

OFFICIAL STATEMENT DATED FEBRUARY 2, 2017

NEW MONEY ISSUE - Book-Entry-Only

Moody's Investors Service: Aaa
S&P Global Ratings: AAA
(See "Ratings" herein)

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



TOWN OF WEST HARTFORD, CONNECTICUT

\$17,000,000

General Obligation Bonds, Series 2017A

Dated: Date of Delivery

Due: January 15, as shown below

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

The Bonds will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2017. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

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

The Registrar, Transfer, Certifying and Paying Agent will be U.S. Bank National Association, Hartford, Connecticut.

MATURITY SCHEDULE AND AMOUNTS

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
2018	\$1,135,000	5.000 %	0.870 %	9531062X8	2026	\$1,135,000	2.500 %	2.550 %	9531063F6
2019	1,135,000	5.000	1.030	9531062Y6	2027	1,135,000	3.000	2.500*	9531063G4
2020	1,135,000	5.000	1.190	9531062Z3	2028	1,135,000	3.000	2.650*	9531063H2
2021	1,135,000	5.000	1.400	9531063A7	2029	1,135,000	3.000	2.750*	9531063J8
2022	1,135,000	5.000	1.600	9531063B5	2030	1,135,000	3.000	2.880*	9531063K5
2023	1,135,000	3.000	1.760*	9531063C3	2031	1,135,000	3.000	3.000	9531063L3
2024	1,135,000	2.000	2.150	9531063D1	2032	1,110,000	3.000	3.100	9531063M1
2025	1,135,000	2.250	2.370	9531063E9					

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

Fidelity Capital Markets

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about February 16, 2017 through the facilities of DTC or its custodial agent.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

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

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

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

Independent Bond and Investment Consultants LLC, the Town's Municipal Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

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

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

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

BOND COUNSEL

SHIPMAN & GOODWIN LLP

Hartford, Connecticut
(860) 251-5000

INDEPENDENT MUNICIPAL ADVISOR

**INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC**

Madison, Connecticut
(203) 245-8715

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Bond Issue Summary

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

Issuer:	Town of West Hartford, Connecticut (the "Town").
Issue:	\$17,000,000 General Obligation Bonds, Series 2017A, Book-Entry-Only (the "Bonds").
Dated Date:	Date of Delivery.
Principal and Interest Due:	Principal due on January 15 in each of the years 2018 through 2032, inclusive. Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2017.
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, 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" and "AAA" by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P"), respectively. The Town has received long-term ratings on its outstanding general obligation bonds of "Aaa" and "AAA" from Moody's and S&P, respectively.
Tax Exemption:	See Appendix B to this Official Statement.
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:	See Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Hartford, Connecticut.
Financial Advisor:	Independent Bond & Investment Consultants LLC will act as Financial Advisor.
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 February 16, 2017, in New York, New York, against payment in Federal funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Peter Privitera, Director of Financial Services, or Mrs. C. Elizabeth Hewitt, Financial Operations Manager, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, telephone (860) 561-7460.

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I. SECURITIES OFFERED

Introduction

This Official Statement is provided for the purpose of presenting certain information relating to the Town of West Hartford, Connecticut (the "Town"), in connection with the original issuance and sale of \$17,000,000 General Obligation Bonds, Series 2017A (the "Bonds") of the Town.

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

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

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

Description of the Bonds

The Bonds will be dated as of the date of delivery, will mature on January 15 in each of the years 2018-2032, 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, 2017, as set forth on the cover page of this Official Statement. The interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, NY, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank National Association in Hartford, Connecticut.

Optional Redemption

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

Authorization and Purpose

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

Project (Fiscal Year Authorized)	Amount¹ Authorized	Series 2017A	Authorized¹ but Unissued
<u>General Public Improvements</u>			
Arterial Street Reconstruction (2018)	\$ 1,442,000	\$ 1,442,000	\$ -
Communications Infrastructure (2017-2018)	1,000,000	500,000	500,000
Energy Conservation (2016-2018)	2,757,167	450,000	2,307,167
Financial Management System (2016, 2018)	750,000	500,000	250,000
Fire Apparatus (2018)	1,170,000	-	1,170,000
Neighborhood Street Reconstruction (2018)	1,578,000	1,578,000	-
North Main Street Bridge (2018)	200,000	200,000	-
Park & Playfield Improvements (2017-2018)	225,000	-	225,000
Park Road Interchange (2017)	5,088,000	-	5,088,000
Pedestrian and Bicycle Management (2017-2018)	695,000	695,000	-
Public Safety Facility (2017)	100,000	100,000	-
Public Works Rolling Stock (2017-2018)	1,400,000	780,000	620,000
Radio System Replacement (2017-2018)	5,300,000	2,500,000	2,800,000
Sitework at Recreational Facilities (2017-2018)	100,000	-	100,000
Storm Water Management (2018)	454,000	-	454,000
Street Resurfacing (2017-2018)	1,692,000	1,692,000	-
Town Building Improvements (2016-2018)	3,987,630	1,272,000	2,715,630
Traffic System Management (2018)	200,000	-	200,000
Troutbrook Phase V (2015).....	315,726	106,000	209,726
Sub-Total General Public Improvements	<u>\$ 28,454,523</u>	<u>\$ 11,815,000</u>	<u>\$ 16,639,523</u>
<u>School Improvements²</u>			
Asbestos Removal (2016-2018)	\$ 520,000	\$ 155,000	\$ 365,000
Charter Oak School (2015)	3,117,430	-	3,117,430
Elementary School Expansion (2008)	123,226	-	123,226
Exterior School Building Improvements (2014-2018) ...	3,841,310	690,000	3,151,310
Hall High Science Labs (2017-2018)	12,800,000	1,340,000	11,460,000
Heating & Ventilation Systems (2016-2018)	2,400,000	800,000	1,600,000
Interior School Building Improvements (2012-2018)	2,861,669	750,000	2,111,669
Portable Classrooms (2011)	37,455	-	37,455
School Security (2015-2017)	778,194	500,000	278,194
Site & Athletic Field Improvements (2014-2018)	1,041,315	750,000	291,315
Stage & Auditorium Renovations (2016-2018)	600,000	200,000	400,000
Sub-Total School Improvements	<u>\$ 28,120,599</u>	<u>\$ 5,185,000</u>	<u>\$ 22,935,599</u>
Grand Total	<u>\$ 56,575,122</u>	<u>\$ 17,000,000</u>	<u>\$ 39,575,122</u>

¹ Net of long-term debt previously issued and school progress payments received from the State of Connecticut prior to February 16, 2017. See "Capital Improvement Program" herein.

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

Note: Projects totaling \$20,391,000 authorized for fiscal year 2018 are included in this listing because they were authorized in April 2016.

Ratings

The Bonds have been rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings ("S&P"). The ratings on the Town's outstanding general obligation bonds were recently affirmed as "Aaa" by Moody's and "AAA" by S&P. The ratings assigned by Moody's and S&P express only the views of the Rating Agencies. The explanation of the significance of the ratings may be obtained from Moody's and Standard & Poor's, respectively. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of ratings on the Bonds may have an effect on the market price thereof.

Security and Remedies

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

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

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

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

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

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

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

Tax Matters

Opinion of Bond Counsel - Federal Tax Exemption

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income of the owners thereof for federal income tax purposes. Failure to comply with the continuing requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement and the Tax Certificate, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code.

The Town covenants that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds will not be included in the gross income of the owners thereof for federal income tax purposes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds (the "OID Bonds") may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount ("OID"). The offering prices relating to the yields set forth on the front cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law, OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner's basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the OID that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds should consult their tax advisors regarding the calculation of accrued OID, the accrual of OID in the case of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium

The initial public offering prices of certain maturities of the Bonds (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases an OIP Bond must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations with excess net passive income, and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability and impact of such consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State of Connecticut Taxes

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

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of OID Bonds or OIP Bonds should consult their tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of OID Bonds or OIP Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof.

General

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds, or the marketability of the Bonds, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Bonds or the market price for, or marketability of, the Bonds. No assurance can be given with respect to the impact of future legislation on the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisors regarding such matters.

The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Bond. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

Section 265 (b) Qualification for Financial Institutions

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

Book-Entry-Only System

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

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

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

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

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

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

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

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on payable date

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

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

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

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

Replacement Bonds

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

DTC Practices

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

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II. THE ISSUER

Description of the Town

The Town is located in central Connecticut adjacent to and west of the City of Hartford, the state capital. The towns of Bloomfield, Newington, Farmington, and Avon also border the Town. West Hartford is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town, a residential suburb in the Hartford metropolitan area, encompasses 22.2 square miles and has a population of 63,288. West Hartford was settled as an agricultural community in the early 1700s and was incorporated as a town in 1854.

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

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

There are three branch post offices and a public library system with three branch locations. Additionally the Town has 36 public parks and playgrounds, one playhouse and 24 churches and synagogues. West Hartford has 217 miles of streets, 300 miles of sidewalks, and is almost fully sewered.

Form of Government

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

Principal Municipal Officials

<u>Office</u>	<u>Town Council</u>	<u>Manner of Selection and Length of Service</u>
Mayor/President of Council	Shari G. Cantor	Appointed 12/04-11/05 Elected 11/05-11/17
Deputy Mayor/Vice President of Council	Leon S. Davidoff	Elected 11/07-11/17
Minority Leader	Denise B. Hall	Elected 11/09-11/17
	Chris Barnes	Elected 11/13-11/17
	Judy Casperson	Elected 11/09-11/17
	Dallas Dodge	Appointed 5/16-11/17
	Beth Kerrigan	Elected 11/15-11/17
	Ben Wenograd	Elected 11/15-11/17
	Chris Williams	Elected 11/15-11/17
	<u>Other Elected Officials</u>	
Town Clerk	Essie Labrot	Elected 1/08-1/18
Registrar of Voters	Gail Crockett	Elected 1/17-1/19
	Beth Kyle	Elected 1/15-1/19

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

Town Council

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

Leon S. 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. Leon serves as the Town's Deputy Mayor.

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 a master's degree in Business Administration from Rensselaer Polytechnic Institute.

Chris Barnes was elected to the Town Council in 2013. Chris received his undergraduate degree from the University of Colorado at Boulder, law degree from Quinnipiac University School of Law, and an LL.M. degree in Insurance Law from the University of Connecticut's School of Law.

Judy Casperson, who has made her career in the banking industry, was elected to the Town Council in November 2009. Judy holds a business diploma from Parks College.

Dallas Dodge, appointed in May 2016 to the Town Council, is a Conard High School graduate. Dallas received his undergraduate degree from the University of Connecticut and law degree from the University of Connecticut School of Law.

Beth Kerrigan, graduated from State University of New York - Oswego with a degree in Industrial Arts Technology and Education and was elected to the Town Council in November 2015.

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

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

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Town Administration

<u>Position</u>	<u>Name</u>	<u>Manner of Selection and Term of Office</u>
Town Manager	Ronald F. Van Winkle	Appointed-Indefinite
Corporation Counsel	Patrick Alair	Appointed-Indefinite
Director of Assessment	Joseph Dakers Sr.	Appointed-Indefinite
Director of Community Services	Mark McGovern	Appointed-Indefinite
Director of Employee Services	Richard Ledwith	Appointed-Indefinite
Director of Plant and Facilities Services	Robert Palmer	Appointed-Indefinite
Director of Financial Services	Peter Privitera	Appointed-Indefinite
Director of Human & Leisure Services	Helen Rubino-Turco	Appointed-Indefinite
Director of Information Technology	Jared Morin	Appointed-Indefinite
Director of Library Services	Martha Church	Appointed-Indefinite
Director of Public Works	John Phillips	Appointed-Indefinite
Chief, Fire Department	Gary S. Allyn	Appointed-Indefinite
Chief, Police Department	Tracey Gove	Appointed-Indefinite

Ronald F. Van Winkle, Town Manager, holds an undergraduate degree in Economics and Finance from the University of South Florida and a master's degree in economic development from Northeastern University. He was appointed Town Manager on August 11, 2009, having served as Acting Town Manager since September 9, 2008. He began his career with the Town as the Director of Community Services in 1987. Mr. Van Winkle has announced that he will retire at the end of fiscal year 2016-17. The Town has undertaken a nation-wide search for a new Town Manager and expects to complete the process by June 2017.

Peter Privitera, Director of Financial Services, holds a bachelor's degree and a master's in public administration from the University of Hartford. He was appointed Director of Financial Services on July 15, 2013. Mr. Privitera has over thirty (30) years of municipal finance experience in Connecticut. Prior to his tenure with the Town of West Hartford, Mr. Privitera was employed by the City of Stamford as the Director of Management and Budget and Purchasing Agent (10 years) and prior to that worked for the City of Hartford (20 years).

Board of Education Administration

<u>Position</u>	<u>Name</u>	<u>Manner of Selection and Term of Office</u>
Superintendent of Schools	Thomas Moore	Appointed-Indefinite
Assistant Superintendent of Schools	Andrew Morrow	Appointed-Indefinite
Assistant Superintendent of Schools	Paul Vicinus	Appointed-Indefinite

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Municipal Services

Department of Assessment

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

Department of Community Services

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

Department of Human Resources

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

Department of Plant and Facilities Services

The Department of Plant and Facilities Services is managed as a joint venture with the West Hartford Board of Education. The departmental staff addresses routine operation and upkeep of all Town buildings, maintains building equipment and systems, upgrades mechanical systems, manages setup requirements for elections, and enhances the physical appearance of public spaces. In addition, this department is responsible for the management of capital projects involving town and school buildings.

Department of Financial Services

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

Department of Leisure Services & Social Services

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

Department of Information Technology

The Department of Information Technology provides information technology services to all Town departments and agencies. The department manages all associated infrastructure, technical support, application and integration, and information cognizance.

Department of Library Services

The West Hartford Public Library ("WHPL") system consists of a main library and two branches that have over 830,000 in-person and virtual visits annually. WHPL currently has over 28,000 registered borrowers who have ready access to the collections of 29 area libraries through participation in the Library Connection consortium. The WHPL system loaned nearly 800,000 items in the last year, including 42,000 electronic books and magazines. Library services include: information

and reference assistance; over 3,000 programs of interest to children (including preschool readiness programming), teens, and adults on a wide range of topics; 24/7 access to nearly seventy online research databases and other electronic materials; and public computers and Wi-Fi access in each facility.

Department of Public Works

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

Fire Department

The Town provides around-the-clock fire prevention and control services through a professionally staffed Fire Department. The departmental staff of 92 is deployed in five strategically located fire stations. The Department is comprised of Fire Prevention, Control and Emergency Medical Services/Rescue, Training, Maintenance, and Emergency Medical Services Divisions. The Town merits an ISO 2 rating for the purpose of fire insurance premium calculations.

Police Department

Crime prevention and patrol services are provided by the Town's Police Department. The Chief of Police, with the assistance of two Assistant Police Chiefs, coordinates the efforts of 154 Police Department employees. The Department is divided into four divisions: patrol services, investigatory services, management, and support services. The Police Department has three full-time training officers and a police systems analyst who provides assistance to the Chief of Police.

Water and Sewer Services

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water, sanitary sewers and related services in eight member towns. Water services are provided directly by the MDC and billed to the individual users. Sewer services are billed to the eight member towns annually based on a formula of the average of the three prior year's annual tax revenues received by each town as a percentage of the total of all of the member towns. The Town's ad valorem sewer assessment for fiscal year 2016-17 is \$8,956,500. The Town comprises approximately 6.9% of the total MDC budget.

On November 22, 2016 the MDC's District Board, in response to the financial difficulties of the City of Hartford, included a reserve fund in its calendar year 2017 operating budget. The reserve fund would defray a portion of the City of Hartford's \$11 million sewer charge in the event that the City failed to make any or all of its quarterly payments. Specifically, the reserve fund would cover the City's July and October 2017 quarterly payments which total approximately \$5.5 million and would be applied to the other seven member towns based on their percentage of the MDC ad valorem sewer assessments. The contribution to the reserve fund would be due at the end of October 2017 and if the City paid all or a portion of its sewer charges the reserve contribution would be reduced or returned promptly. The Town's contribution to the reserve fund is approximately \$1.8 million. The Town is employing several strategies to off-set the impact of the reserve fund on the fiscal year 2017-18 budget including: 1) employing cost-savings measures in the current fiscal year with the goal of achieving a year end surplus in excess of the reserve assessment; and 2) reserving all or a portion of the current fiscal year surplus for the payment of the reserve assessment, if required. Both the City of Hartford and the MDC are expected to seek legislation in the next legislative session of the General Assembly (which began on January 4, 2017) to provide additional financial flexibility to address the City of Hartford's financial issues.

Educational System

The West Hartford public school system serves approximately 9,400 students. The curriculum exceeds all basic State requirements in both depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. In addition, comprehensive programs in special education are available. The middle schools (grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

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

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

School Enrollment

School Year	Historical ¹			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
2007-2008	4,610	2,181	3,030	9,821
2008-2009	4,659	2,187	3,035	9,881
2009-2010	4,677	2,172	3,147	9,996
2010-2011	4,678	2,228	3,129	10,035
2011-2012	4,633	2,249	3,003	9,885
2012-2013	4,550	2,225	3,042	9,817
2013-2014	4,488	2,164	3,005	9,657
2014-2015	4,336	2,201	2,994	9,531
2015-2016	4,193	2,222	3,068	9,483
2016-2017	4,184	2,276	2,975	9,435

School Year	Projections			
	Elementary (K-5)	Middle (6-8)	Senior (9-12)	Total Enrollment
2017-2018	4,151	2,234	2,994	9,379
2018-2019	3,953	2,188	3,052	9,193
2019-2020	3,838	2,185	3,036	9,059

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

Source: West Hartford Board of Education

Municipal Employees

The Town of West Hartford currently has 1,984 full-time positions for general government and education, including two federally funded positions. With the exception of certain employees, all Town employees are represented by a collective bargaining organization. The following table shows the Town's authorized positions for the last five years:

	2017	2016	2015	2014	2013
Board of Education	1,539	1,517	1,523	1,518	1,503
General Government	443	440	439	439	437
Federally Funded	2	2	2	2	3
Total	1,984	1,959	1,964	1,959	1,943

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	6/30/18
West Hartford Police Officers Association	125	6/30/13 ²
Public Safety Dispatcher Union Local 2001 SEIU	12	6/30/17
Local 1142 of Council No. 4 AFL-CIO	23	6/30/18
Professional & Management Union Local 2001 SEUI	69	6/30/17
Grounds Union Local 2001 SEIU	17	6/30/17
Buildings Union Local 2001 SEIU	4	6/30/17
Clerical Union Local 2001 SEIU	38	6/30/17
Supervisory Union, Local 2001 SEIU	7	6/30/17
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance	4	6/30/17
Non-Bargaining Employees	38	n/a
Sub-Total General Government	420	
Bargaining Unit	Number of Members¹	Contract Expiration
<u>Board of Education</u>		
West Hartford Education Association	898	6/30/19
West Hartford Administrators Association	56	6/30/20
West Hartford Federation of Educational Secretaries	53	6/30/18
AFL-CIO AFSCME Local No. 1303 Council No. 4 Skilled Trades	19	6/30/17
West Hartford Federation of Educational Personnel	203	6/30/18
West Hartford Public Schools Nurses Association	24	6/30/20
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians	110	6/30/18
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians	4	6/30/18
AFL-CIO AFSCME Local No. 1303 Council No.4 Security	20	6/30/18
West Hartford BOE Professional Employees Local 760 SEIU	34	6/30/16 ²
Non-Bargaining Employees (includes Teaching Assistants)	177	n/a
Sub-Total Board of Education	1,598	
Total General Government and Board of Education	2,018	

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

² Contract currently in negotiation.

n/a – not applicable

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

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

Year	Town of West Hartford	% Change	Density¹
1970	68,031	--	3,064
1980	61,301	(9.89)	2,761
1990	60,110	(1.94)	2,708
2000	61,045	1.56	2,750
2010	63,268	3.64	2,850
2015	63,288	0.03	2,851

¹ Population per square mile: 22.2 square miles

Source: 1960 - 2010 - U.S. Census Bureau, Centennial Census; 2015 - American Community Survey, 2011-15.

Age Characteristics of Population

Age	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	3,016	4.7	48,910	5.4	191,445	5.3
5 - 9	3,974	6.3	54,443	6.1	214,983	6.0
10 - 14	4,427	7.0	57,069	6.4	231,075	6.4
15 - 19	4,478	7.1	60,864	6.8	255,286	7.1
20 - 24	2,977	4.7	57,193	6.4	237,578	6.6
25 - 34	7,349	11.6	115,522	12.9	436,678	12.2
35 - 44	8,218	13.0	112,076	12.5	448,840	12.5
45 - 54	9,233	14.6	135,339	15.1	556,454	15.5
55 - 59	4,301	6.8	64,904	7.2	259,565	7.2
60 - 64	4,138	6.5	53,256	5.9	219,040	6.1
65 - 74	5,166	8.2	72,249	8.1	291,955	8.1
75 - 84	3,223	5.1	41,781	4.6	162,332	4.5
85 and over	2,788	4.4	23,337	2.6	87,991	2.5
Total	<u>63,288</u>	<u>100.0</u>	<u>896,943</u>	<u>100.0</u>	<u>3,593,222</u>	<u>100.0</u>
Median Age (years)	41.8		40.1		40.4	

Source: U.S. Census Bureau, American Community Survey, 2011-15.

Educational Attainment

Years of School Completed Age 25 and Over

Educational Attainment Group	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	1,239	2.8	28,945	4.7	105,725	4.3
9th to 12th grade, no diploma	1,382	3.1	39,821	6.4	144,132	5.8
High School graduate	6,696	15.1	167,890	27.2	673,973	27.4
Some college, no degree	5,726	12.9	108,799	17.6	430,129	17.5
Associates degree	2,297	5.2	48,350	7.8	183,289	7.4
Bachelor's degree	12,238	27.5	126,856	20.5	516,001	21.0
Graduate or professional degree	14,838	33.4	97,803	15.8	409,606	16.6
Total	<u>44,416</u>	<u>100.0</u>	<u>618,464</u>	<u>100.0</u>	<u>2,462,855</u>	<u>100.0</u>
Percent of High School Graduates		94.1%		88.9%		89.9%
Percent of College Graduates		61.0%		36.3%		37.6%

Source: U.S. Census Bureau, American Community Survey, 2011-15.

Selected Wealth and Income Indicators

	Town of West Hartford	Hartford County	State of Connecticut
Per Capita Income, 2015	\$49,600	\$35,611	\$38,803
Per Capita Income, 1999	\$33,468	\$26,047	\$28,766
Per Capita Income, 1989	\$26,943	\$18,983	\$20,189
Median Family Income, 2015	\$113,332	\$83,946	\$89,031
Median Household Income, 2015	\$86,569	\$66,395	\$70,331
Percent of Families Below Poverty Level	5.7%	8.9%	7.6%

Source: U.S. Bureau of Census; Census 1990, Census 2000, American Community Survey, 2011-15.

Income Distribution

	Town of West Hartford		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	413	2.6	9,374	4.1	30,926	3.5
\$ 10,000 to 14,999	246	1.5	5,555	2.5	18,063	2.0
\$ 15,000 to 24,999	582	3.6	12,899	5.7	46,085	5.1
\$ 25,000 to 34,999	677	4.2	14,650	6.5	55,716	6.2
\$ 35,000 to 49,999	1,054	6.5	21,434	9.4	83,173	9.3
\$ 50,000 to 74,999	2,340	14.4	37,073	16.3	139,724	15.6
\$ 75,000 to 99,999	1,920	11.8	33,159	14.6	126,557	14.1
\$100,000 to 149,999	3,274	20.2	46,035	20.3	183,030	20.4
\$150,000 to 199,999	2,014	12.4	22,517	9.9	94,575	10.6
\$200,000 or more	3,701	22.8	24,401	10.7	117,791	13.2
Total	<u>16,221</u>	<u>100.0</u>	<u>227,097</u>	<u>100.0</u>	<u>895,640</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2011-15.

Age Distribution of Housing

Year Structure Built	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	7,013	26.7	71,510	19.1	331,829	22.2
1940 to 1949	3,603	13.7	32,494	8.7	105,253	7.1
1950 to 1959	7,008	26.7	68,048	18.2	230,868	15.5
1960 to 1969	3,654	13.9	54,371	14.5	200,380	13.4
1970 to 1979	2,027	7.7	48,957	13.1	199,447	13.4
1980 to 1989	1,195	4.6	49,310	13.2	193,595	13.0
1990 to 1999	666	2.5	25,125	6.7	115,076	7.7
2000 to 2009	1,065	4.1	22,865	6.1	103,911	7.0
2010 to 2013	31	0.1	1,631	0.4	10,812	0.7
2014 or later	0	0.0	142	0.0	615	0.0
Total housing units	26,262	100.0	374,453	100.0	1,491,786	100.0

Source: U.S. Census Bureau, American Community Survey, 2011-15.

West Hartford Housing Inventory

Type	Units	Percent
1-unit detached	17,480	66.6
1-unit attached	794	3.0
2 to 4 units	2,824	10.7
5 to 9 units.....	926	3.5
10 or more units	4,163	15.9
Mobile home, trailer, other	75	0.3
Total Inventory	26,262	100.0

Source: U.S. Census Bureau, American Community Survey, 2011-15.

Owner-Occupied Housing Values

Value of Owner Occupied Units	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	396	2.2	6,300	2.8	24,620	2.7
\$ 50,000 to \$ 99,999	155	0.9	7,343	3.3	28,771	3.2
\$ 100,000 to \$149,999	360	2.0	24,757	11.1	78,066	8.6
\$ 150,000 to \$199,999	1,335	7.4	44,151	19.7	140,544	15.5
\$ 200,000 to \$299,999	6,155	34.3	73,415	32.8	251,106	27.7
\$ 300,000 to \$499,999	7,039	39.2	52,651	23.5	235,670	26.0
\$ 500,000 to \$999,999	2,246	12.5	13,718	6.1	106,965	11.8
\$1,000,000 and over	267	1.5	1,665	0.7	40,485	4.5
Total	17,953	100.0	224,000	100.0	906,227	100.0
Median Value	\$313,500		\$236,400		\$270,500	

Source: U.S. Census Bureau, American Community Survey, 2011-15.

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 (%) ¹
Jan-Nov 2016	32,935	1,355	4.0	5.5	5.4
Annual Average					
2015	32,627	1,370	4.0	5.6	5.6
2014	32,275	1,578	4.7	6.6	6.6
2013	31,610	1,847	5.5	7.7	7.7
2012	31,729	2,018	6.0	8.4	8.3
2011	31,994	2,229	6.5	8.8	8.8
2010	31,952	2,347	6.8	9.2	9.1
2009	27,550	2,164	7.3	8.3	8.3
2008	27,881	1,452	5.0	5.7	5.6
2007	27,748	1,189	4.1	4.7	4.6
2006	27,562	1,122	3.9	4.6	4.4

¹ Not seasonally adjusted.

Source: Connecticut Department of Labor

Employment by Industry
Employed Persons 16 Years and Over

Employment Sector	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, & Mining ..	17	0.1	971	0.2	7,214	0.4
Construction	1,098	3.4	20,326	4.6	100,593	5.7
Manufacturing	2,803	8.6	47,167	10.7	191,286	10.7
Wholesale Trade	625	1.9	11,439	2.6	44,581	2.5
Retail Trade	2,222	6.9	47,266	10.8	193,799	10.9
Transportation, Warehousing & Utilities	627	1.9	17,635	4.0	66,850	3.8
Information	1,072	3.3	10,130	2.3	41,486	2.3
Finance, Insurance & Real Estate	4,786	14.8	50,071	11.4	163,822	9.2
Professional, Scientific & Management	4,198	12.9	47,097	10.7	199,942	11.2
Educational Services & Health Care	10,609	32.7	116,493	26.5	471,587	26.5
Arts, Entertainment, Recreation	1,694	5.2	32,621	7.4	153,516	8.6
Other Service (including nonprofit)	1,285	4.0	18,629	4.3	79,998	4.5
Public Administration	1,409	4.3	19,874	4.5	66,743	3.7
Total	32,445	100.0	439,719	100.0	1,781,417	100.0

Source: U.S. Census Bureau, American Community Survey, 2011-15.

Major Employers

Employer	Business	Number of Employees
University of Hartford	Education.....	2,000
Town of West Hartford	Government	1,984
Hospital at Hebrew Health Care	Hospital	700
Wiremold/Legrand Products, Inc.	Manufacturing	500
UTC Aerospace/Triumph Engine Control Systems ..	Manufacturing	460
University of Connecticut ¹	Education	350
Colt Manufacturing	Manufacturing	300
American School for the Deaf	Education	300
American Medical Response	Ambulance Service	300
St. Mary's Home	Nursing Home	300
Cheesecake Factory	Restaurant	300
Total		7,494

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

Source: Connecticut Department of Labor

Number and Value of Building Permits

Fiscal Year	Number of Permits	Value of Permits
2017 ¹	2,701	\$ 27,190,783
2016	6,223	104,751,012
2015 ²	5,574	151,335,754
2014	6,091	71,572,250
2013	5,265	67,298,445
2012	4,268	56,560,316
2011	4,534	56,648,306
2010	4,117	101,787,810
2009	4,275	66,833,848
2008	3,992	117,870,653

¹ As of December 1, 2016.

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

Source: Town of West Hartford Building Department

Land Use Summary

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

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

Source: Department of Community Services, Town of West Hartford

Economic Initiatives and Proposals

The Town of West Hartford continues to see significant investment Town-wide. While the Town Center has become the dining, shopping and entertainment center of the region, all commercial areas are seeing reinvestment and attracting new small businesses. The commercial districts, along with strong schools, parks and an extensive array of services, help make West Hartford the community of choice in the region. West Hartford was rated the 15th best small city to live in nationwide according to a TIME/Money Magazine ranking in 2016.

Over the past year, West Hartford has seen consistent development activity, especially in the area of multi-family housing. As more and more young professionals put off the purchase of homes, developers are capitalizing on this demand for rental apartments and view West Hartford as the ideal location to meet this need. Currently, there are 316 completed units, 133 under construction and another 372 that have been approved.

West Hartford Center

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

The popularity of the Center has increased significantly as it has become the commercial center of the region, leading to an escalation in land values. As a result, property owners and investors have begun to take on more substantial development projects. Three major redevelopments have been completed recently. A Class A office building totaling 18,500 square feet at 15 North Main Street and an 18-unit, market rate apartment building at 24 North Main both opened in the fall of 2015. These two developments have re-made the northern gateway to the Center. The third project, located at 11 South Main, opened in the spring of 2016 and includes 21 rental units and 8,000 square feet of new retail space occupied by Charles Schwab Investments.

Blue Back Square

Blue Back Square is comprised of approximately 20 acres of land, 600,000 square feet of mixed residential, retail and office improvements, two parking structures and new supporting infrastructure located east of South Main Street. Additionally, the area houses a new public square and the stately façade of the former Board of Education building was preserved. The development had an overall budget of \$200 million. The developer funded \$150 million through equity and debt and the Town provided approximately \$50 million from the proceeds of tax exempt general obligation bonds for the public improvement portion of the development. Town Hall renovations, police station addition and renovation, library expansion, and construction of a new senior center were all part of the bond expense. The debt service on the bonds is being paid from revenues generated by the new parking structures and from an additional tax levy being imposed on the property within the West Hartford Center - Special Services District in accordance with Connecticut General Statutes.

The redevelopment of this area reflects the evolution of the Center into the uses Town officials and Plans of Development first contemplated more than twenty years ago. The actual planning and redevelopment occurred over a period of approximately five years, the result of which is a mixed use development that permits people to live, work, and shop in close proximity. Tenants include Crate and Barrel, Cinapolis Theaters, Barnes & Noble, Cheesecake Factory, West Elm and Hartford Hospital Surgical Center, among others, providing approximately 2,000 jobs. All of the 59 condo units located in the Heritage Building have been sold and the apartments have a waiting list.

Hotel

Absent from West Hartford Center is a full service hotel. To address this need, the Town issued a request for proposals in 2012 and selected Delamar West Hartford to develop an upscale hotel on Town owned land on Raymond Road, just east of Blue Back Square. The hotel is currently under construction and is expected to be completed in the spring of 2017. It will include 114 rooms, a spa, a full service restaurant and banquet facilities at a projected cost of \$36 million.

Elmwood

Elmwood has seen a number of positive developments in recent years. Most significantly, the New Britain Avenue streetscape from Mayflower Street to New Park Avenue was completed by the State of Connecticut. In addition to a new road surface, brick sidewalks, decorative lighting and new landscaping was completed, all of which support the thriving business district which has seen increased retail occupancy up and down New Britain Avenue.

Residential development also continues in Elmwood. Quaker Green has completed its final condominium building in its 148-unit development. The West Hartford Housing Authority, through its development arm Trout Brook Realty Advisors, opened The Goodwin in 2015. The development includes a total of 47 one-, two- and three-bedroom apartments and is located across from a new shopping center.

Park Road

The Park Road District, a vibrant neighborhood commercial district, continues to see investment. New shops and restaurants have opened and a major housing development to be known as Arcadia Crossing, has been approved at the corner of Park Road and Prospect Avenue. The developer plans to renovate the existing building and construct an addition that will provide 310 apartment units. Formal plans were approved in the winter of 2016 and the potential impact of this project will be significant for the Town. It is the largest development proposal since Blue Back Square, and will likely involve an investment of more than \$100 million.

Bishops Corner

Demand in this area of town has been fueled by a major renovation of the Bishops Corner retail/office complex by EDENS at a cost of more than \$20 million. Bishops Corner has also become a dining destination with additional sit down and fast casual options.

As with other neighborhoods, Bishops Corner is seeing major housing development activity. Right at the corner, a former nursing home has been renovated into 64-market rate apartments and a new 10-unit condominium project is currently under construction. Nearby on Steele Road, Metro Realty is constructing 160 apartment units in six buildings, plus a clubhouse. This luxury development, which includes the demolition of a 265,000 square foot convent has an estimated project cost of \$22 million. The first 50 units have been completed and leased.

New Park Avenue Corridor

The New Park Avenue Corridor, located in the southeast corner of the Town, is a new area of development focus. It has transformed from a strictly industrial sector to a thriving mixed-use environment. It is home to the Home Design District that serves home improvement and homeowners alike. Investment is being spurred by two bus rapid transit stations that anchor each end of New Park Avenue. Next to the Elmwood Station, Trout Brook Realty Advisors is planning a ground breaking for a mixed-use, transit oriented development that will include 54 rental units and ground floor retail. Meanwhile, across from the Flatbush Station a new Chick-fil-A is under construction and a new craft brewery will be opening in early 2017.

The Town is also nearing completion of a planning study to identify new streetscape alternatives that will promote a better pedestrian environment and attract additional investment in this corridor. In addition, Town and City of Hartford staff have begun joint planning efforts to support the proposed West Hartford Rail Station, a stop on the upcoming Springfield-Hartford-New Haven commuter rail line. The station will be sited across from the Flatbush Fastrak station and is expected to attract additional transit oriented development.

Conclusion

While these are the highlights of development activity in West Hartford, it is by no means a complete picture. In addition to the projects detailed above, local schools and universities such as the American School for the Deaf, Kingswood-Oxford and the University of St. Joseph continue to make major investments in their campuses. Wherever possible, parcels are being sub-divided to create new single family lots for home construction, and office and retail properties are seeing incredibly high occupancy rates.

Going forward, the Town's most significant development opportunity will be the University of Connecticut's West Hartford campus which is relocating to Hartford this year. In July of 2016, the Town agreed to purchase the property (consisting of 58 acres of land and the buildings thereon) for \$5 million and is currently testing the land and buildings as part of its due diligence. A closing is scheduled for October of 2017. The future use of the property is undetermined pending the outcome of a community engagement process.

IV. INDEBTEDNESS

Principal Amount of Bonded Indebtedness

As of February 16, 2017

(Pro forma)

Date	Purpose	Rate %	Original Issue	Debt	Fiscal Year Maturity
				Outstanding Including This Issue	
1/15/2001	General Purpose	4.10 – 4.50	\$ 10,250,000	\$ 2,050,000	2021
1/15/2001	Schools	4.10 – 4.50	4,750,000	950,000	2021
1/15/2002	General Purpose	3.50 – 4.75	6,415,000	1,603,750	2022
1/15/2002	Schools	3.50 – 4.75	7,085,000	1,771,250	2022
1/30/2008	General Purpose	2.00 – 3.50	10,722,000	714,800	2023
1/30/2008	Schools	2.00 – 3.50	4,278,000	285,200	2023
6/15/2009	General Purpose	2.00 – 4.00	10,902,800	2,180,560	2025
6/15/2009	Schools	2.00 – 4.00	4,097,200	819,440	2025
9/15/2009	Refunding-General Purpose	2.00 – 5.00	38,582,956	31,817,510	2026
9/15/2009	Refunding-Schools	2.00 – 5.00	3,077,044	2,537,490	2026
4/1/2010	Refunding-General Purpose	2.00 – 5.00	10,280,268	8,112,982	2024
4/1/2010	Refunding-Schools	2.00 – 5.00	10,329,732	8,152,018	2024
10/15/2010	General Purpose	2.00 – 4.00	6,002,000	1,605,535	2026
10/15/2010	Schools	2.00 – 4.00	1,998,000	534,465	2026
3/8/2012	General Purpose	2.50 – 5.00	11,648,000	8,541,867	2028
3/8/2012	Schools	2.50 – 5.00	3,352,000	2,458,133	2028
2/5/2014	General Purpose	2.63 – 5.00	12,829,947	10,251,128	2029
2/5/2014	Schools	2.63 – 5.00	7,170,053	5,728,872	2029
2/12/2015	General Purpose	2.00 – 4.00	9,655,000	8,689,500	2035
2/12/2015	Schools	2.00 – 4.00	11,345,000	10,210,500	2035
2/11/2016	General Purpose	2.00 – 5.00	12,536,583	11,699,318	2031
2/11/2016	Schools	2.00 – 5.00	1,463,417	1,365,682	2031
3/17/2016	Refunding-General Purpose	2.00 – 4.00	7,055,000	7,055,000	2026
3/17/2016	Refunding-Schools	2.00 – 4.00	5,240,000	4,320,000	2026
2/16/2017	General Purpose (This Issue)	2.00 – 5.00	11,815,000	11,815,000	2032
2/16/2017	Schools (This Issue)	2.00 – 5.00	5,185,000	5,185,000	2032
	Total		<u>\$228,065,000</u>	<u>\$150,455,000</u>	

Bond Authorization Procedure

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

Temporary Financing

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

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

Capital Improvement Program

In April 2016, the Town Council approved a twelve year Capital Improvement Program ("CIP") in which approximately \$209.1 million is expected to be invested in capital improvements through fiscal year 2028. Approximately \$77.2 million (37%) of this investment is for transportation and infrastructure related projects, \$74.6 million (36%) is for school facilities, and \$57.2 million (27%) has been allocated to other Town projects. The CIP anticipates non-debt financing of approximately \$38.7 million. The remainder of the CIP funding, approximately \$170.4 million, is subject to debt authorization by the Town Council or the development of other funding sources during the period 2017-2028.

Limitation of Indebtedness

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

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

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

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

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

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Statement of Statutory Debt Limitation

As of February 16, 2017

(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, 2016

\$ 229,678

REIMBURSEMENT FOR REVENUE LOSS ON:

Tax Relief for Elderly

6

BASE

229,684

	General Purposes	Schools	Sewers¹	Urban Renewal	Pension
DEBT LIMITATION:					
2 1/4 times base	\$ 516,789	-	-	-	-
4 1/2 times base	-	\$1,033,578	-	-	-
3 3/4 times base	-	-	\$ 861,315	-	-
3 1/4 times base	-	-	-	\$ 746,473	-
3 times base	-	-	-	-	\$ 689,052
Total debt limitation	<u>\$ 516,789</u>	<u>\$1,033,578</u>	<u>\$ 861,315</u>	<u>\$ 746,473</u>	<u>\$ 689,052</u>
INDEBTEDNESS:					
The Bonds (This Issue)	11,815	5,185	-	-	-
Bonds Payable	94,322	39,133	-	-	-
Notes Payable	-	-	-	-	-
Overlapping Debt	-	-	123,343	-	-
Debt Authorized but Unissued	16,640	22,936	-	-	-
Total Indebtedness	<u>122,777</u>	<u>67,254</u>	<u>123,343</u>	<u>-</u>	<u>-</u>
Less: School Construction Grants Receivable	<u>-</u>	<u>(16,463)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Indebtedness:	<u>122,777</u>	<u>50,791</u>	<u>123,343</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF TOTAL INDEBTEDNESS	<u>\$ 394,012</u>	<u>\$ 982,787</u>	<u>\$ 737,972</u>	<u>\$ 746,473</u>	<u>\$ 689,052</u>

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

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$1.61 billion.

Short-Term Debt

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

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress grant payments for eligible school construction expenses on school projects approved after July 1, 1996. The full amount of all current projects is authorized. When progress payments are received those amounts are removed from the authorized totals. This is done on June 30 of each year for payments received during that fiscal year. Under the current program, the Town expects to receive progress payments for eligible school construction costs at the rate of approximately 25-40 percent.

Project	Total Authorization	Estimated Reimbursement Rate	Estimated Grant¹
Asbestos Removal	\$ 675,000	31.11%	\$ 210,000
Charter Oak School	42,000,000	80.00%	33,600,000
Elementary School Expansion	500,000	35.00%	175,000
Exterior School Building Improvements	5,900,000	39.66%	2,340,000
Hall High Science Classrooms	12,800,000	63.44%	8,120,000
Interior School Building Improvements	6,282,000	23.08%	1,450,000
Portable Classrooms	500,000	38.00%	190,000
School Security	1,050,000	28.57%	300,000
Site & Athletic Field Improvements	1,850,000	13.51%	250,000
Total	\$ 71,557,000		\$46,635,000

¹ Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. As of February 16, 2017, the Town has received \$30,424,839 for the above projects.

Debt service reimbursement will continue under the prior school grant program for all school projects approved prior to July 1, 1996. Under the prior program the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds. As of February 16, 2017 the Town expects to receive grant reimbursements under the prior program in an aggregate amount of \$253,026.

Overlapping Debt

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of December 31, 2016, the total gross overlapping debt of the MDC is \$907,160,016 of which \$202,840,980 or 22.36% is attributable to the Town. The total net overlapping debt of the MDC is \$551,622,739, of which the Town of West Hartford is responsible for \$123,342,844 or 22.36%. This excludes \$355,537,277 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 MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The MDC also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection ("CTDEEP") to control the Combined Sewer Overflows ("CSO") located in the Hartford sewer system within 15 years (by the year 2021).

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

On November 7, 2006 and November 6, 2012, voters in the eight member towns approved referendums authorizing the issuance of \$1,600,000,000, in bonds to finance the Clean Water Project. The MDC is pursuing state funding from the State of Connecticut's Clean Water Fund Program and federal funding to assist with the cost of the project. The total cost for the program is expected to be approximately \$2,100,000,000. The MDC has adopted a Special Sewer Service Charge for customers of the MDC who utilize the District sewer system and are furnished water directly by the MDC. The proceeds from the Special Sewer Service Charge will be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. The Town's allocation of the debt for the Clean Water Project (\$79,498,135) is directly supported by the Special Sewer Service Charge and therefore is deducted from the calculation of Total Overall Debt in the table herein.

Underlying Debt

The Town of West Hartford has no underlying debt.

Debt Statement

As of February 16, 2017

(Pro forma)

Long-term Debt

The Bonds (This Issue)	\$ 17,000,000
General Purpose Bonds	94,321,950
School Bonds	39,133,050
Total Long-term Debt	150,455,000

Short-term Debt

Bond Anticipation Notes	-
Total Direct Debt	150,455,000
MDC Overlapping Debt - Gross	202,840,980
MDC Overlapping Debt – Clean Water Project ¹	(79,498,135)
Total Overall Debt	273,797,845
Less: School Construction Grants Receivable ²	(253,026)
Total Overall Net Debt	\$ 273,544,819

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

² 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 February 16, 2017

(Pro forma)

Population 2015 ¹	63,288
Net Taxable Grand List (10/1/15)	\$5,980,473,361
Estimated Full Value (10/1/15)	\$8,543,533,373
Equalized Net Grand List (10/1/14) ²	\$9,323,512,094
Per Capita Income ¹	\$49,600

	Total Direct Debt	Total Overall Debt	Total Overall Net Debt
Debt per Capita	\$2,377	\$4,326	\$4,322
Percent of Net Taxable Grand List	2.52%	4.58%	4.57%
Percent of Estimated Full Value	1.76%	3.20%	3.20%
Percent of Equalized Net Grand List	1.61%	2.94%	2.93%
Percent of Debt per Capita to Income per Capita ...	4.79%	8.72%	8.71%

¹ Source: U.S. Bureau of Census, American Community Survey, 2011-15.

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

Historical Debt Ratios

Fiscal Year Ended 30-Jun	Net Assessed Value ¹	Estimated Full Value ²	Total Direct Debt ³	Ratio of Total Direct Debt to Net Assessed Value (%)	Ratio of Total Direct Debt to Estimated Full Value (%)	Population ⁴	Total Direct Debt per Capita	Ratio of Total Direct Debt per Capita to Per Capita Income ⁵ (%)
2016	\$5,946,171,000	\$8,591,093,476	\$148,675,000	2.50%	1.73%	63,288	\$2,349	4.74%
2015	5,924,661,849	8,556,847,000	149,280,000	2.52%	1.74%	63,288	\$2,359	4.76%
2014	5,888,535,750	8,504,964,400	140,830,000	2.39%	1.66%	63,396	\$2,221	4.55%
2013	5,878,019,742	8,491,271,284	133,085,000	2.26%	1.57%	63,340	\$2,101	4.42%
2012	5,034,401,821	8,945,737,664	145,620,000	2.89%	1.63%	63,268	\$2,302	5.23%
2011	4,999,850,463	8,872,674,429	145,095,000	2.90%	1.64%	63,268	\$2,293	5.21%
2010	4,953,923,498	8,816,983,257	151,225,000	3.05%	1.72%	61,045	\$2,477	7.40%
2009	4,889,430,313	8,692,557,657	148,150,000	3.03%	1.70%	61,045	\$2,427	7.25%
2008	4,498,455,415	8,614,597,736	160,995,000	3.58%	1.87%	61,045	\$2,637	7.88%
2007	3,710,940,390	5,353,686,271	156,055,000	4.21%	2.91%	61,045	\$2,556	7.64%

¹ Assessment Ratio: 70%.

² Includes tax exempt property.

³ Excludes school building grants receivable and overlapping MDC debt.

⁴ Source: U.S. Census Bureau.

⁵ Per Capita Income based on U.S. Census Bureau American Community Survey.

Ratio of Annual Bonded Debt Service to Total Governmental Funds Expenditures (Amounts Expressed in Thousands)

Fiscal Year Ended 6/30	Total Debt Service ¹	Total Governmental Funds Expenditures ²	Debt Service as a % of Non-Capital Expenditures
2016	\$19,513	\$300,044	6.50%
2015	17,836	289,729	6.16%
2014	17,232	286,006	6.03%
2013	17,952	278,491	6.45%
2012 ³	20,022	282,644	7.08%
2011	19,877	257,064	7.73%
2010	19,268	244,463	7.88%
2009	19,689	244,864	8.04%
2008 ⁴	14,640	264,717	5.53%
2007	16,803	219,827	7.64%

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

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

³ In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

⁴ Increase in Total Governmental Funds Expenditures for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Annual Bonded Debt Maturity Schedule ¹

As of February 16, 2017

(Pro forma)

Fiscal Year Ending	Outstanding Principal Payments²	Outstanding Interest Payments²	Principal On the Bonds	Interest On the Bonds	Total Debt Service³	Cumulative Percent of Principal Retired
2017	\$ -	\$ 625,431	\$ -	\$ -	\$ 625,431	0.00%
2018	15,235,000	4,619,756	1,135,000	546,471	21,536,227	10.88%
2019	15,405,000	3,994,738	1,135,000	541,213	21,075,951	21.87%
2020	14,630,000	3,404,213	1,135,000	484,463	19,653,676	32.35%
2021	14,790,000	2,776,375	1,135,000	427,713	19,129,088	42.94%
2022	13,080,000	2,208,013	1,135,000	370,963	16,793,976	52.38%
2023	11,485,000	1,772,600	1,135,000	314,213	14,706,813	60.77%
2024	10,570,000	1,398,250	1,135,000	280,163	13,383,413	68.55%
2025	9,505,000	1,040,350	1,135,000	257,463	11,937,813	75.62%
2026	8,665,000	747,563	1,135,000	231,926	10,779,489	82.14%
2027	4,310,000	553,588	1,135,000	203,550	6,202,138	85.76%
2028	4,310,000	441,463	1,135,000	169,500	6,055,963	89.38%
2029	3,310,000	335,300	1,135,000	135,450	4,915,750	92.33%
2030	1,980,000	238,988	1,135,000	101,400	3,455,388	94.40%
2031	1,980,000	183,075	1,135,000	67,350	3,365,425	96.47%
2032	1,050,000	126,000	1,110,000	33,300	2,319,300	97.91%
2033	1,050,000	94,500	-	-	1,144,500	98.60%
2034	1,050,000	63,000	-	-	1,113,000	99.30%
2035	1,050,000	31,500	-	-	1,081,500	100.00%
	<u>\$133,455,000</u>	<u>\$24,654,703</u>	<u>\$ 17,000,000</u>	<u>\$ 4,165,134</u>	<u>\$179,274,837</u>	

¹ Excludes Overlapping Debt.² Excludes payments made on or before February 16, 2017.³ Totals may not add up due to rounding.*{The remainder of this page intentionally left blank}*

V. FINANCIAL INFORMATION

Accounting Policies

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

Basis of Accounting

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

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

Audit

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

The most recent annual audit covers the fiscal year ended June 30, 2016, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by the Town's independent auditor. The information contained in Appendix A is not the whole audit report. Individuals wishing a complete document should contact the Town's Director of Financial Services.

Budgetary Procedures

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

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

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

Section 207 of Public Act No. 15-244 (Jan. 2015 Session), as amended by Section 42 of Public Act No. 16-2 (May 2016 Special Session) and Section 189(h) of Public Act No. 16-3 (May 2016 Special Session), of the Connecticut General Assembly (collectively referred to as the "Act") created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in the fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Act. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase to the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills.

Certificate of Achievement for Excellence in Financial Reporting

The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1986 through 2015. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The report also contains a wide variety of information useful in evaluating the financial condition of a government and conforms to certain generally accepted terminology and formatting standards established for the Certificate Program. The Town has submitted its comprehensive annual financial report for fiscal year ended June 30, 2016 to the GFOA to determine its eligibility for another certificate.

Employee Pension Systems

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

The Town implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective fiscal year ending June 30, 2014. In accordance with GASB Statement No. 67, the net position is based on the fair market value as of the end of the fiscal year and the total pension liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net pension liability of the West Hartford Retirement System as of June 30, 2016 were as follows:

	(in Thousands)		
	2014	2015	2016
Total pension liability	\$ 359,442	\$ 375,665	\$ 414,551
Plan fiduciary net position	178,582	182,086	175,246
Net pension liability	<u>\$ 180,860</u>	<u>\$ 193,579</u>	<u>\$ 239,305</u>
Plan fiduciary net position as a % of total pension liability	49.68%	48.47%	42.27%

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

	(in Thousands)		
	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Town's Net Pension Liability	\$ 281,875	\$ 239,304	\$ 202,971

In fiscal year 2014-2015, the Town's Pension Board and Administration issued a request for proposals for actuarial services. During the preparation of the Town's July 1, 2015 pension valuation report by the new actuarial firm, the Town was notified that certain plan provisions had not previously been fully valued in prior valuations, thus understating the Town's accrued liability. Specifically, a Police and Fire Death Benefit and a \$600 per year supplemental benefit for years worked after the Normal Retirement Date had not been included. These liabilities are now included in the July 1, 2015 valuation which resulted in a significant increase in both the Actuarial Accrued Liability and Actuarial Determined Contribution (the "ADC"). In response to this increase, the new actuaries were requested to recommend changes aimed at improving the plan's funding status while mitigating future potentially significant year-over-year increases in the ADC. The changes adopted by the Town and incorporated into the July 1, 2016 valuation include: 1) the resetting of the amortization period to a closed 30 year period from a closed 23 year period; 2) a reduction in the payroll growth assumption from 4% to 2.5% and a further reduction of 0.25% annually thereafter; 3) a change in the amortization method from percentage of payroll to the level dollar method; and 4) a reduction in the discount rate from 7.54% to 7.5%.

Schedule of Funding Progress (in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2016	\$ 179,642	\$ 414,533	\$ 234,891	43.3%	\$ 58,065	404.5%
July 1, 2015	173,141	403,746	230,605	42.9%	56,649	407.1%
July 1, 2014	159,254	367,482	208,228	43.3%	55,892	372.6%
July 1, 2013	145,023	350,770	205,747	41.3%	53,742	382.8%
July 1, 2012	142,936	323,024	180,088	44.2%	57,281	314.4%

Schedule of Employer Contributions (in Thousands)

Fiscal Year	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
2017 ¹	\$ 20,551	\$ 20,551	100.0 %
2016	17,917	17,917	100.0 %
2015	17,712	17,712	100.0 %
2014	15,957	15,957	100.0 %
2013	14,167	14,167	100.0 %

¹ Adopted budget.

Other Post-Employment Benefits

In 1986, the Town established a reserve fund for retiree health care benefits. Annual contributions to the reserve fund are made by the Town and employees, and health care costs for retirees are paid from this fund. The Town actuarially measures its post-employment benefit ("OPEB") obligations every two years in order to determine its liability and model its funding policy. The July 1, 2015 valuation indicated an actuarial liability of \$146.9 million. The Town's funding policy calls for increasing contributions from the General Fund and employees, as well as Medigap reimbursements and investment income

on the reserve balance, in order to fund current retiree health benefits and grow the reserve to cover future claims costs. As of June 30, 2016 the reserve had a balance of \$11.9 million.

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

The following presents historical information regarding the post-employment benefit funding progress. The Town's most recent complete actuarial valuation was effective July 1, 2015. Please see "Appendix A", for more information.

Schedule of Funding Progress (in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2015	\$ 702	\$ 147,594	\$ 146,892	0.5%	\$ 105,853	138.8%
July 1, 2013	183	118,865	118,682	0.2%	127,047	93.4%
July 1, 2011	80	107,490	107,410	0.1%	121,405	88.5%
July 1, 2009	20	89,038	89,018	0.0%	116,938	76.1%
July 1, 2007	-	85,496	85,496	0.0%	N/A	N/A

Schedule of Employer Contributions (in Thousands)

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2017 ¹	\$ 11,981	\$ 10,980	91.6%
2016	11,251	10,813	96.1%
2015	9,780	8,473	86.6%
2014	8,999	7,690	85.5%
2013	8,506	7,381	86.8%

¹ Adopted budget.

Investment Policy for Operating and Pension Funds

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

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

Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Town Assessor. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1 of a given year. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last revaluation. Revaluations are conducted in accordance with Connecticut General Statutes, currently every five years. The Town has conducted a revaluation for the grand list of October 1, 2016 which will be effective for fiscal year 2017-18. The appeals process is still ongoing however preliminary estimates are that the October 2016 grand list will increase by approximately 5.4%.

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

Public Act No. 15-244 allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 37.00 mills for the 2015 assessment year and (2) 32.00 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to reimburse municipalities for a portion of the revenue loss attributed to the motor vehicle property tax cap. However, the grant is currently static so there will be a constantly increasing tax shift for the Town to real and personal property from motor vehicle property under the Act. In addition, based on the Town's calculations, the current grant estimates do not fully reimburse the Town when benchmarked against fiscal year 2015.

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

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

Tax Collection Procedure

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

Comparative Assessed Valuations
(Amounts Expressed in Thousands)

Grand List as of 10/1	Real Property ¹			Personal Property ¹		Less: Exemption on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2015	\$4,467,509	\$854,835	\$81,443	\$218,497	\$422,102	\$63,913	\$5,980,473	39.51 ²
2014	4,448,363	846,482	81,656	218,010	419,255	67,595	5,946,171	38.31
2013	4,429,342	845,804	86,007	212,811	415,829	65,131	5,924,662	37.37
2012	4,410,715	845,821	86,130	204,405	406,403	64,939	5,888,535	36.30
2011 ³	4,399,030	843,891	86,022	201,370	413,576	65,870	5,878,019	35.75
2010	4,763,366	842,798	71,412	197,281	387,159	1,227,614	5,034,402	39.44
2009	4,738,213	837,183	71,579	197,343	366,554	1,211,022	4,999,850	38.38
2008	4,711,416	828,730	73,027	195,797	362,919	1,217,965	4,953,924	37.54
2007	4,651,563	801,976	74,008	180,180	377,062	1,195,360	4,889,429	36.97
2006 ⁴	4,602,650	815,582	73,570	168,500	369,916	1,531,763	4,498,455	38.63

¹ Assessed Value is 70% of Estimated Actual Value.

² The fiscal year 2016-17 mill rate for real and personal property was 39.51 mills. Per Public Act No. 15-2445 and 16-3 of the Connecticut General Assembly, the mill rate for motor vehicles was capped at 37.00 mills ("Motor Vehicle Property Tax Rate" herein).

³ The Town conducted a State-mandated revaluation as of October 1, 2011. This updated revaluation eliminated any phase-in tax exemption from the prior revaluation.

⁴ The Town conducted its State-mandated revaluation as of October 1, 2006. The Town Council of the Town of West Hartford elected to phase-in revaluation over a period not to exceed five years. The value of the new assessments being phased-in is reflected as a tax exemption in the Grand List. In June 2009, the Town Council elected to suspend the phase-in in accordance with State legislation. The phase-in tax exemption totaled \$1,072,480,480 as of 10/1/10.

Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

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

Exempt Property
(Assessed Value)

	Assessed Value as of 10/1/15
Public	
Federal	\$ 9,521,610
Town of West Hartford	129,002,510
State of Connecticut	34,582,450
Sub-Total Public	173,106,570
Private	
Public Service Companies	5,339,670
Scientific, Educational, Historical, Charitable	300,417,950
Churches	142,061,990
Cemeteries	12,968,270
Veteran's Organizations	1,441,860
Recreation	68,821,060
Private Colleges and Hospitals	99,509,690
Sub-Total Private	630,560,490
Total Exempt Property	\$ 803,667,060
Percent of Net Taxable Grand List of 10/1/15	13.44%

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, 2015		
		Taxable Value	Rank	Percent of Total
Sof-Ix Blue Back Square Holdings LP	Retail, Office, Apartments, Residential ...	\$ 75,658	1	1.27%
West Farms Mall LLC	Mall	37,805	2	0.63%
Connecticut Light & Power	Utility	37,699	3	0.63%
Corbins Corner Shopping Center LLC	Shopping Center	33,840	4	0.57%
Town Center West Associates	Office	24,934	5	0.42%
Bishop's Corner (E&A) LLC	Shopping Center	18,243	6	0.31%
Sisters of Mercy/McAuley Center	Assisted Living	17,741	7	0.30%
E&A Northeast Limited Partnership	Shopping Center	15,498	8	0.26%
Prospect Plaza Improvements LLC	Shopping Center	13,995	9	0.23%
Westgate Apartments LLC	Apartments	13,249	10	0.22%
Total		\$288,662		4.84%

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

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

Property Tax Levies and Collections

(Amounts Expressed in Thousands)

Fiscal Year Ending 6/30	Total Tax Rate (In Mills)	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of Levy		Collections Subsequent Years	Total Collections to Date	
			Collections	Percentage of Levy		Collections	Percentage of Levy
2017 ¹	39.51 ²	\$234,389	n/a	n/a	n/a	n/a	n/a
2016	38.31	229,112	\$227,450	99.3%	n/a	\$227,450	99.3%
2015	37.37	222,213	220,483	99.2%	\$1,035	221,518	99.7%
2014	36.30	214,310	212,530	99.2%	1,301	213,831	99.8%
2013	35.75	210,065	208,258	99.1%	1,429	209,687	99.8%
2012	39.44	199,192	197,344	99.1%	1,421	198,765	99.8%
2011 ³	38.38	192,761	190,585	98.9%	1,761	192,346	99.8%
2010	37.54	186,542	184,817	99.1%	1,537	186,354	99.9%
2009	36.97	181,771	180,089	99.1%	1,344	181,433	99.8%
2008	38.63	174,302	172,515	99.0%	1,423	173,938	99.8%

n/a - information not yet available

¹ Adopted Budget

² The fiscal year 2016-17 mill rate for real and personal property was 39.51 mills. Per Public Act No. 15-2445 and 16-3 of the Connecticut General Assembly, the mill rate for motor vehicles was capped at 37.00 mills ("Motor Vehicle Property Tax Rate" herein).

³ Revaluation of assessed property values implemented

Source: Revenue Collection Division, Town of West Hartford.

Property Taxes Receivable

(Amounts Expressed in Thousands)

(As of June 30, 2016)

Grand List Year	Total Tax Levy for Fiscal Year	Remaining Uncollected Levy	Percent of Levy Uncollected
2014	\$229,112	\$1,663	0.7%
2013	222,213	675	0.3%
2012	214,310	154	0.1%
2011	210,065	102	0.0%
2010	199,192	61	0.0%
2009	192,761	43	0.0%
2008	186,542	34	0.0%
2007	181,771	21	0.0%
2006	174,302	14	0.0%

Note: As of June 30, 2016 the total uncollected levy from all years was \$2,806,008.

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

Revenues

The Town derives its revenues from a direct tax levy on property, State and Federal aid, various fees and charges, and other miscellaneous sources. Town revenues are summarized for fiscal years ended 2012-2016 in "Statements of General Fund Revenues, Expenditures and Changes in Fund Balance-General Fund" herein. The prior year's appropriated surplus is also included.

Property Tax Revenues

(Amounts Expressed in Thousands)

Fiscal Year	General Fund Revenues & Transfers in	Property Tax Revenues	Property Tax Revenues as a Percentage of Fund Revenues
2017 ¹	\$267,930	\$233,344	87.1 %
2016	281,874	229,630	81.5
2015	271,837	223,063	82.1
2014	264,659	214,923	81.2
2013	257,007	210,571	81.9
2012 ²	253,929	200,033	78.8
2011	232,133	192,984	83.1
2010	222,576	186,107	83.6
2009	222,371	181,795	81.8
2008 ³	248,490	173,318	69.7

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

² In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

³ Increase in Total Governmental Funds Revenues for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2016-17 adopted budget.

Intergovernmental Revenues
(Amounts Expressed in Thousands)

Fiscal Year	General Fund Revenues & Transfers in	Intergovernmental Revenue	Aid As a Percentage Of General Fund Revenues
2017 ¹	\$267,930	\$26,725	10.0 %
2016	281,874	44,086	15.6
2015	271,837	41,016	15.1
2014	264,659	43,115	16.3
2013	257,007	39,863	15.5
2012 ²	253,929	46,477	18.3
2011	232,133	32,117	13.8
2010	222,576	28,491	12.8
2009	222,371	31,677	14.2
2008 ³	248,490	66,234	26.7

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

² In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

³ Increase in Total Governmental Funds Revenues for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2016-17 adopted budget.

Motor Vehicle Property Tax Rate

Section 206 of Public Act No. 15-244 (Jan. 2015 Session), as amended by Section 187 of Public Act No. 16-3 (May 2016 Special Session), of the Connecticut General Assembly (collectively referred to as the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37 mills, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles set by a borough or district after the effective date of the Act that is less than 37 mills when combined with the motor vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2015 (the fiscal year ending June 30, 2017) is 37.00 mills.

Expenditures

Fiscal Year	Education	Public Safety	Non- Departmental ¹	Community Maintenance	Transfers Out ²	General Government	Human & Cultural
2017 ³	57.2 %	9.7 %	15.8 %	6.1 %	6.6 %	2.2 %	2.4 %
2016	59.5	9.3	14.1	5.6	7.3	2.1	2.2
2015	60.0	9.5	13.7	5.8	6.8	2.0	2.2
2014	60.7	9.6	13.0	5.9	6.3	2.0	2.3
2013	60.6	10.0	12.7	6.0	6.4	2.0	2.3
2012	58.8	10.0	16.0	5.7	5.3	2.0	2.2
2011	60.3	10.2	11.2	6.5	7.3	2.2	2.4
2010	59.1	10.0	18.2	6.9	1.1	2.2	2.5
2009	59.4	13.2	12.4	8.4	0.7	2.9	2.9
2008 ⁴	65.7	12.2	9.1	6.5	1.0	3.5	2.0
2007	59.0	14.2	10.8	7.5	2.0	4.2	2.3

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

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

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

⁴ Increase in Total Governmental Funds Expenditures for fiscal year 2008 results from a significant increase in the intergovernmental revenue and expenditure recorded for payments made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement System. The contribution by the State increased as a result of state issued pension obligation bonds that partially funded the plan.

Source: Annual audited financial statements; fiscal year 2016-17 adopted budget.

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

	Fiscal Year 2015-16			Fiscal Year 2016-17 Adopted Budget
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Property Taxes	\$ 229,120	\$ 229,630	\$ 510	\$ 233,344
Intergovernmental	24,316	23,944	(372)	26,725
Charges for Services	5,215	5,624	409	5,828
Investment Income.....	250	629	379	384
Miscellaneous	1,077	976	(101)	738
TOTAL REVENUES	\$ 259,978	260,803	825	\$ 267,019
EXPENDITURES				
Current:				
General Government	5,901	5,827	74	\$ 5,963
Public Safety	26,193	26,180	13	25,992
Community Maintenance	15,814	15,752	62	16,381
Human & Cultural Resources	6,456	6,240	216	6,435
Education	148,052	147,305	747	153,283
Debt and sundry	40,095	39,427	668	42,203
TOTAL EXPENDITURES	242,511	240,731	1,780	250,257
Excess (deficiency) of revenues over expenditures	<u>17,467</u>	<u>20,072</u>	<u>2,605</u>	<u>16,762</u>
Other financing sources (uses):				
Operating transfers in	1,002	929	(73)	911
Operating transfers out ¹	<u>(20,469)</u>	<u>(20,425)</u>	<u>44</u>	<u>(17,673)</u>
Total Other financing sources (uses) ..	<u>(19,467)</u>	<u>(19,496)</u>	<u>(29)</u>	<u>(16,762)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,000)</u>	<u>\$ 576</u>	<u>\$ 2,576</u>	<u>\$ -</u>

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

Source: Town annual audited financial statements; annual budgets.

Comparative Balance Sheet – General Fund

Fiscal Year Ended:	(In Thousands)				
	2012	2013	2014	2015	2016
Assets					
Cash and cash equivalents	\$ 19,322	\$ 28,840	\$ 41,369	\$ 43,244	\$ 32,548
Investments	-	-	-	-	10,187
Receivables, net	13,119	4,301	3,592	3,144	3,182
Due from other funds	2,950	5,003	2,447	2,287	2,355
Inventories	167	179	178	172	257
Prepaid items	2	-	-	-	-
Total Assets	<u>\$ 35,560</u>	<u>\$ 38,323</u>	<u>\$ 47,586</u>	<u>\$ 48,847</u>	<u>\$ 48,529</u>
Liabilities					
Accounts payable	\$ 2,384	\$ 1,859	\$ 2,738	\$ 2,434	\$ 2,639
Payroll liabilities	2,624	4,047	4,277	3,933	5,070
Other liabilities	2,252	2,242	866	735	670
Unearned revenue	9,945	10,732	1,292	1,316	1,433
Total Liabilities	<u>17,205</u>	<u>18,880</u>	<u>9,173</u>	<u>8,418</u>	<u>9,812</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes ..	-	-	1,920	1,748	1,789
Unavailable revenue - school grants ...	-	-	615	494	374
Advance tax collections	-	-	15,673	17,132	14,762
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>18,208</u>	<u>19,374</u>	<u>16,925</u>
Fund Balances (Deficits)					
Nonspendable	169	179	178	172	257
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	355	333	374	262	441
Unassigned	17,831	18,931	19,653	20,621	21,094
Total Fund Balances	<u>18,355</u>	<u>19,443</u>	<u>20,205</u>	<u>21,055</u>	<u>21,792</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 35,560</u>	<u>\$ 38,323</u>	<u>\$ 47,586</u>	<u>\$ 48,847</u>	<u>\$ 48,529</u>

Source: Town annual audited financial statements.

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

Fiscal Year Ended:	(In Thousands)				
	2012 ¹	2013	2014	2015	2016
Revenues					
Property taxes	\$200,033	\$210,571	\$214,923	\$223,062	\$229,630
Intergovernmental	46,477	39,853	43,115	41,016	44,086
Charges for services	4,970	4,632	4,741	5,711	5,625
Income on investments	451	382	256	282	629
Miscellaneous	1,004	779	775	844	976
Total Revenues	\$252,935	\$256,217	\$263,810	\$270,915	\$280,946
Expenditures					
Current:					
General government	5,064	5,182	5,328	5,393	5,807
Public Safety	25,340	25,629	25,368	25,609	26,100
Community maintenance	14,398	15,329	15,669	15,701	15,681
Human and cultural	5,691	5,864	6,079	6,055	6,230
Education	149,600	155,074	160,266	162,477	167,362
Debt and sundry	40,601	32,380	34,431	37,184	39,573
Capital outlay	-	48	102	132	88
Total Expenditures	240,694	239,506	247,243	252,551	260,841
Excess (deficiency) of revenues over expenditures	12,241	16,711	16,567	18,364	20,105
Other financing sources (uses):					
Operating transfers in	994	790	849	922	928
Operating transfers (out)	(13,591)	(16,413)	(16,654)	(18,436)	(20,425)
Issuance of refunding bonds	-	-	-	-	12,295
Bond premium on refunding	-	-	-	-	1,258
Payment to refunded bond escrow agent ..	-	-	-	-	(13,424)
Total other financing sources (uses)	(12,597)	(15,623)	(15,805)	(17,514)	(19,368)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(356)	1,088	762	850	737
Fund Balance - July 1	18,711	18,355	19,443	20,205	21,055
Fund Balance - June 30	<u>\$ 18,355</u>	<u>\$ 19,443</u>	<u>\$ 20,205</u>	<u>\$ 21,055</u>	<u>\$ 21,792</u>

¹ In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

Source: Town annual audited financial statements.

VI. ADDITIONAL INFORMATION

Litigation

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

Municipal Advisor

The Town has retained Independent Bond and Investment Consultants LLC, of Madison, Connecticut, as municipal advisor in connection with the issuance and sale of the Bonds. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification of, nor does it assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities.

Availability of Continuing Disclosure Information

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

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

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

In the past five (5) years, the Town has not failed to comply, in any material respect, with its undertakings in such continuing disclosure agreements.

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

Documents Accompanying the Delivery of the Bonds

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town signed by the Town Manager and the Director of Financial Services, which will be dated the date of delivery, together with a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Shipman & Goodwin LLP, Bond Counsel of Hartford, Connecticut substantially in the form attached as Appendix B to this Official Statement.

5. An executed Continuing Disclosure Agreement substantially in the form attached as Appendix C to this Official Statement.

6. The Town of West Hartford, Connecticut has prepared an Official Statement for the Bond issue, which is dated February 2, 2017. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b) (1), but it is subject to revision or amendment.

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

Concluding Statement

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

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

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

TOWN OF WEST HARTFORD,
CONNECTICUT

/s/ Ronald F. Van Winkle

Ronald F. Van Winkle
Town Manager

/s/ Peter Privitera

Peter Privitera
Director of Financial Services

Dated as of February 2, 2017

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APPENDIX A - AUDITED FINANCIAL STATEMENTS

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-3 through A-16, the budgetary comparison information on pages A-62 through A-67 and the pension schedules on pages A-68 through A-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 23, 2016

TOWN OF WEST HARTFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS **FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016. 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 and deferred outflows of the Town of West Hartford exceeded its liabilities and deferred inflows at the close of fiscal year 2016 by \$37,211, an increase of \$6,070 from the prior year.
- The governmental activities funds reported consolidated net position of \$28,478, an increase of \$6,355 over fiscal year 2015.
- The business-type activities of the Town had a net position of \$8,733 at fiscal year-end, a reduction of \$285 from the prior year.
- The Town's net investment in capital assets increased \$25,507 as a new elementary school was constructed.
- The Town achieved a current year property tax collection rate of 99.3% for fiscal year 2016 and delinquent tax collections continued to remain strong.

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements include not only the Town itself, but also a discretely presented component unit known as the West Hartford Center Special Services District which was established in 2004. Financial information for the discretely presented component unit is reported separately from the financial information of the primary government. The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for a specific objective or activity. Some funds are required to be established by Town Charter. The Town Council establishes many other funds to help control and manage financial activities for particular purposes (such as the Capital Projects Fund and the Police Private Duty Services Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received from the State Department of Education and the Federal Department of Housing and Urban Development). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds (Exhibits III and IV). The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. These financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

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

The Town maintains twenty-seven (27) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Funds (comprised of the Capital Projects Fund and the Capital Non-recurring Expenditure Fund), CDBG (Community Development Block Grant) Housing Rehabilitation Fund, and the Debt Service Funds (comprised of the Debt Service Fund and the Blue Back Square Fund), all of which are considered major funds. The remaining twenty-one (21) funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements located on pages 75-80 of this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, showing original budget, final budget and actual results has been provided to demonstrate compliance with this budget and is located in the required supplementary information on pages 63-68 of this report.

The basic governmental fund financial statements can be found on pages 20-23.

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

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

Notes to the Financial Statements. The notes provide additional information necessary to fully understand the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful tool to analyze a government's financial position. The Town's combined net position increased from \$31,141 at the end of fiscal year 2015 to \$37,211 at the end of fiscal year 2016. The discussion below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

The largest component of the Town's net position is its investment in capital assets, (such as land, buildings, infrastructure, vehicles, machinery and equipment), less any related debt outstanding to acquire such assets (\$193,832). 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 \$831 of the Town's net position represents resources subject to use restrictions by external sources. The remaining balance is unrestricted and is comprised of \$78,227 which may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, offset by the Town's net pension liability of \$235,679.

TABLE 1
Net Position
In Thousands

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 107,520	\$ 117,165	\$ 132	\$ 224	\$ 107,652	\$ 117,389
Capital assets, net of accumulated depreciation	341,557	307,811	13,740	14,052	355,297	321,863
Total assets	<u>449,077</u>	<u>424,976</u>	<u>13,872</u>	<u>14,276</u>	<u>462,949</u>	<u>439,252</u>
Deferred charge on refunding	1,242	507			1,242	507
Difference of economic/demographic gains or losses for pensions	23,787	591	366	9	24,153	600
Difference of assumption changes or inputs for pensions	2,523	4,814	39	77	2,562	4,891
Difference of investment gains or losses for pensions	14,158	3,656	218	58	14,376	3,714
Total deferred outflows of resources	<u>41,710</u>	<u>9,568</u>	<u>623</u>	<u>144</u>	<u>42,333</u>	<u>9,712</u>
Long-term liabilities	429,861	383,232	3,730	3,150	433,591	386,382
Other liabilities	17,677	12,057	2,032	2,252	19,709	14,309
Total liabilities	<u>447,538</u>	<u>395,289</u>	<u>5,762</u>	<u>5,402</u>	<u>453,300</u>	<u>400,691</u>
Difference of assumption changes or inputs for pensions	9				9	
Advance property tax collections	14,762	17,132			14,762	17,132
Total deferred inflows of resources	<u>14,771</u>	<u>17,132</u>			<u>14,771</u>	<u>17,132</u>
Net Position:						
Net investment in capital assets	180,092	154,273	13,740	14,052	193,832	168,325
Restricted	831	891			831	891
Unrestricted (deficit)	<u>(152,445)</u>	<u>(133,041)</u>	<u>(5,007)</u>	<u>(5,034)</u>	<u>(157,452)</u>	<u>(138,075)</u>
Total Net Position	<u>\$ 28,478</u>	<u>\$ 22,123</u>	<u>\$ 8,733</u>	<u>\$ 9,018</u>	<u>\$ 37,211</u>	<u>\$ 31,141</u>

Governmental Activities. The net position of the Town's governmental activities increased \$6,355 from the prior year. Investment in capital assets, net of related debt, increased \$25,819 due primarily to the construction of a new elementary school. Restricted assets decreased \$60 while unrestricted decreased \$19,404. The variance in unrestricted resulted from an increase in the net pension liability of \$45,139, offset by an increase of \$25,735 in the amount available to finance day-to-day operations without constraints.

Total assets increased \$24,101 from the prior year, due to significant investment in capital assets offset by reduced cash and investment balances on-hand as of June 30, 2016. Total deferred outflows of resources increased \$32,412 due to demographic/economic losses and investment losses in the Town's pension plan. Total liabilities increased \$52,249 due primarily to the increase in the Town's net pension liability, as well as the timing of accounts payable in the Capital Projects Fund.

Business-Type Activities. The total net position of the Town's business-type activities decreased \$285, the result of demographic/economic losses and investment losses in the Town's pension plan.

TABLE 2
Changes in Net Position
In Thousands

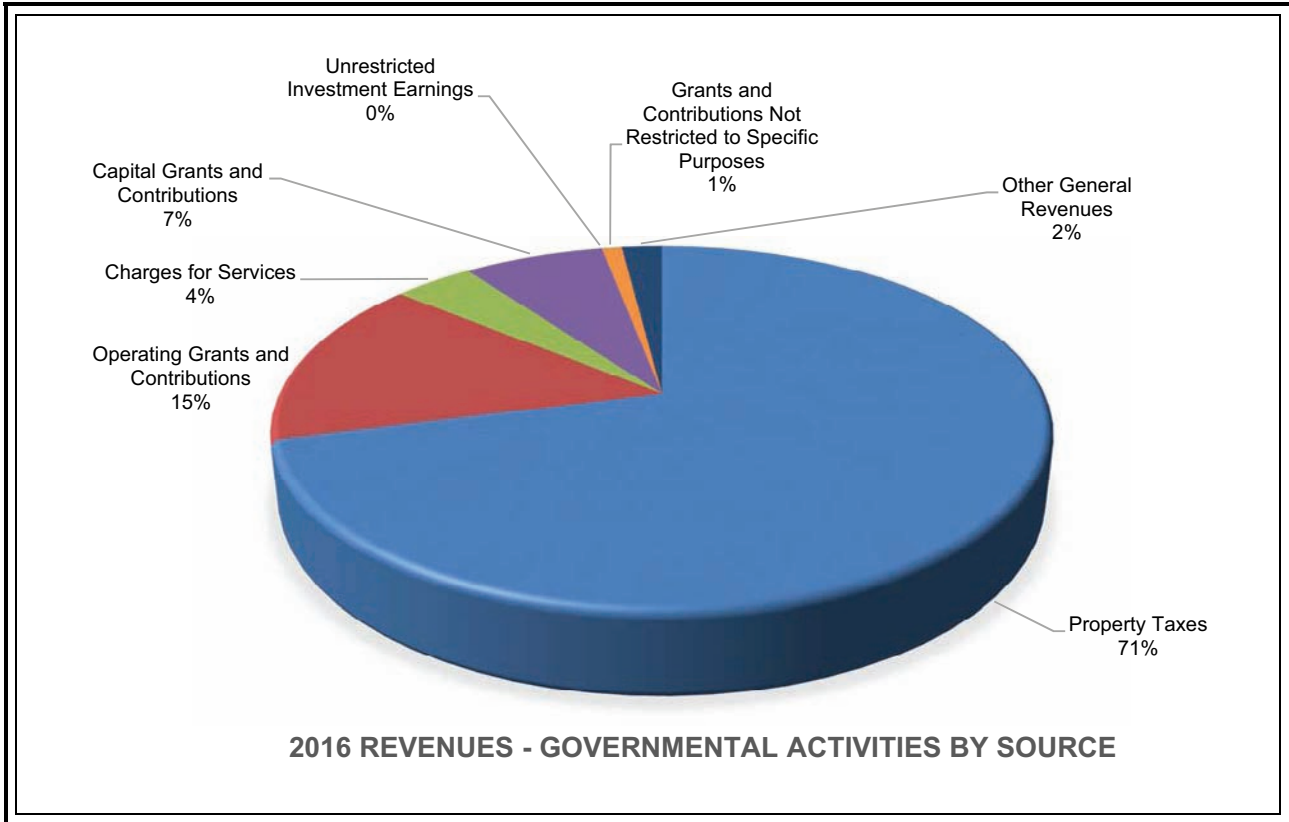
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 14,736	\$ 15,139	\$ 3,140	\$ 2,968	\$ 17,876	\$ 18,107
Operating grants and contributions	49,472	46,460			49,472	46,460
Capital grants and contributions	21,695	7,627	757	2,520	22,452	10,147
General revenues:						
Property taxes	229,698	222,840			229,698	222,840
Grants and contributions not restricted to specific purposes	2,495	2,895			2,495	2,895
Unrestricted investment earnings	1,567	1,378			1,567	1,378
Other general revenues	5,126	4,512			5,126	4,512
Total revenues	<u>324,789</u>	<u>300,851</u>	<u>3,897</u>	<u>5,488</u>	<u>328,686</u>	<u>306,339</u>
Program expenses:						
General government	13,391	10,059			13,391	10,059
Public safety	55,382	48,798			55,382	48,798
Community maintenance	39,475	37,042			39,475	37,042
Human and cultural	13,356	13,858			13,356	13,858
Education	191,683	180,805			191,683	180,805
Interest on long-term debt	4,826	4,989			4,826	4,989
Leisure services			4,503	4,122	4,503	4,122
Total program expenses	<u>318,113</u>	<u>295,551</u>	<u>4,503</u>	<u>4,122</u>	<u>322,616</u>	<u>299,673</u>
Change in net assets before transfers	6,676	5,300	(606)	1,366	6,070	6,666
Transfers	<u>(321)</u>	<u>(145)</u>	<u>321</u>	<u>145</u>		
Change in net assets	6,355	5,155	(285)	1,511	6,070	6,666
Net Assets at Beginning of Year	<u>22,123</u>	<u>16,968</u>	<u>9,018</u>	<u>7,507</u>	<u>31,141</u>	<u>24,475</u>
Net Assets at End of Year	<u>\$ 28,478</u>	<u>\$ 22,123</u>	<u>\$ 8,733</u>	<u>\$ 9,018</u>	<u>\$ 37,211</u>	<u>\$ 31,141</u>

Primary Government

Total primary government revenues increased \$22,347 or 7.3% from the prior year, while total primary government program expenses increased \$22,943 or 7.7% over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

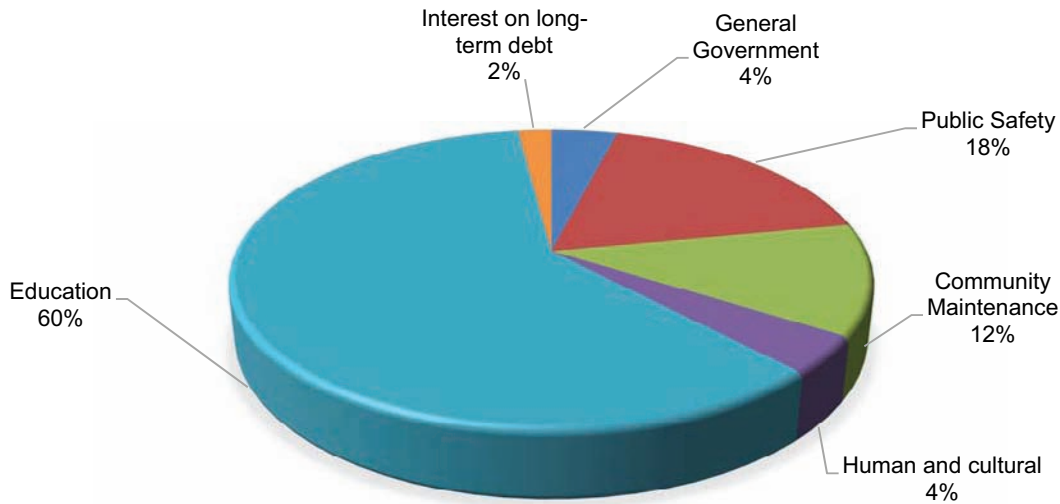
Revenues for governmental activities exclusive of transfers totaled \$324,789 for fiscal year 2016, an increase of \$23,938 over the prior year. Property taxes (71%), operating grants and contributions (15%) and capital grants and contributions (7%) were the primary revenue sources, while charges for services, unrestricted grants, investment earnings and other general revenues combined contributed 7% of the Town's revenues.



Operating grants and contributions totaled \$49,472 in fiscal year 2016, an increase of \$3,012 from the prior year resulting primarily from an increase of \$2,202 in the State of Connecticut on-behalf contribution to the State Teachers' Retirement System. Capital grants and contributions increased \$14,068 from the prior year, the result of school construction grants received from the State of Connecticut for the construction of a new elementary school. On a government-wide basis, unrestricted investment earnings include both short-term investments in the governmental funds as well as investment income from the risk management reserve accounts. There was a favorable variance of \$189 in unrestricted investment earnings.

In order to cover the increased cost of services, the fiscal year 2016 adopted General Fund budget required an increase of \$6,222 or 2.9% in current year property tax revenue. Actual property tax revenue increased \$6,858 from the prior year and comprised 71% of total governmental activities revenue in fiscal year 2016.

Program expenses for governmental activities totaled \$318,113 for fiscal year 2016. Approximately 27% of program expenses were supported by program revenues with the balance funded from general revenues, primarily property taxes. Expenses for education (60%), public safety (18%), and community maintenance (12%) comprise 90% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the remaining 10%.

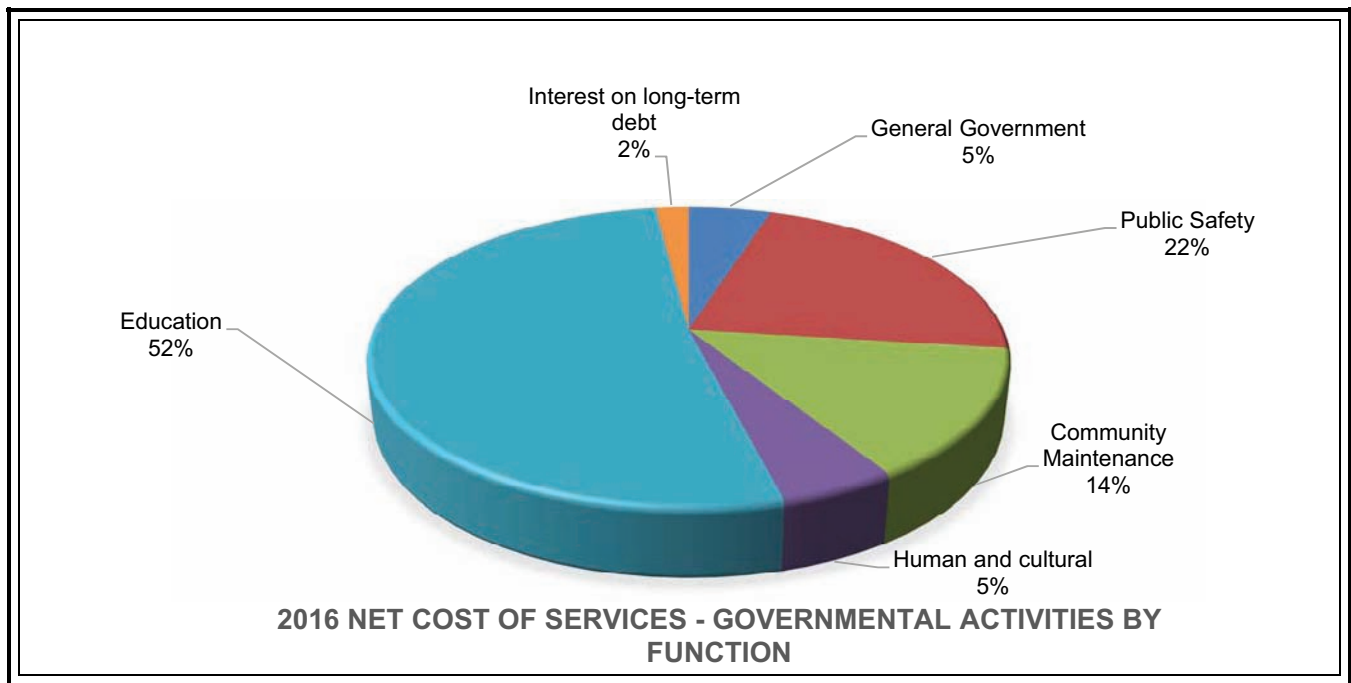


2016 EXPENSES - GOVERNMENTAL ACTIVITIES BY FUNCTION

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

TABLE 3
Cost of Governmental Activities by Function
In Thousands

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Education	\$ 191,683	\$ 180,805	\$ 120,026	\$ 126,544
Public safety	55,382	48,798	52,189	45,323
Community maintenance	39,475	37,042	32,578	30,263
Human and cultural	13,356	13,858	10,880	10,616
General government	13,391	10,059	11,711	8,611
Interest on long-term debt	4,826	4,989	4,826	4,968
Total	\$ 318,113	\$ 295,551	\$ 232,210	\$ 226,325



Business-Type Activities

Revenues from business-type activities decreased \$1,591 from the prior year due to a reduction in capital contributions of \$1,763, offset by an increase in charges for services of \$172. Program expenses increased \$381 while net transfers had a favorable variance of \$176 from the prior year. The change in net assets for fiscal year 2016 was a reduction of \$285, versus an increase of \$1,511 in the prior year.

FUND FINANCIAL ANALYSIS

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

Governmental Funds

As of June 30, 2016, the Town's governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$40,887. This represents a decrease of \$11,468 or 21.9% from the prior year. Based upon fund balance classification under GASB 54, \$21,094 or 51.6% is unassigned and comprised solely of fund balance of the General Fund. An additional \$16,681 or 40.8% is committed, or constrained for a specific purpose by the Town Council. The remainder is comprised of non-spendable (\$385), restricted (\$2,282), and assigned (\$445) fund balance, as defined in footnote 1.

For fiscal year 2016, the total net change in fund balances for governmental funds (Exhibit IV) was a reduction of \$11,468. Included in this total is an increase of \$737 for the General Fund. Factors affecting the General Fund are discussed below in the General Fund Highlights section. Fund balance of the Capital Project Funds decreased \$12,169, reflecting intergovernmental revenue of \$21,473, transfers in of \$2,669, charges for services of \$165 and miscellaneous revenues of \$410, with corresponding capital expenditures of \$50,196, and transfers out of \$690. Also reflected in the Capital Projects Funds is the issuance of \$14,000 in general obligation bonds. The unusually high level of capital outlay results from the construction of a new elementary school. The CDBG Housing Rehabilitation Fund had no change to fund balance, while the Debt Service Funds had a net increase in fund balance of \$528 due to bond premium. Non-major Governmental Funds experienced a net decrease in fund balance of \$564, as detailed by fund in Exhibit B-2. Significant changes in fund balance were seen in the Parking Lot Fund (\$187), Drug Enforcement Fund (-\$78), Westmoor Park Fund (-\$108), Cafeteria Fund (-\$108), School Special Programs Fund (-\$79), School Interscholastic Sports Fund (-\$54), and Police Private Duty Fund (-\$318), while the remaining non-major governmental funds experienced modest changes totaling a net decrease of \$6.

Proprietary Funds

The Town's proprietary fund statements (Exhibits V-VII) provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of proprietary funds was \$28,358 at year-end, a decrease of \$1,405 from the prior year. Net position of the Internal Service Funds decreased \$1,120 due to higher than anticipated employee benefit claims in the Risk Management Fund, while the Leisure Services Fund experienced a decrease of \$285.

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 2016 and the variance between the final budget and 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	\$ 227,985	\$ 229,120	\$ 1,135	\$ 229,630	\$	510
Federal	22	454	432	291		(163)
State	22,177	23,862	1,685	23,653		(209)
Charges for services	5,001	5,215	214	5,624		409
Local revenues	1,077	1,077		976		(101)
Income on investments	250	250		629		379
Transfers in	1,002	1,002		929		(73)
Total Adopted Budget	257,514	260,980	3,466	261,732		752

General Fund Budgetary Amendments

The General Fund's final estimated revenues increased \$3,466 or 1.3% from the original adopted budget.

- Estimated revenues from current year property taxes increased \$1,135, and were used to fund year-end contributions to the Utilities Services Fund, Risk Management Fund and Capital Non-recurring Expenditure (CNRE) Fund.
- Additional federal grants totaling \$432 were appropriated during the fiscal year: a Federal Emergency Management Agency grant (\$103) for Fire department training; Police grants (\$253) relating to underage drinking, distracted driving and driving under the influence; and, Dial-a-Ride grants (\$76).
- Estimated intergovernmental revenue from the State of Connecticut increased \$1,685 primarily due to an increase in the Education Cost Sharing grant that was used to fund a year-end transfer to the CNRE Fund, as well as a recycling grant of \$70 that was appropriated during the fiscal year.
- The increase in estimated charges for services revenue resulted primarily from the decision to bring the provision of paramedic services in-house. The planned start date for this program was subsequently pushed to fiscal year 2017.

General Fund Revenue Variance

When compared to final estimated revenues, total actual revenue was \$752 higher than budgeted. Property tax revenue exceeded budget by \$510 due to strong collections of both current year and prior year taxes. The Town achieved a property tax collection rate of 99.3% for fiscal year 2016. In addition, the Department of Financial Services has demonstrated strong collection of delinquent taxes. The continued success of property tax collections, the major revenue source for the Town, has been critical to its financial health.

Federal revenue was lower than estimated (\$163) due to the timing of expenditures for reimbursement grants. The unexpended portion of these grants will be carried forward to the fiscal year 2017 budget. Actual state revenue was \$209 less than the final budget. This resulted primarily from a shortfall (\$330) in the payment-in-lieu of taxes grant, offset by a favorable variance (\$181) in the education cost sharing consistent with the state's adopted budget. Charges for services exceeded budget by \$409. Favorable variances were achieved in building permit revenue (\$140), fire occupancy permits and plan review fees (\$309), and conveyance tax (\$124), offset by a delay in the implementation of the in-house paramedic services program (-\$188). While positive variances were experienced in rental income (\$163) and workers' compensation reimbursements (\$165), overall local revenues fell short of estimate by \$101 due to management's decision to postpone use of budgeted prior year tax overpayments as a revenue source (-\$440). Income on investments was \$379 more than estimated due to improved rates and the decision to invest in FDIC insured marketable certificates of deposit and government securities, while transfers in from other funds were \$73 less than expected due to lower capital project reimbursements.

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	\$ 366	\$ 395	\$ 29	\$ 386	\$ 9
Town Clerk	253	273	20	272	1
Town Manager	281	290	9	289	1
Corporation Counsel	419	433	14	422	11
Registrar of Voters	268	289	21	287	2
Information Technology	732	775	43	775	-
Financial Services	2,112	2,309	197	2,271	38
Assessment	661	694	33	684	10
Employee Services	422	443	21	441	2
Fire	10,762	10,910	148	10,898	12
Police	14,891	15,283	392	15,282	1
Community Services	2,533	2,700	167	2,681	19
Public Works	11,388	10,665	(723)	10,625	40
Facilities	2,032	2,449	417	2,446	3
Library	3,248	3,408	160	3,296	112
Human & Leisure Services	2,904	3,048	144	2,944	104
Education	148,052	148,052		147,305	747
Debt and Sundry	39,441	40,095	654	39,427	668
Transfers Out	16,749	20,469	3,720	20,425	44
Total Adopted Budget	\$ 257,514	\$ 262,980	\$ 5,466	\$ 261,156	\$ 1,824

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

- The budget of Financial Services increased \$197 due to allocation of the contingency for settled union contracts (\$96) and to address termination costs for employees who retired during the fiscal year.
- The Fire Department budget increased \$148, primarily due to a training grant awarded by FEMA.
- The Police Department budget increased \$392 during the fiscal year due to grants (\$253) and an appropriation to personal services for overtime and unsettled union contracts (\$139).
- The Community Services budget increased \$167 due to allocation of the contingency for settled union contracts and deferred compensation matching.
- The Department of Public Works budget was reduced \$723 during fiscal year 2016. An increase of \$70 for a recycling grant was offset by significant reductions in program expenses. Savings were achieved in the snow and ice control program through lower overtime and contractual services costs (\$294), solid waste costs had a favorable variance (\$166) due to lower refuse volume, the department experienced lower maintenance costs and gasoline prices (\$145), and the recycling program achieved lower collection and disposal costs than anticipated (\$165).
- The Facilities Services departmental budget increased \$417 due to an additional transfer to the Utilities Services Fund (\$320) and allocation of the contingency for settled union contracts.
- The fiscal year 2016 Library budget was increased \$160 due to allocation of the contingency for settled union contracts.
- The Department of Human and Leisure Services budget was increased \$144. Appropriations were made for grants (\$76) and allocation of the contingency for settled union contracts.
- The Debt and Sundry budget was increased \$654. This increase results from a transfer of \$900 to the Risk Management Fund from year-end surplus and an additional appropriation of \$88 for the provision of paramedic services by an outside contractor, offset by lower than anticipated contractual settlements allocated to departmental budgets.
- The final budget for transfers to other funds had a net increase of \$3,720 from the original budget. Current year surplus was used to fund transfers of \$2,380 to the CNRE Fund for capital projects, vehicles and equipment purchases, \$685 to the Debt Service Fund for future debt payments, \$275 to the Leisure Services Fund to fund subsidized use of recreational facilities, and \$380 to the Private School Services Fund to meet the costs of required services.

General Fund Expenditure Variance

In comparison to final appropriations, actual expenditures were \$1,824 less than budgeted. Significant favorable variances were achieved in the areas of Education (\$747), Debt & Sundry (\$668), Library Services (\$112), and Human & Leisure Services (\$104). The variance in Education resulted from savings in personal services, employee benefits, outside tuition and transportation costs. Debt & Sundry savings relate to the contingency for unsettled union contracts, as well as savings in the radio maintenance program (\$27) and debt administration costs (\$36). The Library had favorable variances in personal services due to vacancies and temporary payroll savings. The Department of Human & Leisure Services did not fully expend its Dial-a-Ride grants and had savings associated with a change in leadership at one of its recreational facilities. Other departments had minor favorable variances as noted in Table 5.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016 the Town had \$355.3 million (net of accumulated depreciation) invested in a broad range of capital assets including land, land improvements, buildings, park facilities, vehicles, furniture and equipment, and infrastructure (such as roads, bridges, dams, storm sewers, and traffic signals) as detailed in Table 6. This amount represents a net increase of \$33.4 million, or 10.4%, from the prior year.

TABLE 6 Capital Assets at Year-end Net of Depreciation In Millions						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 10.6	\$ 10.6	\$	\$	\$ 10.6	\$ 10.6
Construction in progress	65.5	28.4	1.6	3.1	67.1	31.5
Buildings and land improvements	174.0	176.2	12.1	10.9	186.1	187.1
Furniture and equipment	3.9	3.6		0.1	3.9	3.7
Vehicles	3.4	3.7			3.4	3.7
Infrastructure	84.2	85.3			84.2	85.3
Total Capital Assets	\$ <u>341.6</u>	\$ <u>307.8</u>	\$ <u>13.7</u>	\$ <u>14.1</u>	\$ <u>355.3</u>	\$ <u>321.9</u>

This increase is due to the construction of a new Charter Oak Elementary School at an estimated cost of \$45,000,000, 80% being borne by the State of Connecticut. The school was under construction as of June 30, 2016, but opened to students in August 2016 for the 2016-2017 academic year. The Town has no plans to fund current operations from the proceeds of debt issuance. Detailed information about the Town's capital assets is presented in note 5 to the basic financial statements.

Long-Term Debt

On June 30, 2016 the Town had \$148,675 in bonds outstanding versus \$149,280 at the end of the prior year.

Table 7 Outstanding Debt at Year-End In Millions						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General Obligation Bonds (backed by the Town)	\$ <u>148.7</u>	\$ <u>149.3</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>148.7</u>	\$ <u>149.3</u>

The increase in outstanding debt results from the issuance of \$14,000 in general obligation bonds in January 2016, offset by principal payments on existing debt of \$14,280 made during fiscal year 2016. In addition, the Town issued \$12,295 in general obligation bonds in March 2016 to advance refund \$12,620 in outstanding bonds. Long-term debt is discussed in greater detail in note 7 to the financial statements. The Town's general obligation bonds continue to carry the highest ratings awarded by both Moody's Investors Services, Inc. and Standard & Poor's Financial Services, LLC (Aaa and AAA, respectively). These ratings, which have been assigned to the Town since 1972, were reaffirmed by the rating agencies in January 2016.

The State limits the amount of general obligation debt towns can issue based upon a State mandated formula calculated on the type of debt and tax base. The Town's total debt, as calculated by State guidelines, is significantly below the \$1.61 billion State imposed limit. The Town has adopted its own capital financing guidelines which state that annual debt service as a percentage of General Fund expenditures shall not exceed 10%, and is targeted to be 8% or less. Actual debt service for fiscal year 2016, inclusive of debt service of the Blue Back Square Fund, was 7.5% of General Fund expenditures. The General Fund portion of debt service was 6.0% of General Fund expenditures. More information on the Town's debt is available in Tables 8, 9 and 10 in the statistical section of this document.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2017 budget process focused on continuing to provide the exceptional level of services that residents and visitors expect, while limiting the increase in local taxes. Doing so was challenging as local property tax is the sole means allowed for financing municipal and educational services in Connecticut and annual growth in the Grand List is insufficient to support the cost increases of town services. The fiscal year 2017 General Fund budget totals \$267,930, and represents an increase of \$9,953 or 3.9% over fiscal year 2016, at the time of adoption. The municipal services portion of the budget totals \$98,568, an increase of \$4,082 or 4.3%. The education budget totals \$153,283, an increase of \$4,913 or 3.3%. The capital financing portion of the budget for both municipal and education services is \$16,078, an increase of \$958 or 6.3%.

The fiscal year 2017 budget maintains town and education services with the following assumptions and policy decisions reflected in the adopted budget:

- Grand List growth of approximately \$34.2 million, or 0.58%, over the prior year;
- A current year property tax collection rate of 99.1%;
- Implementation of a statewide mill rate for motor vehicles;
- Inclusion of the Governor's fiscal year 2017 proposal for State Aid;
- Modest increases in non-current year tax revenue estimates;
- Creation of an Economic Development Specialist position to serve as a liaison with the business community and attract new businesses to town;
- Funding for two Equipment Operator positions to address the additional responsibilities and requirements of the Municipal Separate Storm Sewer Systems permit;
- Transition to an in-house paramedic services program;
- Full funding of the actuarially determined contribution to the Town's Pension Plan; and,
- An increase in the contribution to the Retiree Health Reserve.

In order to finance the budget, an increase in current year property tax revenue of \$5,584 or 2.5% was required. Approximately \$1,297 will be generated as a result of growth in the Grand List, effectively reducing the tax increase for existing taxpayers to 1.9%. In order to generate the necessary property tax revenue, a mill rate on real and personal property of 39.51 was adopted, an increase over the prior year of 1.20 mills or 3.1%. For fiscal year 2017, a statewide mill rate of 37.00 is effective for motor vehicles.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016
(In Thousands)

	Primary Government			Component Unit
	Governmental	Business-Type		West Hartford
	Activities	Activities	Total	Special
				Services District
Assets:				
Cash and cash equivalents	\$ 67,723	\$ 1	\$ 67,724	\$ 19
Investments	27,386		27,386	
Receivables, net	12,106	104	12,210	22
Inventories	303		303	
Prepaid items	2	27	29	
Capital assets:				
Assets not being depreciated	76,035	1,624	77,659	
Assets being depreciated, net	265,522	12,116	277,638	
Total assets	449,077	13,872	462,949	41
Deferred Outflows of Resources:				
Deferred charge on refunding	1,242		1,242	
Difference of economic/demographic gains or losses for pensions	23,787	366	24,153	
Difference of assumption changes or inputs for pensions	2,523	39	2,562	
Difference of investment gains or losses for pensions	14,158	218	14,376	
Total deferred outflows of resources	41,710	623	42,333	-
Liabilities:				
Accounts and other payables	10,798	65	10,863	
Payroll liabilities	5,266	40	5,306	
Other current liabilities	673		673	9
Internal balances	(1,473)	1,473	-	
Unearned revenue	2,413	454	2,867	32
Noncurrent liabilities:				
Due within one year	29,177	45	29,222	
Due in more than one year	400,684	3,685	404,369	
Total liabilities	447,538	5,762	453,300	41
Deferred Inflows of Resources:				
Difference of assumption changes or inputs for pensions	9		9	
Advance property tax collections	14,762		14,762	
Total deferred inflows of resources	14,771	-	14,771	-
Net Position:				
Net investment in capital assets	180,092	13,740	193,832	
Restricted for:				
Perpetual care:				
Expendable	831		831	
Nonexpendable			-	
Unrestricted	(152,445)	(5,007)	(157,452)	
Total Net Position	\$ 28,478	\$ 8,733	\$ 37,211	\$ -

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, 2016
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit West Hartford Special Services District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 13,391	\$ 1,676	\$ 4	\$	\$ (11,711)	\$	\$ (11,711)	\$
Public safety	55,382	2,784	369	40	(52,189)		(52,189)	
Community maintenance	39,475	5,083	732	1,082	(32,578)		(32,578)	
Human and cultural	13,356	1,463	922	91	(10,880)		(10,880)	
Education	191,683	3,730	47,445	20,482	(120,026)		(120,026)	
Interest on long-term debt	4,826				(4,826)		(4,826)	
Total governmental activities	318,113	14,736	49,472	21,695	(232,210)	-	(232,210)	-
Business-type activities:								
Leisure services	4,503	3,140		757		(606)	(606)	
Total Primary Government	\$ 322,616	\$ 17,876	\$ 49,472	\$ 22,452	(232,210)	(606)	(232,816)	-
Component Unit:								
West Hartford Special Services District	\$ 4,639	\$ 2,928	\$ -	\$ -				(1,711)
General revenues:								
Property taxes					229,698		229,698	1,702
Grants and contributions not restricted to specific programs					2,495		2,495	
Unrestricted investment earnings					1,567		1,567	9
Miscellaneous					5,126		5,126	
Transfers					(321)	321		
Total general revenues and transfers					238,565	321	238,886	1,711
Change in net position					6,355	(285)	6,070	-
Net Position at Beginning of Year					22,123	9,018	31,141	-
Net Position at End of Year					\$ 28,478	\$ 8,733	\$ 37,211	\$ -

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016
(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	\$ 32,548	\$ 12,269	\$ 108	\$ 3,672	\$ 7,928	\$ 56,525
Investments	10,187					10,187
Receivables, net	3,182	552	2,938		1,928	8,600
Due from other funds	2,355					2,355
Inventories	<u>257</u>				<u>46</u>	<u>303</u>
Total Assets	<u>\$ 48,529</u>	<u>\$ 12,821</u>	<u>\$ 3,046</u>	<u>\$ 3,672</u>	<u>\$ 9,902</u>	<u>\$ 77,970</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 2,639	\$ 4,972	\$	\$	262	\$ 7,873
Payroll liabilities	5,070				189	5,259
Due to other funds					882	882
Other liabilities	670				3	673
Unearned revenue	<u>1,433</u>		<u>87</u>		<u>893</u>	<u>2,413</u>
Total liabilities	<u>9,812</u>	<u>4,972</u>	<u>87</u>	<u>-</u>	<u>2,229</u>	<u>17,100</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,789					1,789
Unavailable revenue - school building grants	374					374
Unavailable revenue - loans receivable			2,938		120	3,058
Advance property tax collections	<u>14,762</u>					<u>14,762</u>
Total deferred inflows of resources	<u>16,925</u>	<u>-</u>	<u>2,938</u>	<u>-</u>	<u>120</u>	<u>19,983</u>
Fund balances:						
Nonspendable	257				128	385
Restricted			21		2,261	2,282
Committed		7,849		3,672	5,160	16,681
Assigned	441				4	445
Unassigned	<u>21,094</u>					<u>21,094</u>
Total fund balances	<u>21,792</u>	<u>7,849</u>	<u>21</u>	<u>3,672</u>	<u>7,553</u>	<u>40,887</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,529</u>	<u>\$ 12,821</u>	<u>\$ 3,046</u>	<u>\$ 3,672</u>	<u>\$ 9,902</u>	<u>\$ 77,970</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 40,887
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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	\$ 574,429	
Less accumulated depreciation	<u>(232,872)</u>	
Net capital assets		341,557

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

Property tax receivables greater than 60 days	1,789
Interest receivable on property taxes	751
Housing loans receivable	3,058
Interest receivable on housing loans	628
Deferred charges	1,242
Receivable from the state for school construction projects	374
Deferred outflows related to economic/demographic gains or losses	23,787
Deferred outflows related to assumption changes or inputs	2,523
Deferred outflows related to investment gains or losses	14,158

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

19,625

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

Bonds and notes payable	(148,675)
Interest payable on bonds and notes	(2,098)
Compensated absences	(21,167)
Other postemployment obligations	(8,281)
Bond premium	(5,992)
Net pension liability	(235,679)
Deferred inflows related to assumption changes ot inputs for pensions	<u>(9)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 28,478</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, 2016
(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	\$ 229,630	\$	\$	\$	\$	\$ 229,630
Intergovernmental	44,086	21,473	210		7,659	73,428
Charges for services	5,625	165	2	19	8,736	14,547
Income on investments	629			1	381	1,011
Miscellaneous	976	410		3,796	726	5,908
Total revenues	<u>280,946</u>	<u>22,048</u>	<u>212</u>	<u>3,816</u>	<u>17,502</u>	<u>324,524</u>
Expenditures:						
Current:						
General government	5,807				35	5,842
Public safety	26,100				1,817	27,917
Community maintenance	15,681				2,648	18,329
Human and cultural	6,230		212		1,676	8,118
Education	167,362				13,346	180,708
Debt and sundry	39,573			19,557		59,130
Capital outlay	88	50,196			76	50,360
Total expenditures	<u>260,841</u>	<u>50,196</u>	<u>212</u>	<u>19,557</u>	<u>19,598</u>	<u>350,404</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,105</u>	<u>(28,148)</u>	<u>-</u>	<u>(15,741)</u>	<u>(2,096)</u>	<u>(25,880)</u>
Other Financing Sources (Uses):						
Transfers in	928	2,669		15,715	2,055	21,367
Transfers out	(20,425)	(690)			(523)	(21,638)
Issuance of bonds		14,000				14,000
Issuance of refunding bonds	12,295					12,295
Bond premium				554		554
Bond premium on refunding	1,258					1,258
Payment to refunded bond escrow agent	(13,424)					(13,424)
Total other financing sources (uses)	<u>(19,368)</u>	<u>15,979</u>	<u>-</u>	<u>16,269</u>	<u>1,532</u>	<u>14,412</u>
Net Change in Fund Balances	737	(12,169)	-	528	(564)	(11,468)
Fund Balances at Beginning of Year	<u>21,055</u>	<u>20,018</u>	<u>21</u>	<u>3,144</u>	<u>8,117</u>	<u>52,355</u>
Fund Balances at End of Year	<u>\$ 21,792</u>	<u>\$ 7,849</u>	<u>\$ 21</u>	<u>\$ 3,672</u>	<u>\$ 7,553</u>	<u>\$ 40,887</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, 2016
(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)	\$ (11,468)
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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	47,671
Depreciation expense	(13,883)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position of capital assets.	(42)
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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	(120)
Property tax receivable - accrual basis change	41
Property tax interest and lien revenue - accrual basis change	27
Housing loans accrued interest	25
Housing loans receivable	(91)
Change in deferred outflows related to economic/demographic gains or losses	23,196
Change in deferred outflows related to assumption changes or inputs	(2,291)
Change in deferred outflows related to investment gains or losses	10,502
Change in deferred inflows related to economic/demographic gains or losses	(9)

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

Bond proceeds	(14,000)
Issuance of refunding bonds	(12,295)
Bond principal payments	13,476
Payment to escrow agent	13,424

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	(540)
Accrued interest	28
Amortization of deferred charge on refunding	735
Amortization of bond premiums	585
Other postemployment obligations	(545)
Bond premium	(1,812)
Change in net pension liability	(45,139)

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.

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>6,355</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016
(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Assets:		
Current:		
Cash and cash equivalents	\$ 1	\$ 11,198
Investments		17,199
Receivables, net	104	2,130
Prepaid items	27	2
Total current assets	<u>132</u>	<u>30,529</u>
Noncurrent:		
Capital assets:		
Assets not being depreciated	1,624	
Assets being depreciated, net	12,116	
Total noncurrent assets	<u>13,740</u>	<u>-</u>
Total assets	<u>13,872</u>	<u>30,529</u>
Deferred Outflows of Resources:		
Difference of economic/demographic gains or losses for pensions	366	
Difference of assumption changes or inputs for pensions	39	
Difference of investment gains or losses for pensions	218	
Total deferred outflows of resources	<u>623</u>	<u>-</u>
Liabilities:		
Current:		
Accounts and other payables	65	830
Payroll liabilities	40	7
Other liabilities		
Due to other funds	1,473	
Risk management claims		5,797
Unearned revenue	454	
Compensated absences	45	
Total current liabilities	<u>2,077</u>	<u>6,634</u>
Noncurrent:		
Compensated absences	60	
Net pension liability	3,625	
Risk management claims		4,270
Total noncurrent liabilities	<u>3,685</u>	<u>4,270</u>
Total liabilities	<u>5,762</u>	<u>10,904</u>
Net Position:		
Invested in capital assets	13,740	
Unrestricted	<u>(5,007)</u>	<u>19,625</u>
Total Net Position	\$ <u>8,733</u>	\$ <u>19,625</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(In Thousands)

	Business-Type Activities	Governmental Activities
	Leisure Services Fund	Internal Service Funds
Operating Revenues:		
Fund premiums	\$	\$ 46,233
Charges for services	3,107	
Employee contributions		8,074
Other	33	239
Total operating revenues	<u>3,140</u>	<u>54,546</u>
Operating Expenses:		
Administrative expense		319
Personal services	1,160	
Employee benefits		45,297
Insurance and program services		6,137
Utilities	413	4,391
Other operating expense	1,836	
Depreciation	1,094	
Total operating expenses	<u>4,503</u>	<u>56,144</u>
Operating Income (Loss)	(1,363)	(1,598)
Nonoperating Expense:		
Income on investments		<u>528</u>
Income (Loss) Before Contributions and Transfers	(1,363)	(1,070)
Capital Contributions	757	
Transfers in	321	
Transfers out		<u>(50)</u>
Change in Net Position	(285)	(1,120)
Net Position at Beginning of Year	<u>9,018</u>	<u>20,745</u>
Net Position at End of Year	<u>\$ 8,733</u>	<u>\$ 19,625</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, 2016
(In Thousands)

	Business-Type Activities Leisure Services Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 8,074
Cash received from operating funds		46,233
Cash received from customers	3,191	
Cash payments to employees for services	(1,141)	
Cash payments to suppliers for goods and services	(2,376)	(11,258)
Cash payment to providers benefits		(45,753)
Other operating receipts	33	233
Net cash provided by (used in) operating activities	<u>(293)</u>	<u>(2,471)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	321	
Transfers to other funds		(50)
Net cash flows provided by (used in) noncapital financing activities	<u>321</u>	<u>(50)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	<u>(28)</u>	
Cash Flows from Investing Activities:		
Gain on investments		529
Purchase of investments		(276)
Net cash provided by (used in) investing activities	<u>-</u>	<u>253</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(2,268)
Cash and Cash Equivalents at Beginning of Year	<u>1</u>	<u>13,466</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1</u>	<u>\$ 11,198</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (1,363)	\$ (1,598)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,094	
Change in assets and liabilities:		
(Increase) decrease in receivables	94	(246)
(Increase) decrease in prepaid items	(3)	1
(Increase) decrease in deferred outflows	(479)	
Increase (decrease) in accounts and other payables	(21)	(378)
Increase (decrease) in payroll liabilities	(88)	(33)
Increase (decrease) in pension liability	586	
Increase (decrease) in risk management claim liability		(217)
Increase (decrease) in due to other funds	(103)	
Increase (decrease) in unearned revenue	<u>(10)</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (293)</u>	<u>\$ (2,471)</u>
Noncash Investing and Capital Financing Activities:		
Net increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ 101</u>
Contribution of Capital Assets from Town	<u>\$ 757</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Student Activity Fund
Assets:		
Cash and cash equivalents	\$ 1,219	\$ 952
Investments:		
Mutual funds	148,876	
Common stock	26,724	
Receivables:		
Interest and dividends	52	
	<u>176,871</u>	<u>952</u>
Total assets		\$ <u>952</u>
Liabilities:		
Accounts and other payables	185	\$ <u>952</u>
Net Position:		
Restricted for Pension and OPEB Benefits	\$ <u>176,686</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 18,584
Plan members	3,138
Total contributions	<u>21,722</u>
Investment income (loss):	
Net change in fair value of investments	(4,107)
Interest	(2)
Dividends	3,476
Total investment income (loss)	<u>(633)</u>
Less investment expense	<u>(362)</u>
Net investment income (loss)	<u>(995)</u>
Total additions	<u>20,727</u>
Deductions:	
Benefits	26,515
Administration	314
Total deductions	<u>26,829</u>
Change in Net Position	(6,102)
Net Position at Beginning of Year	<u>182,788</u>
Net Position at End of Year	<u>\$ 176,686</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Unit

Pursuant to Chapter 105A of the Connecticut General Statutes, the Town established a special service district to be known as "West Hartford Center Special Service District." The purpose of the West Hartford Center Special Service District shall be to promote the economic and general welfare of the citizens and property owners of West Hartford both within and without such district through the preservation, enhancement, protection and development of the economic health and vitality of West Hartford. This legally separate entity is included as a component unit due to its close relationship to, or financial integration with the Town. This entity has its own separate corporate powers and cannot be reported as a component unit of another entity. The governing body of the special service district is substantially the same as the governing body of the Town. The Town is not responsible for the operational management of the special service district and the services provided by the district are not provided entirely to the Town or exclusively benefit the Town.

B. Government-Wide and Fund Financial Statements

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

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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 costs.

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

The Town reports the following major proprietary fund:

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

Additionally, the Town reports the following fund types:

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

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

The Agency Fund is used to account for assets held by the Town in an agent capacity for student activities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Leisure Services Fund, the Town's Risk Management Fund and the Utility Services Fund are charges to internal and external customers for sales and services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

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

Investments are reported at fair value.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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, 2016. This represents 16.7% of all property taxes receivable.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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:

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collection in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to pension results from differences of assumption or other inputs. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, school building receivables, long-term loans and other revenues. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

I. Compensated Absences

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

Eligible Town employees earn 15 days of sick leave per year and 10-25 days of vacation per year depending on the employees' length of service. A maximum of 150 days of sick leave and 50 days of vacation leave may be accrued. An employee leaving the employ of the Town is entitled to be paid a maximum of 50 days for vacation and 70-100 days unused sick leave upon retirement, based upon union contract.

Board of Education employees earn 10-18 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 90-220 days. Board of Education employees, with the exception of teachers, earn 10-30 days of vacation leave that cannot be accrued and must be used within the fiscal year. Upon termination, Board employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 35-60 days depending on bargaining units.

J. Net Pension Liability

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

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

L. Equity

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

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of West Hartford Town Council). A commitment of fund balance and any subsequent modification or rescission requires a resolution of the West Hartford Town Council.

Assigned Fund Balance

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

Unassigned Fund Balance

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

M. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are

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

considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

N. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

Legally adopted operating budgets were employed during the year for the General Fund and all special revenue funds, except the following: Cafeteria Fund, Drug Enforcement Fund, School Grants Fund, School Special Programs Fund, School Interscholastic Sports Fund, Police Home Ownership Program Fund, C.F. Morway Fund, The Town That Cares Fund, School Donations Trust, Affordable Housing

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

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 \$5,466 were made to the adopted fiscal year 2016 General Fund budget to increase total appropriations.

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

Appropriations in addition to those contained in the budget, made for the purpose of meeting a public emergency threatening the public peace, life, health or property within the Town and emergency appropriations, the total amount of which shall not exceed 3% percent of the current tax levy in any one fiscal year, may be made upon the recommendation of the Town Manager and by a vote of not less than two-thirds of the entire membership of the Town Council. A public hearing, at which any elector or taxpayer of the Town shall have an opportunity to be heard, shall be held prior to making such appropriation, notice of which hearing shall be given in a newspaper having circulation in the Town not more than ten (10) nor less than five (5) days prior to such hearing.

Such hearing and notice of hearing may be waived if the Town Council, by at least two-thirds of its entire membership, shall decide that a delay in making the emergency appropriation would jeopardize the public peace, life, health or property within the Town. In the absence of an available unappropriated and unencumbered General Fund cash balance to meet such appropriation, additional means of financing shall be provided in such manner, consistent with the provisions of the Connecticut General Statutes and of the Town Charter, as may be determined by the Town Council.

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$48,171 of the Town's bank balance of \$50,067 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 43,187
Uninsured and collateral held by the pledging trust department, not in the Town's name	<u>4,984</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 48,171</u></u>

The table above includes \$19 related to West Hartford Special Service District (a discretely presented component unit).

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, the Town's cash equivalents amounted to \$21,410. 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	*
Morgan Stanley	*

*Not rated

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

Investments

As of June 30, 2016, the Town had the following investments in the General Fund, Pension, OPEB and Risk Management Funds:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1-10	More Than 10
Interest-bearing investments:				
Certificates of Deposit	\$ 6,859	\$	\$ 6,859	\$
	5,947		4,571	1,376
U.S. Government Agencies	2,760	134	1,054	1,572
Corporate Bonds	1,198		1,151	47
Total	16,764	\$ 134	\$ 13,635	\$ 2,995
Other investments:				
Common Stock	159,498			
Mutual Funds	26,724			
Total Investments	\$ 202,986			

Interest Rate Risk

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

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the average rating of investments in debt securities.

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies	Certificates of Deposit
Aaa	\$ 1,198	\$ 5,947	\$ 2,760	\$
Unrated				6,859
	\$ 1,198	\$ 5,947	\$ 2,760	\$ 6,859

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.

TOWN OF WEST HARTFORD, CONNECTICUT
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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, 2016, 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.

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>June 30, 2016</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 5,947	\$ 2,619	\$ 3,328	\$
U.S. Government Agencies	2,760		2,760	
Corporate Bonds	1,198		1,198	
Common Stock	26,724	24,491	2,233	
Mutual Funds	<u>159,498</u>	<u>147,324</u>	<u>12,174</u>	
Total Investments by Fair Value Level	\$ <u>196,127</u>	\$ <u>174,434</u>	\$ <u>21,693</u>	\$ <u>-</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation</u>	<u>Leisure Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 2,806	\$	\$	\$	\$	\$ 2,806
Interest*					52	52
Accounts and other	93	37		104	2,755	2,989
Housing loans			2,938		117	3,055
Intergovernmental	<u>751</u>	<u>515</u>	<u></u>	<u></u>	<u>1,186</u>	<u>2,452</u>
Gross receivables	3,650	552	2,938	104	4,110	11,354
Less allowance for uncollectibles	<u>468</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>468</u>
Net Total Receivables	<u>\$ 3,182</u>	<u>\$ 552</u>	<u>\$ 2,938</u>	<u>\$ 104</u>	<u>\$ 4,110</u>	<u>\$ 10,886</u>

*Accrued interest on property taxes and long-term housing loans in the amount of \$1,379 are not included in the fund financial statements.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,570	\$	\$	\$	\$ 10,570
Construction in progress	<u>28,438</u>	<u>46,239</u>	<u>(9,212)</u>		<u>65,465</u>
Total capital assets not being depreciated	<u>39,008</u>	<u>46,239</u>	<u>(9,212)</u>	<u>-</u>	<u>76,035</u>
Capital assets being depreciated:					
Buildings	256,794		5,828		262,622
Land improvements	19,801				19,801
Vehicles	11,813	301		(516)	11,598
Furniture and equipment	11,865	1,131			12,996
Infrastructure	<u>187,993</u>	<u></u>	<u>3,384</u>	<u></u>	<u>191,377</u>
Total capital assets being depreciated	<u>488,266</u>	<u>1,432</u>	<u>9,212</u>	<u>(516)</u>	<u>498,394</u>
Less accumulated depreciation for:					
Buildings	(94,138)	(7,107)			(101,245)
Land improvements	(6,237)	(990)			(7,227)
Vehicles	(8,129)	(547)		474	(8,202)
Furniture and equipment	(8,282)	(756)			(9,038)
Infrastructure	<u>(102,677)</u>	<u>(4,483)</u>	<u></u>	<u></u>	<u>(107,160)</u>
Total accumulated depreciation	<u>(219,463)</u>	<u>(13,883)</u>	<u>-</u>	<u>474</u>	<u>(232,872)</u>
Total capital assets being depreciated, net	<u>268,803</u>	<u>(12,451)</u>	<u>9,212</u>	<u>(42)</u>	<u>265,522</u>
Governmental Activities Capital Assets, Net	<u>\$ 307,811</u>	<u>\$ 33,788</u>	<u>\$ -</u>	<u>\$ (42)</u>	<u>\$ 341,557</u>

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 3,118	\$ 786	\$ (2,251)	\$ (29)	\$ 1,624
Capital assets being depreciated:					
Buildings and systems	19,981				19,981
Land improvements	7,523		2,251		9,774
Furniture and equipment	1,319	25		(39)	1,305
Total capital assets being depreciated	<u>28,823</u>	<u>25</u>	<u>2,251</u>	<u>(39)</u>	<u>31,060</u>
Less accumulated depreciation for:					
Buildings and systems	(14,134)	(634)			(14,768)
Land improvements	(2,503)	(431)			(2,934)
Furniture and equipment	(1,252)	(29)		39	(1,242)
Total accumulated depreciation	<u>(17,889)</u>	<u>(1,094)</u>	<u>-</u>	<u>39</u>	<u>(18,944)</u>
Total capital assets being depreciated, net	<u>10,934</u>	<u>(1,069)</u>	<u>2,251</u>	<u>-</u>	<u>12,116</u>
Business-Type Activities Capital Assets, Net	\$ <u>14,052</u>	\$ <u>(283)</u>	\$ <u>-</u>	\$ <u>(29)</u>	\$ <u>13,740</u>

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

Governmental activities:	
General government	\$ 1,609
Public safety	1,027
Community maintenance	5,014
Human and cultural	736
Education	<u>5,497</u>
Total Depreciation Expense - Governmental Activities	\$ <u>13,883</u>
Business-type activities:	
Leisure Services Fund	\$ <u>1,094</u>

Construction Commitments

The Town had numerous active construction projects during the year ended June 30, 2016. The following is a summary of capital projects as of June 30, 2016:

	<u>Project Authorization</u>	<u>Cumulative Expenditures and Encumbrances</u>
Public buildings	\$ 12,707	\$ 9,035
Parks and recreation	5,132	4,238
Infrastructure	19,459	18,464
Miscellaneous	8,161	6,680
Schools	<u>64,679</u>	<u>62,968</u>
Total	\$ <u>110,138</u>	\$ <u>101,385</u>

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

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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2016 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,355	\$
Nonmajor Governmental Funds		882
Leisure Services Fund		<u>1,473</u>
Total	<u>\$ 2,355</u>	<u>\$ 2,355</u>

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

The following is a schedule of transfers by fund type:

<u>Transfers to</u>	<u>Transfers From</u>				
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	<u>Total Transfers</u>
General	\$	\$ 665	\$ 213	\$ 50	\$ 928
Capital Projects	2,380		289		2,669
Debt Service Fund	15,715				15,715
Nonmajor	2,055				2,055
Enterprise	<u>275</u>	<u>25</u>	<u>21</u>		<u>321</u>
Total	<u>\$ 20,425</u>	<u>\$ 690</u>	<u>\$ 523</u>	<u>\$ 50</u>	<u>\$ 21,688</u>

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

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7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 149,280	\$ 26,295	\$ (26,900)	\$ 148,675	\$ 15,220
Bond premium	4,765	1,812	(585)	5,992	
Total bonds payable	<u>154,045</u>	<u>28,107</u>	<u>(27,485)</u>	<u>154,667</u>	<u>15,220</u>
Compensated absences	20,627	8,312	(7,772)	21,167	8,160
Net OPEB obligation	7,736	545		8,281	
Net pension liability	190,540	45,139		235,679	
Risk management liability	<u>10,284</u>	<u>5,779</u>	<u>(5,996)</u>	<u>10,067</u>	<u>5,797</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 383,232</u>	<u>\$ 87,882</u>	<u>\$ (41,253)</u>	<u>\$ 429,861</u>	<u>\$ 29,177</u>
Business-Type Activities:					
Compensated absences	\$ 111	\$ 32	\$ (38)	\$ 105	\$ 45
Net pension liability	<u>3,039</u>	<u>586</u>		<u>3,625</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 3,150</u>	<u>\$ 618</u>	<u>\$ (38)</u>	<u>\$ 3,730</u>	<u>\$ 45</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, 2016. The net pension liability is paid from primarily the General Fund and Leisure Fund. The net OPEB obligation is paid from primarily the General Fund. Compensated absences are paid from revenues of the fund in which the employee is budgeted.

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

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Bonds Payable

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

<u>General Obligations</u>			
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 15,220	\$ 5,116	\$ 20,336
2018	15,235	4,620	19,855
2019	15,405	3,995	19,400
2020	14,630	3,404	18,034
2021	14,790	2,776	17,566
2022-2026	53,305	7,167	60,472
2027-2031	15,890	1,752	17,642
2032-2035	<u>4,200</u>	<u>315</u>	<u>4,515</u>
Total	\$ <u>148,675</u>	\$ <u>29,145</u>	\$ <u>177,820</u>

Principal Amount of Debt Indebtedness

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 2,563	2021
1/15/2001	Schools	4.10-4.50	4,750	1,188	2021
1/15/2002	General Purpose	3.50-4.75	6,415	1,925	2022
1/15/2002	Schools	3.50-4.75	7,085	2,126	2022
2/1/2007	General Purpose	4.00-5.50	12,547	836	2017
2/1/2007	Schools	4.00-5.50	2,453	163	2017
1/30/2008	General Purpose	3.00-5.00	10,722	1,430	2023
1/30/2008	Schools	3.00-5.00	4,278	570	2023
6/15/2009	General Purpose	2.00-3.50	10,903	2,907	2024
6/15/2009	Schools	2.00-3.50	4,097	1,093	2024
9/15/2009	Refunding - General Purpose	2.00-4.00	38,583	35,471	2026
9/15/2009	Refunding - Schools	2.00-4.00	3,077	2,829	2026
4/1/2010	Refunding - General Purpose	2.00-5.00	10,280	8,647	2024
4/1/2010	Refunding - Schools	2.00-5.00	10,330	8,688	2024
10/15/2010	General Purpose	2.00-4.00	6,002	2,007	2026
10/15/2010	Schools	2.00-4.00	1,998	668	2026
2/15/2012	General Purpose	2.50-5.00	11,648	9,318	2028
2/15/2012	Schools	2.50-5.00	3,352	2,682	2028
2/5/2014	General Purpose	2.63-5.00	12,830	11,111	2029
2/5/2014	Schools	2.63-5.00	7,170	6,209	2029
2/12/2015	General Purpose	2.00-3.00	9,655	9,172	2035
2/12/2015	Schools	2.00-3.00	11,345	10,778	2035
1/28/2016	General Purpose	2.00-4.00	12,537	12,536	2031
1/28/2016	Schools	2.00-4.00	1,463	1,463	2031
3/2/2016	Refunding - General Purpose	2.00-4.00	7,055	7,055	2025
3/2/2016	Refunding - Schools	2.00-4.00	<u>5,240</u>	<u>5,240</u>	2025
			\$ <u>226,065</u>	\$ <u>148,675</u>	

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General Obligation Bond Refunding

On March 2, 2016, the Town issued \$12,295 of general obligation refunding bonds with interest rates ranging from 2%-4%. The bonds were issued to refund outstanding principal amounts of the 2005 general obligation refunding bonds, the 2008A general obligation bonds, 2009A general obligation bonds and the 2010B general obligation bonds. The net proceeds of \$13,553 (after an original issue premium of \$1,258 and payment of \$127 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated March 2, 2016 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over the next 10 years by \$614 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$563. As of June 30, 2016, the amount of defeased debt outstanding from this refunding was \$9,650. This amount is removed from the governmental activities column of the statement of net position.

Prior Years' 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, 2016, the following refunded bonds outstanding are considered defeased:

<u>Original Issue</u>	<u>Date Refunded</u>	<u>Refunded Amount</u>	<u>Defeased Balance</u>
Tuesday, July 14, 2009	Wednesday, March 24, 2010	\$ 2,135	\$ 1,000
Thursday, February 7, 2008	Wednesday, March 24, 2010	2,000	2,000
Thursday, February 1, 2007	Wednesday, March 24, 2010	5,000	5,000

The following is a schedule of direct and overlapping debt as of June 30, 2016:

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to West Hartford</u>	<u>Outstanding Debt Applicable to Town</u>
West Hartford	\$ 148,675	100.00%	\$ 148,675
Metropolitan District Commission	914,104	22.36	204,394
Total			<u>\$ 353,069</u>

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

Category	Debt Limit	Net	Balance
General purpose	\$ 516,790	\$ 107,924	\$ 408,866
Schools	1,033,580	55,858	977,722
Sewers	861,316	204,394	656,922
Urban renewal	746,474		746,474
Pension deficit	689,053		689,053

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.61 billion. Except for proprietary fund bonds, if any, all long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State Statutes, includes long-term debt outstanding, bond anticipation notes outstanding and the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project. There were \$15,481 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2016. Additionally, school indebtedness is net of school building grants amounting to \$374.

As of June 30, 2016 the Town had, in addition to amounts referred to above, a total of \$48,286 authorized but unissued debt, consisting of \$25,746 for general public improvements and \$22,540 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.

TOWN OF WEST HARTFORD, CONNECTICUT
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8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	General Fund	Capital Projects Fund	CDBG Housing Rehabilitation Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Fund balances:						
Nonspendable:						
Inventory	\$ 257	\$	\$	\$	46	\$ 303
Private Cemetery					82	82
Restricted for:						
Grants			21		96	117
Westmoor park					407	407
Cemetery operating					1,376	1,376
C.F. Morway					40	40
Town that cares					165	165
School donations					126	126
Affordable housing					4	4
Veteran memorial					47	47
Committed to:						
Parking lot					2,210	2,210
Cafeteria					529	529
School special programs					1,649	1,649
West Hartford library					46	46
School interscholastic sports					6	6
Technology investment					1	1
Police private duty					254	254
Police home ownership					16	16
Cemetery operating					449	449
Debt and sundry				3,672		3,672
Capital projects		7,849				7,849
Assigned to:						
General government encumbrances	20					20
Community maintenance encumbrances	69				4	73
Human and cultural encumbrances	10					10
Education encumbrances	294					294
Public safety encumbrances	48					48
Unassigned	21,094					21,094
Total Fund Balances	\$ 21,792	\$ 7,849	\$ 21	\$ 3,672	\$ 7,553	\$ 40,887

Significant encumbrances at June 30, 2016 are contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$441 at June 30, 2016.

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.

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B. Insurance Coverage

The following is a summary of major coverage (not rounded):

Coverage	Retention	Limits
Excess workers' compensation	\$ 500	Statutory
General liability	250	\$ 20,000
Law enforcement liability	250	20,000
Public officials liability	250	20,000
School leaders liability	250	20,000
Automobile liability	250	20,000
Auto physical damage-comprehensive	5	Actual Cash Value
Property	50	\$ 500,000
Excess liability	N/A	15,000

Excess liability insurance is maintained with Gemini for \$5,000 excess of \$250 self-insurance retention and with Starr Company for \$15,000 excess of \$5,000. PMA Management Corporation of New England administers the Self-Insured Workers' Compensation and Self-Insured Risk Programs. Settled claims have not exceeded the commercial coverages above in any of the previous three years.

C. Loss Estimation Methodology

The Risk Management Fund receives revenues from other funds to finance its costs. Risk allocations are based on both exposure and experience factors, depending on the risk. In the case of the self-insured, workers' compensation and heart and hypertension programs, actuarial estimates are used to determine ultimate losses. Claims and loss expenses are accrued at their present value utilizing actuarially developed factors and discount rates. The discount rate used is 7.5%. The estimate of incurred but not reported (IBNR) health claims is based on two months average claims for the Town Health program and one month average claims for the Board of Education Health program. Total claims liabilities of \$10.1 million at June 30, 2016 are based on the requirements of GASB Statement 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

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

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2014-15	\$ 10,354	\$ 40,953	\$ (41,023)	\$ 10,284
2015-16	10,284	46,422	(46,639)	10,067

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10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in a single-employer plan in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town issues separate stand-alone financial statements for the Pension Fund, which can be obtained from the Town's Financial Services Department.

At July 1, 2015, plan membership consisted of the following:

Number of members:	
Active members	1,372
Retired members	<u>831</u>
Total Participants	<u><u>2,203</u></u>

B. Funding Policy

The Town has actuarially calculated and funded retiree health benefits in a reserve fund since 1985. All retiree claims are paid for in the reserve fund and funded from a combination of employee contributions, investment income on the reserve balance, revenue from the Medicare subsidy and an annual appropriation from the General Fund. The Health Reserve portion of the Risk Management Fund had net position of \$11,884 on June 30, 2016. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 7.5%.

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which requires the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. Other postemployment benefits for Town and Board of Education employees hired subsequent to an increase in the normal retirement age (July 2003 and forward with varying dates depending on union affiliation) are accounted for in the OPEB Trust Fund.

The Town also began to fund pre-plan change OPEB liabilities in the Trust Fund in fiscal year 2015 and is phasing in the Annual Required Contribution over 5 years. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

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

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

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

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

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

Board of Education

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

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

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

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

Police and Fire

Date of hire prior to July 1, 1986:

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

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

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

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

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

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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	\$ 11,251
Interest on net OPEB obligation	580
Adjustment to annual required contribution	<u>(473)</u>
Annual OPEB cost	11,358
Contributions made	<u>10,813</u>
Change in net OPEB obligation	545
Net OPEB obligation, beginning of year	<u>7,736</u>
Net OPEB Obligation, End of Year	<u>\$ 8,281</u>

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the three fiscal years ended June 30, 2016 are presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2014	\$ 9,063	\$ 7,690	85%	\$ 6,353
6/30/2015	9,856	8,473	86	7,736
6/30/2016	11,358	10,813	95	8,281

As of July 2015, the date of the most recent valuation, the plan was 0.48% funded. The actuarial accrued liability for benefits was approximately \$147,594 and the actuarial value of the assets was \$702, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$146,892.

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	\$ 80	\$ 107,490	\$ 107,410	0.07%	\$ 121,405	88.50%
7/1/2013	183	118,865	118,682	0.15%	127,047	93.40%
7/1/2015	702	147,594	146,892	0.48%	105,853	139%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
2011	\$ 6,979	91.4%
2012	7,318	88.1
2013	8,506	86.8
2014	8,999	85.4
2015	9,780	86.6
2016	11,251	96.0

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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, 2015 actuarial valuation, the entry age normal actuarial cost method was used, which changed from the projected unit credit actuarial cost method. The actuarial assumptions include a 7.50% rate of return for all participants, down from 7.75%. The annual healthcare cost trend rate starts at 8% in 2015, decreases by .5% per year down to 4.5% in 2022 and beyond. The prior annual healthcare cost trend rate was 6.8% initially, reduced by decrements to an ultimate rate of 4.7% over a period of 72 years. The general inflation assumption is 2.5%. Projected payroll growth rate was 3.5% down from 4%. The actuarial value of assets was determined using the market value which changed from the level percent method. The amortization method is amortized each year over a closed 30-year period.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town of West Hartford Retirement System

A. Plan Description and Benefits Provided

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

The Plan is administered by a Pension Board that is appointed by the Town Council and represents both management and employees. The Pension Board consists of 5 members who serve a 5-year term. The Pension Board issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to The Pension Board, 50 South Main Street, West Hartford, Connecticut 06107.

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

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

Membership in the Plan as of July 1, 2015 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	1,077
Terminated vested employees	81
Total inactive participants	<u>1,158</u>
Active participants	<u>856</u>
Total	<u><u>2,014</u></u>

TOWN OF WEST HARTFORD, CONNECTICUT
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B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

C. Funding Policy

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

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan amortizes the actuarial accrued liability over a 30-year period. Contributions are recommended by the actuary through the Town's fiscal year end of June 30. The Town's contributions for the fiscal years ended June 30, 2016 and 2015, were \$17,917 and \$17,712, respectively, and were in accordance with actuarially determined requirements.

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2016:

Asset Class	Target Allocation
Core fixed income	30%
U.S. Large Cap Equities	44
U.S. Small Cap Equities	11
Developed foreign equities	10
Real estate	5
Total	100%

TOWN OF WEST HARTFORD, CONNECTICUT
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(In Thousands)

Rate of Return

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (.52)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2016, were as follows:

Total pension liability	\$ 414,550
Plan fiduciary net position	<u>175,246</u>
Net Pension Liability	\$ <u>239,304</u>
Plan fiduciary net position as a percentage of the total pension liability	42.27%

F. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%; Prior 2.75%
Salary increases	Rates vary by age
Investment rate of return	7.50%, net of pension plan investment expense, including inflation; prior 7.54%

Mortality rates were based on the RP-2000 Annuitant and Non-Annuitant Mortality Tables for Male and Females projected to valuation date by Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core fixed income	2.20%
U.S. Large Cap Equities	5.55%
U.S. Small Cap Equities	5.85%
Developed foreign equities	5.85%
Real estate	4.10%

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

G. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2015	\$ 375,665	\$ 182,086	\$ 193,579
Changes for the year:			
Service cost	5,841		5,841
Interest on total pension liability	27,784		27,784
Effect of plan changes	3		3
Differences between expected and actual experience	31,784		31,784
Effect of assumptions changes or inputs	(12)		(12)
Benefit payments	(26,515)	(26,515)	-
Employer contributions		17,917	(17,917)
Member contributions		3,047	(3,047)
Net investment income (loss)		(976)	976
Administrative expenses		(313)	313
Net changes	38,885	(6,840)	45,725
Balances as of June 30, 2016	\$ 414,550	\$ 175,246	\$ 239,304

The overall net pension liability is \$239,304, of which \$235,679 is reported in governmental activities and \$3,625 is reported in business-type activities.

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 281,875	\$ 239,304	\$ 202,971

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

For the year ended June 30, 2016, the Town recognized pension expense of \$31,767, of which \$31,436 is reported as governmental activities and \$331 as business-type activities. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Employees' Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,153	\$
Changes of assumptions	2,562	9
Net difference between projected and actual earning on pension plan investments	<u>14,376</u>	<u></u>
Total	\$ <u>41,091</u>	\$ <u>9</u>

The overall deferred outflows of resources is \$41,091, of which \$40,468 is reported in governmental activities and \$623 is reported in business-type activities. The overall deferred inflows of resources is \$9, which is reported in governmental activities.

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

Year Ending June 30.

2016	\$ 14,384
2017	12,031
2018	11,770
2019	2,897

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

Teachers Retirement

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

Employees

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>204,358</u>
Total	\$	<u><u>204,358</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$16,374 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	21.00%	5.8%
Developed non-U.S. equities	18.00%	6.6%
Emerging markets (non-U.S.)	9.00%	8.3%
Core fixed income	7.00%	1.3%
Inflation linked bond fund	3.00%	1.0%
Emerging market bond	5.00%	3.7%
High yield bonds	5.00%	3.9%
Real estate	7.00%	5.1%
Private equity	11.00%	7.6%
Alternative investments	8.00%	4.1%
Cash	6.00%	0.4%
Total	<u>100.00%</u>	

F. Discount Rate

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

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

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

H. Other Information

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

TOWN OF WEST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(In Thousands)

12. COMMITMENTS AND CONTINGENCIES

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

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

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

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, 2016
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current year levy	\$ 223,960	\$ 225,095	\$ 225,324	\$ 229
Prior year's collections	1,350	1,350	1,367	17
Interest and liens fees	750	750	804	54
Motor vehicle supplement	1,925	1,925	2,077	152
Suspense			58	58
Total property taxes	<u>227,985</u>	<u>229,120</u>	<u>229,630</u>	<u>510</u>
Intergovernmental revenues:				
Federal:				
FEMA		103	40	(63)
EMS grant			24	24
Police Grants		253	179	(74)
Dial-A-Ride grant	<u>22</u>	<u>98</u>	<u>48</u>	<u>(50)</u>
Total federal assistance	<u>22</u>	<u>454</u>	<u>291</u>	<u>(163)</u>
State:				
Education cost sharing	18,181	19,781	19,962	181
School transportation	181	181	165	(16)
School building grants	136	136	136	-
Payments in lieu of taxes	1,319	1,319	989	(330)
Municipal revenue sharing	806	806	806	-
Disabled tax relief	5	5	6	1
Elderly tax exemption - circuit breaker	282	282	273	(9)
Veterans exemptions	70	70	71	1
Youth services grant	35	35	40	5
Alcohol/Drug abuse grant	6	6	7	1
Highway town aid	688	688	688	-
Mashantucket Pequot fund	211	211	210	(1)
Library grants	1	1	1	-
Miscellaneous state grants		85	18	(67)
Emergency 911 grant	141	141	141	-
Telephone access grant	<u>115</u>	<u>115</u>	<u>140</u>	<u>25</u>
Total state assistance	<u>22,177</u>	<u>23,862</u>	<u>23,653</u>	<u>(209)</u>
Total intergovernmental revenues	<u>22,199</u>	<u>24,316</u>	<u>23,944</u>	<u>(372)</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, 2016

(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Charges for services:				
Town Clerk	\$ 1,469	\$ 1,489	\$ 1,655	\$ 166
Financial Services	5	5	2	(3)
Assessment	2	2	2	-
Fire Department	300	488	613	125
Police Department	343	349	361	12
Community Services	1,848	1,848	1,999	151
Public Works	294	294	239	(55)
Human and Leisure Services	675	675	695	20
Library	65	65	58	(7)
Total charges for services	<u>5,001</u>	<u>5,215</u>	<u>5,624</u>	<u>409</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	300	300	465	165
Town-owned property rentals	204	204	367	163
Miscellaneous	<u>573</u>	<u>573</u>	<u>144</u>	<u>(429)</u>
Total miscellaneous local revenues	<u>1,077</u>	<u>1,077</u>	<u>976</u>	<u>(101)</u>
Income on investments	<u>250</u>	<u>250</u>	<u>629</u>	<u>379</u>
Total revenues	256,512	259,978	260,803	825
Other financing sources:				
Transfers in	<u>1,002</u>	<u>1,002</u>	<u>929</u>	<u>(73)</u>
Total	\$ <u>257,514</u>	\$ <u>260,980</u>	261,732	\$ <u>752</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.			16,374	
The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.			3,768	
Issuance of refunding bonds not budgeted			12,295	
Premium from refunding bonds not budgeted			<u>1,258</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>295,427</u>	

TOWN OF WEST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2016
(In Thousands)

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
General Government:				
Town Council:				
Personal services	\$ 107	\$ 115	\$ 115	\$ -
Non-personal expense	251	271	262	9
Debt and sundry	8	9	9	-
Total	<u>366</u>	<u>395</u>	<u>386</u>	<u>9</u>
Town Clerk:				
Personal services	151	163	163	-
Non-personal expense	92	99	99	-
Debt and sundry	10	11	10	1
Total	<u>253</u>	<u>273</u>	<u>272</u>	<u>1</u>
Town Manager:				
Personal services	262	269	269	-
Non-personal expense	4	4	3	1
Debt and sundry	15	17	17	-
Total	<u>281</u>	<u>290</u>	<u>289</u>	<u>1</u>
Corporation Counsel:				
Personal services	325	338	338	-
Non-personal expense	71	71	60	11
Debt and sundry	23	24	24	-
Total	<u>419</u>	<u>433</u>	<u>422</u>	<u>11</u>
Registrar of Voters:				
Personal services	213	230	230	-
Non-personal expense	43	46	46	-
Debt and sundry	12	13	11	2
Total	<u>268</u>	<u>289</u>	<u>287</u>	<u>2</u>
Information Technology:				
Personal services	423	457	457	-
Non-personal expense	278	283	283	-
Debt and sundry	31	35	35	-
Total	<u>732</u>	<u>775</u>	<u>775</u>	<u>-</u>
Financial Services:				
Personal services	1,551	1,736	1,736	-
Non-personal expense	446	446	408	38
Debt and sundry	115	127	127	-
Total	<u>2,112</u>	<u>2,309</u>	<u>2,271</u>	<u>38</u>
Assessment:				
Personal services	562	591	581	10
Non-personal expense	57	58	58	-
Debt and sundry	42	45	45	-
Total	<u>661</u>	<u>694</u>	<u>684</u>	<u>10</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Employee Services:				
Personal services	\$ 328	\$ 347	\$ 347	\$ -
Non-personal expense	70	70	68	2
Debt and sundry	24	26	26	-
Total	<u>422</u>	<u>443</u>	<u>441</u>	<u>2</u>
 Total general government	 <u>5,514</u>	 <u>5,901</u>	 <u>5,827</u>	 <u>74</u>
Public Safety:				
Fire Department:				
Personal services	9,817	9,904	9,903	1
Non-personal expense	794	815	813	2
Capital Outlay		35	35	-
Debt and sundry	151	156	147	9
Total	<u>10,762</u>	<u>10,910</u>	<u>10,898</u>	<u>12</u>
Police Department:				
Personal services	13,568	14,036	14,036	-
Non-personal expense	1,027	945	945	-
Debt and sundry	296	302	301	1
Total	<u>14,891</u>	<u>15,283</u>	<u>15,282</u>	<u>1</u>
 Total public safety	 <u>25,653</u>	 <u>26,193</u>	 <u>26,180</u>	 <u>13</u>
Community Maintenance:				
Community Services:				
Personal services	1,915	2,067	2,067	-
Non-personal expense	474	474	455	19
Debt and sundry	144	159	159	-
Total	<u>2,533</u>	<u>2,700</u>	<u>2,681</u>	<u>19</u>
Public Works:				
Personal services	3,953	3,842	3,842	-
Non-personal expense	7,140	6,510	6,505	5
Debt and sundry	295	313	278	35
Total	<u>11,388</u>	<u>10,665</u>	<u>10,625</u>	<u>40</u>
Plant and Facility Services:				
Personal services	1,082	1,175	1,175	-
Non-personal expense	868	1,187	1,185	2
Debt and sundry	82	87	86	1
Total	<u>2,032</u>	<u>2,449</u>	<u>2,446</u>	<u>3</u>
 Total community maintenance	 <u>15,953</u>	 <u>15,814</u>	 <u>15,752</u>	 <u>62</u>

(Continued on next page)

TOWN OF WEST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016
(In Thousands)

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Human and Cultural:				
Library:				
Personal services	\$ 2,420	\$ 2,562	\$ 2,454	\$ 108
Non-personal expense	654	662	660	2
Debt and sundry	174	184	182	2
Total	<u>3,248</u>	<u>3,408</u>	<u>3,296</u>	<u>112</u>
Human and Leisure Services:				
Personal services	1,840	1,902	1,891	11
Non-personal expense	963	1,039	950	89
Debt and sundry	101	107	103	4
Total	<u>2,904</u>	<u>3,048</u>	<u>2,944</u>	<u>104</u>
Total human and cultural	<u>6,152</u>	<u>6,456</u>	<u>6,240</u>	<u>216</u>
Education	<u>148,052</u>	<u>148,052</u>	<u>147,305</u>	<u>747</u>
Debt and sundry	<u>39,441</u>	<u>40,095</u>	<u>39,427</u>	<u>668</u>
Total expenditures	<u>240,765</u>	<u>242,511</u>	<u>240,731</u>	<u>1,780</u>
Other financing uses:				
Transfers out	<u>16,749</u>	<u>20,469</u>	<u>20,425</u>	<u>44</u>
Total	<u>\$ 257,514</u>	<u>\$ 262,980</u>	<u>261,156</u>	<u>\$ 1,824</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.			16,374	
The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.			3,768	
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.			(179)	
Payment to escrow agent not budgeted			13,424	
Refunding bond issuance cost not budgeted			129	
Inventory purchases are reported as expenditures for budgetary purposes.			<u>18</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 294,690</u>	

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, 2016
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 250	\$ 210	\$ (40)
Charges for services		2	2
Total revenues	<u>250</u>	<u>212</u>	<u>(38)</u>
Expenditures:			
Current:			
Human and cultural:			
Human services:			
Non-personal expense	<u>250</u>	<u>201</u>	<u>49</u>
Deficiency of Revenues over Expenditures	\$ <u>-</u>	11	\$ <u>11</u>
Fund Balance at Beginning of Year		<u>10</u>	
Fund Balance at End of Year		\$ <u>21</u>	

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 5,563	\$ 5,845	\$ 5,841
Interest	27,384	27,666	27,784
Effect of plan changes	57	(185)	3
Effect of economic/demographic gains or losses		886	31,784
Effect of assumption changes or inputs		7,220	(12)
Benefit payments	(24,332)	(25,209)	(26,515)
Net change in total pension liability	8,672	16,223	38,885
Total pension liability - beginning	350,770	359,442	375,665
Total pension liability - ending	359,442	375,665	414,550
Plan fiduciary net position:			
Contributions - employer	15,957	17,712	17,917
Contributions - member	2,621	2,675	3,047
Net investment income (loss)	28,230	8,632	(976)
Benefit payments	(24,332)	(25,209)	(26,515)
Administrative expense	(314)	(306)	(313)
Net change in plan fiduciary net position	22,162	3,504	(6,840)
Plan fiduciary net position - beginning	156,420	178,582	182,086
Plan fiduciary net position - ending	178,582	182,086	175,246
Net Pension Liability - Ending	\$ <u>180,860</u>	\$ <u>193,579</u>	\$ <u>239,304</u>
Plan fiduciary net position as a percentage of the total pension liability	49.68%	48.47%	42.27%
Covered-employee payroll	\$ 57,281	\$ 53,742	\$ 59,332
Net pension liability as a percentage of covered-employee payroll	315.74%	360.20%	403.33%

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

Notes to Schedule:

Changes of assumptions: In 2016, amounts reported as changes for assumptions resulted primarily from adjustments in the discount rate to 7.50% from 7.54%. In addition, inflation rate adjusted to 3.00% from 2.75%.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 5,942	\$ 6,001	\$ 6,813	\$ 7,481	\$ 10,002	\$ 11,648	\$ 14,167	\$ 15,957	\$ 17,712	\$ 17,917
Contributions in relation to the actuarially determined contribution	<u>5,942</u>	<u>6,100</u>	<u>6,812</u>	<u>7,480</u>	<u>10,000</u>	<u>11,648</u>	<u>14,167</u>	<u>15,957</u>	<u>17,712</u>	<u>17,917</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>(99)</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 38,533	\$ 40,074	\$ 48,107	\$ 50,031	\$ 53,028	\$ 55,150	\$ 55,078	\$ 57,281	\$ 53,742	\$ 59,332
Contributions as a percentage of covered-employee payroll	15.42%	15.22%	14.16%	14.95%	18.86%	21.12%	25.72%	27.86%	32.96%	30.20%

Notes to Schedule

Valuation date: July 1, 2015
Measurement date: June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	5-year smoothed market
Inflation	3%
Salary increases	Rates vary by age
Investment rate of return	7.50%
Retirement age	Rates vary by group and age
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2020 per Scale AA.

**TOWN OF WEST HARTFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST THREE FISCAL YEARS***

	2014	2015	2016
Annual money-weighted rate of return, net of investment expense	18.43%	4.69%	-0.52%

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

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

	<u>2015</u>	<u>2016</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>188,888</u>	<u>204,358</u>
Total	\$ <u>188,888</u>	\$ <u>204,358</u>
Town's covered-employee payroll	\$ 70,896	\$ 73,271
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%

Notes to Schedule

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

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

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APPENDIX B - FORM OF LEGAL OPINION OF BOND COUNSEL

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

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

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of West Hartford, Connecticut (the "Town") of its \$17,000,000 General Obligation Bonds, Series 2017A, dated February 16, 2017, maturing January 15, 2018-2032 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of February 16, 2017, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

Shipman & Goodwin LLP

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 16th day of February, 2017 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 \$17,000,000 General Obligation Bonds, Series 2017A, dated February 16, 2017 (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 February 2, 2017, 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, 2017), as follows:

(i) the audited 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, 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, 2017. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

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

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

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

Section 3. Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Identifying Information.

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

Section 8. Enforcement.

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

Section 9. Miscellaneous.

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

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WEST HARTFORD, CONNECTICUT

By _____
Ronald F. Van Winkle
Town Manager

By _____
Peter Privitera
Director of Financial Services

APPENDIX D – NOTICE OF SALE AND BID PROPOSAL

NOTICE OF SALE

\$17,000,000

TOWN OF WEST HARTFORD, CONNECTICUT

**GENERAL OBLIGATION BONDS, SERIES 2017A
BOOK-ENTRY-ONLY**

ELECTRONIC PROPOSALS via PARITY® will be received by the Town of West Hartford, Connecticut (the "Town"), at the offices of the Director of Financial Services, West Hartford Town Hall, 2nd Floor, 50 South Main Street, West Hartford, Connecticut 06107 until **11:00 A.M. (Eastern Standard Time) on THURSDAY,**

FEBRUARY 2, 2017

for the purchase, when issued, of the whole of the Town's \$17,000,000 General Obligation Bonds, Series 2017A, dated February 16, 2017, bearing interest payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2017, and maturing on January 15 in each year as follows:

2018	\$1,135,000	2026	\$1,135,000
2019	\$1,135,000	2027	\$1,135,000
2020	\$1,135,000	2028	\$1,135,000
2021	\$1,135,000	2029	\$1,135,000
2022	\$1,135,000	2030	\$1,135,000
2023	\$1,135,000	2031	\$1,135,000
2024	\$1,135,000	2032	\$1,110,000
2025	\$1,135,000		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about February 16, 2017. The Bonds will NOT be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

The Bonds maturing on or before January 15, 2022 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2023 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 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, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
January 15, 2022 and thereafter	100%

Proposals. All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$17,000,000 Bonds, or for less than par and accrued interest, will be considered.**

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 16, 2017, the date of the Bonds, results

in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY® by **11:00 A.M. (Eastern Standard Time), on Thursday, February 2, 2017**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY®, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY® are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY®, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations, and (3) that interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Official Statement. The Town has prepared a Preliminary Official Statement dated January 26, 2017 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision and amendment. The Town will provide to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

DTC Book-Entry. The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Certifying, Transfer and Paying Agent; Registrar. The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning purchaser to obtain CUSIP numbers for the Bonds prior to delivery. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of the winning purchaser to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Reoffering Price. IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES FOR THE BONDS AT WHICH A SUBSTANTIAL PORTION OF THE BONDS WERE SOLD.

Additional Information. For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated January 26, 2017. The Preliminary Official Statement may be accessed via the Internet at www.munios.com. Copies of the Preliminary Official Statement and Official Statement may be obtained from the undersigned, or from Mr. William N. Lindsay, Director, Independent Bond & Investment Consultants, LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone No. (203) 245-9603.

January 26, 2017

Ronald F. Van Winkle
Town Manager

Peter Privitera
Director of Financial Services

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