
Assets not being depreciated	730	
Assets being depreciated, net	11,220	
Total noncurrent assets	<u>11,950</u>	
Total assets	<u>12,280</u>	<u>19,616</u>
Liabilities:		
Current:		
Accounts and other payables	58	974
Payroll liabilities	62	16
Other liabilities	6	
Due to other funds	1,848	
Risk management claims		6,420
Unearned revenue	348	
Compensated absences	66	
Total current liabilities	<u>2,388</u>	<u>7,410</u>
Noncurrent:		
Compensated absences	127	
Risk management claims		4,765
Total noncurrent liabilities	<u>127</u>	<u>4,765</u>
Total liabilities	<u>2,515</u>	<u>12,175</u>
Net Assets:		
Invested in capital assets	11,950	
Unrestricted	<u>(2,185)</u>	<u>7,441</u>
Total Net Assets	<u>\$ 9,765</u>	<u>\$ 7,441</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, 2011
(In Thousands)

	<u>Business-Type Activities Leisure Services Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Operating Revenues:		
Fund premiums	\$	\$ 38,355
Charges for services	2,752	
Employee contributions		7,137
Other	2	777
Total operating revenues	<u>2,754</u>	<u>46,269</u>
Operating Expenses:		
Administrative expense		218
Personal services	1,127	
Employee benefits		35,243
Insurance and program services		5,120
Utilities	242	5,205
Other operating expense	1,453	
Depreciation	872	
Total operating expenses	<u>3,694</u>	<u>45,786</u>
Operating Income (Loss)	(940)	483
Nonoperating Expense:		
Income on investments		<u>1,500</u>
Income (Loss) Before Contributions and Transfers	(940)	1,983
Capital Contributions	332	
Transfers In	20	
Transfers Out		<u>(50)</u>
Change in Net Assets	(588)	1,933
Net Assets at Beginning of Year	<u>10,353</u>	<u>5,508</u>
Net Assets at End of Year	\$ <u>9,765</u>	\$ <u>7,441</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

	<u>Business-Type Activities Leisure Services Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 7,137
Cash received from operating funds		38,355
Cash received from customers	2,750	
Cash payments to employees for services	(1,132)	
Cash payments to suppliers for goods and services	(1,638)	(10,707)
Cash payment to providers benefits		(35,017)
Other operating receipts		1,025
Net cash provided by (used in) operating activities	<u>(20)</u>	<u>793</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	20	
Transfers to other funds		(50)
Net cash flows provided by (used in) noncapital financing activities	<u>20</u>	<u>(50)</u>
Cash Flows from Investing Activities:		
Gain on investments		337
Sale of investments		903
Net cash provided by investing activities	<u>-</u>	<u>1,240</u>
Net Increase in Cash and Cash Equivalents	-	1,983
Cash and Cash Equivalents at Beginning of Year	<u>2</u>	<u>4,769</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>2</u></u>	\$ <u><u>6,752</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (940)	\$ 483
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	872	
Change in assets and liabilities		
(Increase) decrease in receivables	38	(170)
(Increase) decrease in prepaid items	5	418
Decrease in accounts and other payables	(53)	(180)
Increase (decrease) in payroll liabilities	17	4
Increase in risk management claim liability		238
Increase in due to other funds	83	
Decrease in unearned revenue	(42)	
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(20)</u></u>	\$ <u><u>793</u></u>
Noncash Investing and Capital Financing Activities:		
Net increase in fair value of investments	\$ <u><u></u></u>	\$ <u><u>487</u></u>
Contribution of Capital Assets from Town	\$ <u><u>332</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, 2011

(In Thousands)

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Student Activity Fund</u>
Assets:			
Cash and cash equivalents	\$ 1,581	\$ 80	\$ 904
Investments:			
Mutual funds	121,497		
Common stock	24,274		
Receivables:			
Interest and dividends	<u>32</u>	<u></u>	<u></u>
Total assets	<u>147,384</u>	<u>80</u>	<u>\$ 904</u>
Liabilities:			
Accounts and other payables	<u>183</u>	<u></u>	<u>\$ 904</u>
Net Assets:			
Held in Trust for Pension Benefits	147,201		
Held in Trust for OPEB Benefits	<u></u>	<u>80</u>	
Total Net Assets	<u>\$ 147,201</u>	<u>\$ 80</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 AND OPEB TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 10,000	\$
Plan members	2,253	20
Total contributions	<u>12,253</u>	<u>20</u>
Investment income (loss):		
Net appreciation in fair value of investments	26,635	
Interest	28	
Dividends	2,516	
Total investment income	<u>29,179</u>	<u>-</u>
Less investment expense	<u>(369)</u>	<u>-</u>
Net investment income	<u>28,810</u>	<u>-</u>
Net additions	<u>41,063</u>	<u>20</u>
Deductions:		
Benefits	19,635	
Administration	223	
Total deductions	<u>19,858</u>	<u>-</u>
Net Increase	21,205	20
Net Assets Held in Trust at Beginning of Year	<u>125,996</u>	<u>60</u>
Net Assets Held in Trust at End of Year	<u><u>\$ 147,201</u></u>	<u><u>\$ 80</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Units

Pursuant to Chapter 105A of the Connecticut General Statutes, the Town established a special service district to be known as "West Hartford Center Special Service District." The purpose of the West Hartford Center Special Service District shall be to promote the economic and general welfare of the citizens and property owners of West Hartford both within and without such district through the preservation, enhancement, protection and development of the economic health and vitality of West Hartford.

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

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, the Town's Risk Management Fund and the Utility Services Fund are charges to internal and external customers for sales and services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

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

Investments are reported at fair value.

E. Receivables and Payables

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

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

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

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after due date in accordance with State Statutes. An amount of \$468 has been established as an allowance for uncollectible taxes at June 30, 2011. This represents 14% of all property taxes receivable.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

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

H. Compensated Absences

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

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

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

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

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

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

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

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of West Hartford Town Council).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted, committed or nonspendable. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town of West Hartford Town Council.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

For financial statement comparisons, budgetary results have been reconciled to GAAP. Budgeted amounts are as originally adopted or as amended by the Town Council. Supplemental budget amendments totaling \$1,569 were made to the adopted fiscal year 2011 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 commitment or assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Fund Equity

	<u>Amount</u>
Special Revenue Fund:	
CDBG Housing Rehabilitation Fund *	\$ 35

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$48,823 of the Town's bank balance of \$49,733 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 43,950
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,873</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 48,823</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2011, the Town's cash equivalents amounted to \$2,376. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

*Not rated

Investments

As of June 30, 2011, the Town had the following investments in the Pension and Risk Management Funds:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Government Bonds	N/A	\$ 4,686	\$ <u>726</u>	\$ <u>2,977</u>	\$ <u>983</u>
Other investments:					
Common stock		24,274			
Mutual funds		<u>129,402</u>			
Total Investments		\$ <u>158,362</u>			

N/A - Not applicable

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2011, the Town's investments, other than open-end mutual funds and other pooled accounts that are not categorized as to custodial credit risk, were uninsured and unregistered securities held by the counterparty, or by its trust department or agent, and were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 3,233	\$	\$	\$	\$ 3,233
Interest*				55	55
Accounts and other	61			894	955
Housing loans			3,017	134	3,151
Intergovernmental	<u>1,353</u>	<u>486</u>	<u>7</u>	<u>1,252</u>	<u>3,098</u>
Gross receivables	<u>4,647</u>	<u>486</u>	<u>3,024</u>	<u>2,335</u>	<u>10,492</u>
Less allowance for uncollectibles	<u>468</u>				<u>468</u>
Net Total Receivables	<u>\$ 4,179</u>	<u>\$ 486</u>	<u>\$ 3,024</u>	<u>\$ 2,335</u>	<u>\$ 10,024</u>

* Accrued interest on property taxes and long-term housing loans in the amount of \$1,078 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	\$ 1,877	\$
Grant drawdowns prior to meeting all eligibility requirements		33
Property taxes collected in advance		1,298
School building grants	1,283	
Housing loans	3,151	
Other	<u>270</u>	<u>977</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 6,581</u>	<u>\$ 2,308</u>

Business-type activities unearned revenue of \$348 represents program charges and other revenue that is considered unearned.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,570	\$	\$	\$	\$ 10,570
Construction in progress	22,581	7,629	(8,103)	(225)	21,882
Total capital assets not being depreciated	<u>33,151</u>	<u>7,629</u>	<u>(8,103)</u>	<u>(225)</u>	<u>32,452</u>
Capital assets being depreciated:					
Buildings	246,031	322	2,736		249,089
Land improvements	17,672		1,499		19,171
Vehicles	9,817	349		(260)	9,906
Furniture and equipment	9,096	717	55	(19)	9,849
Infrastructure	158,436		3,813		162,249
Total capital assets being depreciated	<u>441,052</u>	<u>1,388</u>	<u>8,103</u>	<u>(279)</u>	<u>450,264</u>
Less accumulated depreciation for:					
Buildings	(60,752)	(6,466)			(67,218)
Land improvements	(1,328)	(921)			(2,249)
Vehicles	(6,516)	(858)		260	(7,114)
Furniture and equipment	(7,580)	(391)		19	(7,952)
Infrastructure	<u>(83,074)</u>	<u>(3,439)</u>			<u>(86,513)</u>
Total accumulated depreciation	<u>(159,250)</u>	<u>(12,075)</u>	<u>-</u>	<u>279</u>	<u>(171,046)</u>
Total capital assets being depreciated, net	<u>281,802</u>	<u>(10,687)</u>	<u>8,103</u>	<u>-</u>	<u>279,218</u>
Governmental Activities Capital Assets, Net	<u>\$ 314,953</u>	<u>\$ (3,058)</u>	<u>\$ -</u>	<u>\$ (225)</u>	<u>\$ 311,670</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 625	\$ 332	\$ (227)	\$	\$ 730
Capital assets being depreciated:					
Buildings and systems	19,229				19,229
Land improvements	4,629		227		4,856
Furniture and equipment	1,460				1,460
Total capital assets being depreciated	<u>25,318</u>	<u>-</u>	<u>227</u>	<u>-</u>	<u>25,545</u>
Less accumulated depreciation for:					
Buildings and systems	(11,162)	(593)			(11,755)
Land improvements	(979)	(237)			(1,216)
Furniture and equipment	<u>(1,312)</u>	<u>(42)</u>			<u>(1,354)</u>
Total accumulated depreciation	<u>(13,453)</u>	<u>(872)</u>	<u>-</u>	<u>-</u>	<u>(14,325)</u>
Total capital assets being depreciated, net	<u>11,865</u>	<u>(872)</u>	<u>227</u>	<u>-</u>	<u>11,220</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,490</u>	<u>\$ (540)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,950</u>

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

Governmental activities:	
General government	\$ 1,497
Public safety	1,123
Community maintenance	4,061
Human and cultural	667
Education	<u>4,727</u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,075</u>
Business-type activities:	
Leisure Services Fund	\$ <u>872</u>

Construction Commitments

The Town had numerous active construction projects during the year ended June 30, 2011. The following is a summary of capital projects as of June 30, 2011:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Public buildings	\$ 5,601	\$ 3,064
Parks and recreation	1,953	1,105
Infrastructure	25,868	21,054
Schools	9,663	6,875
Miscellaneous	<u>4,035</u>	<u>2,212</u>
Total	\$ <u>47,120</u>	\$ <u>34,310</u>

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

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2011 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,503	\$
CDBG Housing Rehabilitation Fund		37
Nonmajor Governmental Funds		618
Leisure Services Fund		<u>1,848</u>
Total	\$ <u>2,503</u>	\$ <u>2,503</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:

Transfers to	Transfers From				
	General	Capital Projects	Nonmajor Governmental	Internal Service	Total Transfers
General	\$	\$ 663	\$ 165	\$ 50	\$ 878
Capital Projects	830		125		955
Debt Service Fund	14,745				14,745
Other Governmental	1,211				1,211
Enterprise			20		20
Total	<u>\$ 16,786</u>	<u>\$ 663</u>	<u>\$ 310</u>	<u>\$ 50</u>	<u>17,809</u>

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

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 151,225	\$ 8,000	\$ (14,130)	\$ 145,095	\$ 14,475
Less deferred amounts on refunding	(1,025)		229	(796)	
Total bonds payable	150,200	8,000	(13,901)	144,299	14,475
Compensated absences	18,626	8,200	(6,796)	20,030	7,414
Net OPEB obligation	2,251	636		2,887	
Risk management liability	10,947	238		11,185	6,420
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 182,024</u>	<u>\$ 17,074</u>	<u>\$ (20,697)</u>	<u>\$ 178,401</u>	<u>\$ 28,309</u>
Business-Type Activities:					
Compensated absences	<u>\$ 182</u>	<u>\$ 75</u>	<u>\$ (64)</u>	<u>\$ 193</u>	<u>\$ 66</u>

All general obligation long-term bonds are secured by the general revenue raising powers of the Town. No sinking funds have been established as of June 30, 2011. Compensated absences are paid from revenues of the fund in which the employee is budgeted.

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

Bonds Payable

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

General Obligations

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 14,475	\$ 5,458	\$ 19,933
2013	12,535	4,918	17,453
2014	11,255	4,404	15,659
2015	10,210	3,938	14,148
2016	10,890	3,542	14,432
2017-2021	53,995	11,465	65,460
2022-2026	31,735	2,671	34,406
Total	<u>\$ 145,095</u>	<u>\$ 36,396</u>	<u>\$ 181,491</u>

Principal Amount of Debt Indebtedness

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 5,125	2021
1/15/2001	Schools	4.10-4.50	4,750	2,375	2021
1/15/2002	General Purpose	3.50-4.75	6,415	3,528	2022
1/15/2002	Schools	3.50-4.75	7,085	3,897	2022
11/19/2002	General Purpose	2.50-4.00	3,847	769	2013
11/19/2002	Schools	2.50-4.00	3,653	731	2013
1/15/2003	Refunding - General Purpose	2.00-5.00	7,767	2,349	2015
1/15/2003	Refunding - Schools	2.00-5.00	11,803	3,571	2015
2/4/2004	General Purpose	3.00-5.00	7,233	723	2013
2/4/2004	Schools	3.00-5.00	16,767	1,677	2013
3/1/2005	General Purpose	3.25-5.00	9,816	1,966	2014
3/1/2005	Schools	3.25-5.00	7,184	1,439	2014
6/9/2005	Refunding - Schools	3.00-5.00	11,105	7,970	2019
10/12/2005	General Purpose	3.50-5.00	48,820	11,025	2015
2/1/2007	General Purpose	4.00-5.50	12,547	5,019	2017
2/1/2007	Schools	4.00-5.50	2,453	981	2017
1/30/2008	General Purpose	3.00-5.00	10,722	7,148	2023
1/30/2008	Schools	3.00-5.00	4,278	2,852	2023
7/14/2009	General Purpose	2.00-3.50	10,903	8,769	2024
7/14/2009	Schools	2.00-3.50	4,097	3,296	2024
9/15/2009	Refunding - General Purpose	2.00-4.00	38,583	38,226	2026
9/15/2009	Refunding - Schools	2.00-4.00	3,077	3,049	2026
3/24/2010	Refunding - General Purpose	2.00-5.00	10,280	10,280	2024
3/24/2010	Refunding - Schools	2.00-5.00	10,330	10,330	2024
10/15/2010	General Purpose	2.00-4.00	6,002	6,002	2026
10/15/2010	Schools	2.00-4.00	1,998	1,998	2026
			<u>\$ 271,765</u>	<u>\$ 145,095</u>	

Prior Year's In-Substance Defeasance

The Town has defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the Town's financial statements. At June 30, 2011, the following refunded bonds outstanding are considered defeased:

Original Issue	Date Refunded	Refunded Amount	Defeased Balance
July 14, 2009	March 24, 2010	\$ 2,135	\$ 1,935
February 7, 2008	March 24, 2010	2,000	2,000
February 1, 2007	March 24, 2010	5,000	5,000
February 4, 2004	March 24, 2010	13,200	13,200
October 12, 2005	September 23, 2009	32,155	32,155
February 15, 2005	September 23, 2009	6,810	6,810
November 15, 1998	May 18, 2005	11,000	8,000
October 26, 1999	January 15, 2003	3,500	2,000
September 15, 1997	January 15, 2003	6,000	2,000
July 15, 1996	January 15, 2003	10,000	2,000

The following is a schedule of direct and overlapping debt as of June 30, 2011:

Jurisdiction	Outstanding Debt	Percentage Applicable to West Hartford	Outstanding Debt Applicable to Town
West Hartford	\$ 145,095	100.00%	\$ 145,095
Metropolitan District Commission	285,734	21.52	61,490
Total			\$ 206,585

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 433,942	\$ 101,570	\$ 332,372
Schools	867,884	44,085	823,799
Sewers	723,236	61,490	661,746
Urban renewal	626,805		626,805
Pension deficit	578,589		578,589

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.35 billion. Except for proprietary fund bonds, if any, all long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State Statutes, includes long-term debt outstanding, bond anticipation notes outstanding and the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project. There was \$1,843 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2011. Additionally, school indebtedness is net of school building grants amounting to \$1,283.

As of June 30, 2011 the Town had, in addition to amounts referred to above, a total of \$19,604 authorized but unissued debt, consisting of \$13,044 for general public improvements and \$6,560 for school purposes. It is the Town Council's policy to authorize the issuance of bonds for the first two years of the Capital Improvement Program to improve the ability to plan and execute projects. Project funding will be released over a two-year period according to the capital financing policy.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 170	\$	\$	\$	\$ 77	\$ 247
Prepaid	8					8
Restricted for:						
Grants					328	328
Human and cultural					863	863
Committed to:						
General government					57	57
Public safety					353	353
Community maintenance					962	962
Human and cultural					2,126	2,126
Education					2,509	2,509
Debt and sundry				5,812		5,812
Capital projects		5,435				5,435
Assigned to:						
General government	32				16	48
Public safety	8					8
Community maintenance	44					44
Human and cultural	1				1	2
Education	567				39	606
Unassigned	<u>17,881</u>	<u>(685)</u>	<u>(35)</u>			<u>17,161</u>
Total Fund Balances	<u>\$ 18,711</u>	<u>\$ 4,750</u>	<u>\$ (35)</u>	<u>\$ 5,812</u>	<u>\$ 7,331</u>	<u>\$ 36,569</u>

9. RISK MANAGEMENT

A. Types of Risk

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

B. Insurance Coverage

The following is a summary of major coverage:

Coverage	Retention	Limits
Excess workers' compensation	\$ 500	Statutory
General liability	250	\$ 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 \$5,000 excess of \$250 self-insurance retention and with Great American for \$15,000 excess of \$5,000. 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 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 \$11.2 million at June 30, 2011 are based on the requirements of GASB Statement 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

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

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2009-10	\$ 10,627	\$ 33,508	\$ (33,188)	\$ 10,947
2010-11	10,947	35,244	(35,006)	11,185

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in a single-employer plan in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan.

At July 1, 2009, plan membership consisted of the following:

Number of members:	
Active	1,423
Retired members	974
Spouses of retired members	<u>620</u>
Total participants	<u><u>3,017</u></u>

B. Funding Policy

The Town has actuarially calculated and funded retiree health benefits in a reserve fund since 1985. All retiree claims are paid for in the reserve fund and funded from a combination of employee contributions, investment income on the reserve balance, revenue from the Medicare subsidy and an annual appropriation from the General Fund. The Health Reserve portion of the Risk Management Fund had a fund balance of \$5,492 on June 30, 2011. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 7.5%.

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

Town Employees

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

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

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

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

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

Board of Education

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

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

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

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

Cafeteria: Board pays 100% of the premium for employee.

Police and Fire

Date of hire prior to July 1, 1986:

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

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

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

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

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

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

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

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

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

Member Contributions:

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

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

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

C. Annual OPEB Cost and Net OPEB Obligations

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

Annual required contribution	\$ 6,979
Interest on net OPEB obligation	169
Adjustment to annual required contribution	<u>(131)</u>
Annual OPEB cost	7,017
Contributions made	<u>6,381</u>
Increase in net OPEB obligation	636
Net OPEB obligation, beginning of year	<u>2,251</u>
Net OPEB Obligation, End of Year	<u>\$ 2,887</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the fiscal year ending June 30, 2011 is presented below. Data is presented for the fiscal years since implementation in 2008.

Fiscal Year Ended		Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$	6,658	\$ 5,910	88.6%	\$ 1,561
6/30/2010		7,089	6,399	90.3%	2,251
6/30/2011		7,017	6,381	90.9%	2,887

As of July 2009, the date of the most recent valuation, the plan was 0.02% funded. The actuarial accrued liability for benefits was approximately \$89,039, and the actuarial value of the assets was \$20, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$89,019.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2007	\$	-	\$ 85,496	\$ 85,496	0.00%	N/A	N/A
7/1/2009		20	89,039	89,019	0.02%	N/A	N/A

Schedule of Funding Progress

Year Ended		Annual Required Contribution	Percentage Contributed
2009	\$	6,658	88.8%
2010		7,062	90.6
2011		6,979	91.4

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after four years. The general inflation assumption is 2.5%. Projected salary increases were 4%. The actuarial value of assets was determined using the level percent method. The amortization method is level percent closed. The remaining amortization period at July 1, 2009 was 28 years.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town of West Hartford Retirement System

A. Plan Description

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

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

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

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

Membership in the Plan as of July 1, 2009 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	981
Terminated vested employees	84
Total inactive participants	<u>1,065</u>
Current employees:	
Fully vested	688
Nonvested	260
Total active participants	<u>948</u>
Total	<u><u>2,013</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 7%) of their salary to the Plan, depending upon their class of membership.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan amortizes the actuarial accrued liability over a 30-year period. Contributions are recommended by the actuary through the Town's fiscal year-end of June 30. The Town's contributions for the fiscal years ended June 30, 2011 and 2010, were \$10,000 and \$7,480, respectively, and were in accordance with actuarially determined requirements.

D. Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 10,002
Interest on net pension obligation	(131)
Adjustment to annual required contribution	<u>100</u>
Annual pension cost	9,971
Contributions made	<u>10,000</u>
Decrease in net pension obligation	(29)
Net pension asset, July 1, 2010	<u>(1,537)</u>
Net Pension Asset, June 30, 2011	<u>\$ (1,566)</u>

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

Valuation Date	July 1, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Closed
Amortization Period	30 years
Asset Valuation Method	5-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>
6/30/11	\$	9,971	100.3%	\$ (1,566)
6/30/10		7,449	100.4	(1,537)
6/30/09		6,780	100.5	(1,506)

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>		<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Projected Unit Credit Cost (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7-1-09	\$	167,268	\$ 270,814	\$ 103,546	61.8	\$ 53,028	195.3
7-1-08		178,201	244,095	65,894	73.0	50,031	131.7
7-1-07		179,479	237,380	57,901	75.6	48,107	120.4
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

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6-30-11	\$ 10,002	100.0%
6-30-10	7,481	100.0
6-30-09	6,813	100.0
6-30-08	6,001	101.6
6-30-07	5,942	100.0
6-30-06	5,641	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 nonemployer contributor, which is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The Town does not contribute to the Connecticut Teachers' Retirement System nor has any legal obligation for benefits. For the year ended June 30, 2011, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$10,727 as payments made by the State of Connecticut on behalf of the Town and is reflected in the government-wide financial statements. The Town does not have any liability for teacher pensions.

12. COMMITMENTS AND CONTINGENCIES

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

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

The Connecticut Resource Recovery Authority (CRRA) 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 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.

13. PRIOR PERIOD ADJUSTMENTS

During the year, the Town implemented GASB Statement #54. This required the Town to review their special revenue funds and determine if they have a revenue source that constitutes a substantial portion of the resources in a fund that is restricted or committed for a specific purpose. As a result, two funds required classifications.

The beginning fund balances for the following funds were restated as follows:

	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Nonmajor and Other Funds</u>
Balance at June 30, 2010	\$ 7,376	\$ 3,162	\$ 633
Reclassification to Capital Projects/Capital Nonrecurring Expenditure Fund	633		(633)
Reclassification to Debt Service Fund/Blue Back Square Fund	<u>(4,418)</u>	<u>4,418</u>	<u></u>
Restated Fund Balance at June 30, 2010	<u>\$ 3,591</u>	<u>\$ 7,580</u>	<u>\$ -</u>

14. SUBSEQUENT EVENT

On October 29-30, 2011, the Town experienced a winter storm that caused widespread damage. The President of the United States issued a major disaster declaration for "Winter Storm Alfred" for portions of Connecticut, inclusive of the Town. This declaration makes the Town eligible for reimbursement from the Federal Emergency Management Agency (FEMA) equal to 75% of eligible storm costs. Preliminary estimates indicate costs of \$10 million, with \$7.5 million reimbursed by FEMA and \$2.5 to be appropriated from fund balance of the General Fund.

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, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current year levy	\$ 188,937	\$ 188,937	\$ 189,161	\$ 224
Prior year's collections	890	1,430	1,459	29
Interest and liens fees	500	671	809	138
Motor vehicle supplement	1,550	1,550	1,555	5
Total property taxes	<u>191,877</u>	<u>192,588</u>	<u>192,984</u>	<u>396</u>
Intergovernmental revenues:				
Federal:				
Justice Assistance Grant		45	45	
EMS Grant	15	14	14	
Traffic Enforcement Grants		111	114	3
FEMA			137	137
Dial-A-Ride Grant	21	94	86	(8)
Total federal assistance	<u>36</u>	<u>264</u>	<u>396</u>	<u>132</u>
State:				
Education cost sharing	13,783	13,783	13,912	129
School transportation	539	539	355	(184)
School building grants	623	623	623	
Payments in lieu of taxes	1,360	1,360	1,359	(1)
Machinery exemption	440	440	649	209
Elderly tax relief - homeowner tax credit	4	4	4	
Disabled tax relief	5	5	6	1
Elderly tax exemption - circuit breaker	270	270	263	(7)
Veterans exemptions	80	80	63	(17)
Youth services grant	35	35	43	8
Alcohol/Drug abuse grant	6	6	6	
Highway town aid	338	338	339	1
Mashantucket Pequot fund	270	270	263	(7)
Boating safety grant			11	11
Library grants	4	4	3	(1)
Miscellaneous state grants	1	8	16	8
Emergency 911 grant	125	125	135	10
Telephone access grant	322	322	176	(146)
Total state assistance	<u>18,205</u>	<u>18,212</u>	<u>18,226</u>	<u>14</u>
Total intergovernmental revenues	<u>18,241</u>	<u>18,476</u>	<u>18,622</u>	<u>146</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Charges for services:				
Town Clerk	\$ 1,315	\$ 1,315	\$ 1,236	\$ (79)
Financial Services	4	4	6	2
Assessment	5	5	2	(3)
Employee Services	1	1		(1)
Fire Department	341	341	205	(136)
Police Department	601	916	786	(130)
Community Services	799	1,069	1,087	18
Public Works	223	223	164	(59)
Library	92	92	81	(11)
Human Services	659	659	737	78
Total charges for services	<u>4,040</u>	<u>4,625</u>	<u>4,304</u>	<u>(321)</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	250	250	532	282
Sale of assets			63	63
Town-owned property rentals	179	179	206	27
Miscellaneous	247	285	339	54
Total miscellaneous local revenues	<u>676</u>	<u>714</u>	<u>1,140</u>	<u>426</u>
Income on investments	<u>1,000</u>	<u>1,000</u>	<u>710</u>	<u>(290)</u>
Total revenues	215,834	217,403	217,760	357
Other financing sources:				
Transfers in	<u>870</u>	<u>870</u>	<u>878</u>	<u>8</u>
Total	<u>\$ 216,704</u>	<u>\$ 218,273</u>	218,638	<u>\$ 365</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

10,727

The Board of Education does not budget for

intergovernmental grants which are credited against
education expenditures for budgetary reporting. These
amounts are recorded as revenues and expenditures for
GAAP financial statement purposes.2,768Total Revenues and Other Financing Sources as Reported on the Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -
Exhibit IV\$ 232,133

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, 2011
(In Thousands)

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
General Government:				
Town Council:				
Personal services	\$ 122	\$ 124	\$ 124	\$ -
Non-personal expense	248	238	238	-
Debt and sundry	9	10	10	-
Total	<u>379</u>	<u>372</u>	<u>372</u>	<u>-</u>
Town Clerk:				
Personal services	143	146	\$ 146	-
Non-personal expense	124	116	116	-
Debt and sundry	11	8	8	-
Total	<u>278</u>	<u>270</u>	<u>270</u>	<u>-</u>
Town Manager:				
Personal services	236	242	242	-
Non-personal expense	4	6	6	-
Debt and sundry	14	14	14	-
Total	<u>254</u>	<u>262</u>	<u>262</u>	<u>-</u>
Corporation Counsel:				
Personal services	272	278	278	-
Non-personal expense	147	135	135	-
Debt and sundry	20	20	20	-
Total	<u>439</u>	<u>433</u>	<u>433</u>	<u>-</u>
Registrar of Voters:				
Personal services	146	139	139	-
Non-personal expense	106	172	172	-
Debt and sundry	8	8	8	-
Total	<u>260</u>	<u>319</u>	<u>319</u>	<u>-</u>
Financial Services:				
Personal services	1,737	1,737	1,737	-
Non-personal expense	610	626	626	-
Debt and sundry	132	124	124	-
Total	<u>2,479</u>	<u>2,487</u>	<u>2,487</u>	<u>-</u>
Assessment:				
Personal services	486	500	500	-
Non-personal expense	34	31	31	-
Debt and sundry	36	37	37	-
Total	<u>556</u>	<u>568</u>	<u>568</u>	<u>-</u>
Employee Services:				
Personal services	293	294	294	-
Non-personal expense	58	36	36	-
Debt and sundry	22	22	22	-
Total	<u>373</u>	<u>352</u>	<u>352</u>	<u>-</u>
Total general government	<u>5,018</u>	<u>5,063</u>	<u>5,063</u>	<u>-</u>

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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, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Public Safety:				
Fire Department:				
Personal services	\$ 8,704	\$ 9,307	\$ 9,307	\$ -
Non-personal expense	544	549	549	-
Debt and sundry	135	133	133	-
Total	<u>9,383</u>	<u>9,989</u>	<u>9,989</u>	<u>-</u>
Police Department:				
Personal services	12,334	12,284	12,284	-
Non-personal expense	867	953	953	-
Capital outlay		20	20	-
Debt and sundry	244	247	247	-
Total	<u>13,445</u>	<u>13,504</u>	<u>13,504</u>	<u>-</u>
Total public safety	<u>22,828</u>	<u>23,493</u>	<u>23,493</u>	<u>-</u>
Community Maintenance:				
Community Services:				
Personal services	1,925	1,879	1,879	-
Non-personal expense	602	618	618	-
Debt and sundry	141	126	126	-
Total	<u>2,668</u>	<u>2,623</u>	<u>2,623</u>	<u>-</u>
Public Works:				
Personal services	3,599	3,482	3,482	-
Non-personal expense	6,947	6,916	6,916	-
Capital outlay		16	16	-
Debt and sundry	275	246	246	-
Total	<u>10,821</u>	<u>10,660</u>	<u>10,660</u>	<u>-</u>
Plant and Facility Services:				
Personal services	858	824	824	-
Non-personal expense	885	892	892	-
Debt and sundry	63	62	62	-
Total	<u>1,806</u>	<u>1,778</u>	<u>1,778</u>	<u>-</u>
Total community maintenance	<u>15,295</u>	<u>15,061</u>	<u>15,061</u>	<u>-</u>

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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, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human and Cultural:				
Library:				
Personal services	\$ 2,171	\$ 2,142	\$ 2,142	\$ -
Non-personal expense	640	628	628	-
Debt and sundry	167	149	149	-
Total	<u>2,978</u>	<u>2,919</u>	<u>2,919</u>	<u>-</u>
Human and Leisure Services:				
Personal services	1,493	1,480	1,480	-
Non-personal expense	963	1,027	1,027	-
Debt and sundry	71	76	76	-
Total	<u>2,527</u>	<u>2,583</u>	<u>2,583</u>	<u>-</u>
Total human and cultural	<u>5,505</u>	<u>5,502</u>	<u>5,502</u>	<u>-</u>
Education	<u>126,423</u>	<u>126,423</u>	<u>126,137</u>	<u>286</u>
Debt and sundry	<u>25,557</u>	<u>25,945</u>	<u>25,901</u>	<u>44</u>
Total expenditures	<u>200,626</u>	<u>201,487</u>	<u>201,157</u>	<u>330</u>
Other financing uses:				
Transfers out	<u>16,078</u>	<u>16,786</u>	<u>16,786</u>	<u>-</u>
Total	<u>\$ 216,704</u>	<u>\$ 218,273</u>	<u>217,943</u>	<u>\$ 330</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.

10,727

The Board of Education does not budget for intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

2,768

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial statement purposes

(12)

Inventory purchases are reported as expenditures for budgetary purposes.

(2)Total Expenditures and Other Financing Uses as Reported on the Statement
of Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds - Exhibit IV\$ 231,424

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, 2011
(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 510	\$ 295	\$ (215)
Charges for services		2	2
Interest		9	9
Miscellaneous		99	99
Total revenues	<u>510</u>	<u>405</u>	<u>(105)</u>
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Non-personal expense	<u>510</u>	<u>405</u>	<u>105</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance at Beginning of Year		<u>(39)</u>	
Fund Balance at End of Year		\$ <u>(39)</u>	

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 8th day of March, 2012 by the Town of West Hartford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$15,000,000 General Obligation Bonds, Series 2012A, dated March 8, 2012 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Town dated March 1, 2012, prepared in connection with the Bonds.

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

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

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

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2012), as follows:

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

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,

- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2012. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

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

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

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

Section 3. Events.

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

- (a) principal and interest payment delinquencies;

- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Identifying Information.

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

Section 8. Enforcement.

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

Section 9. Miscellaneous.

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

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the

Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WEST HARTFORD, CONNECTICUT

By _____
Ronald F. Van Winkle
Town Manager

By _____
Chris Johnson
Director of Financial Services

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