

OFFICIAL STATEMENT DATED NOVEMBER 23, 2016

MOODY'S: Aa2
S&P Underlying/Insured: AA/AA

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



**THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT**
\$108,315,000 GENERAL OBLIGATION BONDS, ISSUE OF 2016, SERIES C
BOOK-ENTRY ONLY

DATED

DUE

Date of Delivery

November 1, as shown below

Due November 1	Principal Amount	Coupon	Yield	CUSIP ¹	Due November 1	Principal Amount	Coupon	Yield	CUSIP ¹
2018	\$6,375,000	5.000%	1.720%	416489TR3	2025	\$6,370,000	5.000%	3.430%	416489TY8
2019	6,375,000	5.000%	2.030%	416489TS1	2026	6,370,000	5.000%	3.530%	416489TZ5
2020	6,375,000	5.000%	2.310%	416489TT9	2027	6,370,000	5.000%	3.670%	416489UA8
2021	6,375,000	5.000%	2.580%	416489TU6	2028	6,370,000	5.000%	3.750%	416489UB6
2022	6,375,000	5.000%	2.790%	416489TV4	2029	6,370,000	5.000%	3.830%	416489UC4
2023	6,370,000	5.000%	3.010%	416489TW2	2030	6,370,000	5.000%	3.890%	416489UD2
2024	6,370,000	5.000%	3.240%	416489TX0	2031	6,370,000	5.000%	3.960%	416489UE0
\$19,110,000 4.000% Term Bonds due November 1, 2034 Yield 4.270% CUSIP ¹ 416489UF7									

Interest on the Bonds will be payable on May 1, 2017 and semiannually thereafter on November 1 and May 1 in each year.



The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.

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

The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium if any, and interest on the Bonds will be payable by the District (as defined herein) or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

The Bonds will be general obligations of the District and the District 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 tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the "Member Municipalities"). See "Security and Remedies" herein.

U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hinckley, Allen & Snyder LLP, Co-Bond Counsel, of Hartford, Connecticut, and Soeder & Associates, LLC, Co-Bond Counsel, of Hartford, Connecticut. Certain other legal matters will be passed upon for the Underwriter by its counsel Squire Patton Boggs (US) LLP. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about December 1, 2016.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Morgan Stanley

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 District and are included solely for the convenience of the holders of the Bonds. The District 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.

This Official Statement does not constitute an offer to sell the Bonds or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon.

The information concerning DTC and the book-entry system set forth herein under the caption “BOND INFORMATION — Book-Entry Only Transfer System” has been furnished by DTC. Such information is believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District. All other information set forth herein has been obtained from the District and other sources (other than DTC) that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall create under any circumstances any indication that there has been no change in the affairs of the District or DTC since the date hereof. The Underwriter (as hereinafter defined) has provided the following sentence for inclusion in this Official Statement. *The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**CAUTIONARY STATEMENTS REGARDING FORWARD-
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “project,” “budget” or other similar words. Such forward-looking statements include, among others, certain statements in “PART II – Information Concerning the Metropolitan District” in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the District nor any other party plans to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances upon which such statements are based occur.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “Bond Insurance” and “Appendix D – Specimen Municipal Bond Insurance Policy”.

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

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PART I
INFORMATION CONCERNING THE BONDS
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
NOVEMBER 23, 2016

This Official Statement including the cover, Part I, Part II and the Appendices thereto, of The Metropolitan District, Hartford County, Connecticut (the "District") is provided for the purpose of presenting certain information relating to the District in connection with the original issuance and sale of \$108,315,000 General Obligation Bonds, Issue of 2016, Series C (the "Bonds") of the District.

Part I of this Official Statement, including the cover, and Appendices thereto, contains information relating to the Bonds. Part II of this Official Statement contains information about the District. The cover page, Part I, Part II and the Appendices thereto should be read collectively and in their entirety.

SERIES C BONDS ISSUE SUMMARY

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

Issuer:	The Metropolitan District, Hartford County, Connecticut (the "District").
Issue:	\$108,315,000 General Obligation Bonds, Issue of 2016, Series C (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	May 1, 2017 and semiannually thereafter on November 1 and May 1 in each year until maturity or earlier redemption.
Principal Due:	Serially, November 1, 2018 through 2034, as detailed on the cover page of this Official Statement.
Authorization and Purpose:	The Bond proceeds will be used to permanently finance \$113,500,000 of bond anticipation notes maturing on December 1, 2016 which provided funding for various sewer, water and public improvement projects of the District. See "Authorization and Purpose" herein.
Redemption:	The Bonds are subject to redemption prior to maturity as more fully described herein. See "Redemption" herein.
Security:	The Bonds will be general obligations of the District payable, unless paid from other sources, from general property tax revenues from Member Municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut comprising the District, proportionately as provided in the District's Charter (as defined herein), to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.
Bond Insurance:	Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix D to this Official Statement. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.
Credit Ratings:	S&P Global Ratings ("S&P") assigns an insured bond rating of AA upon the issuance of the Policy by AGM at the time of delivery of the Bonds. The District received underlying credit ratings on the Bonds of "Aa2", from Moody's Investors Service, Inc. ("Moody's") and "AA", from S&P. See "Ratings" herein.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall not be designated by the District 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.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Bonds (ii) timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Bonds; and (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut.
Legal Opinion:	Hinckley, Allen & Snyder LLP Hartford, Connecticut, and Soeder & Associates, LLC, Hartford, Connecticut, will serve as Co-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 December 1, 2016 against payment in Federal Funds.
Issuer Official:	Questions concerning the District and the Bonds should be addressed to: Mr. John M. Zinzarella, Deputy Chief Executive Officer of Business Services/Chief Financial Officer/Treasurer, Telephone: 860-278-7850 Ext. 3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
Financial Advisor:	FirstSouthwest, a Division of Hilltop Securities Inc., 628 Hebron Avenue, Suite 306, Glastonbury, Connecticut 06033, attention: Janette J. Marcoux, Director, Telephone: 860-290-3003; or Maureen Gurchigian, Managing Director, Telephone: 401-334-4267.

I. BOND INFORMATION

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to The Metropolitan District, Hartford County, Connecticut (the “District”) in connection with the issuance of \$108,315,000 General Obligation Bonds, Issue of 2016, Series C (the “Bonds”) of the District.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates is not intended to be a representation of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the District 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 District 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 District.

FirstSouthwest, a Division of Hilltop Securities Inc. (“FirstSouthwest”) is engaged as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. FirstSouthwest, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the District with respect to the financial statements of the District included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented therein.

Co-Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion in Appendix B “Forms of Opinion of Bond Counsel” herein), and they make no representation that they have independently verified the same.

Co-Bond Counsel express no opinion regarding, any tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds other than as set forth in “Tax Matters” herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on November 1 in each of the years and in principal amounts set forth on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable on May 1, 2017 and semiannually thereafter on November 1 and May 1 in each year until maturity and will be payable to the registered owners of the Bonds at the close of business on the fifteenth day of October and April in each year, or the preceding business day if the fifteenth is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Hartford, Connecticut (email: bhcorporatetrust@usbank.com). The legal opinions on the Bonds will be rendered by Hinckley, Allen & Snyder LLP and Soeder & Associates, LLC, in substantially the forms set forth in Appendix B to this Official Statement.

OPTIONAL REDEMPTION

The Bonds maturing on or before November 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2027 and thereafter, are subject to redemption prior to maturity, at the option of the District, on and after November 1, 2026, at any time in whole or in part, and by lot within a maturity in such amounts, in such series and in such order of maturity as the District 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 accrued and unpaid interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
November 1, 2026 and thereafter	100%

Notice of redemption shall be given by the District or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days and no more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as the name shall last appear on the registration books for the Bonds kept for such purpose. 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 sufficient 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 of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

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

The District, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the District will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the District authorizing the issuance of the Bonds and will not be conducted by the District or be the responsibility of, the District, the Registrar or Paying Agent.

MANDATORY REDEMPTION

The Bonds maturing on November 1, 2034 are further subject to mandatory redemption on each November 1 in the years set forth below at the price of par plus accrued interest to the date fixed for redemption from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem on November 1 of each year the principal amount of such bonds shown below:

<u>Year</u>	<u>Amount</u>
2032	\$6,370,000
2033	6,370,000
2034*	6,370,000

*final maturity

The District, at its option, may credit against any mandatory sinking fund redemption requirement any term bonds of the maturity then subject to redemption which have been purchased and cancelled by the District or which have been redeemed and not previously applied as a credit against any mandatory sinking fund redemption requirement.

Notice of Redemption. Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the respective Redemption Date (or such greater period of time as may be required by any Securities Depository), by first-class mail, to the registered owner of such bond at such bondowner's address as it appears on the books of registry or at such address as may have been filed with the registrar for that purpose.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 each series of the Bonds in the aggregate principal amount of each maturity and series, and will be deposited with DTC.

DTC, the world's largest securities 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 interests 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, 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 Bonds 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, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, 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 District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

DTC PRACTICES

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

SECURITY AND REMEDIES

The Bonds will be general obligations of the District, and the District 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 from Member Municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the "Member Municipalities"), comprising the District, proportionately as provided in the District's Charter, to pay the principal of and interest on the Bonds, and each Member Municipality is authorized to levy *ad valorem* taxes on all taxable property within its respective limits to pay such District taxes without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. Under existing statutes, the State of Connecticut (the "State") is obligated to pay the Member Municipalities the amount of tax revenue which the Member Municipalities would have received except for the limitation on their power to tax such dwelling houses. See "Part II – Information Concerning the Metropolitan District – Tax Base Data – Tax Collection Procedures" herein.

Payment of the Bonds is not limited to property tax revenues of the District or any other revenue source, but certain revenues of the District are 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 District. There are no statutory provisions for a lien on any portion of the tax levy to secure the Bonds, or judgments thereon, in priority to other claims. The District is authorized to issue revenue bonds for sewer or other projects, which may be secured by a pledge of certain revenues. The District has issued \$225,000,000 of Clean Water Project Revenue Bonds which are secured by a pledge of and payable solely from the District's Clean Water Project Charge (also known as the Special Sewer Service Surcharge).

The District 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 District. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the District 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 may take into account all relevant factors, including the current operating needs of the District, and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal or interest on the debt would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal bankruptcy code, the District may seek relief only, among other requirements, if it is specifically authorized to be a debtor under Chapter 9, Title 11 of the United States Code, 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 under Chapter 9, aforesaid, without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

TAXES – LEVY, APPORTIONMENT, COLLECTION

Under the District's Charter established by special Connecticut legislation, the District is authorized to levy an annual tax on each of its Member Municipalities in the aggregate amount sufficient to meet its budgeted sewer expenses. The tax is apportioned among the Member Municipalities on the basis of their respective tax receipts averaged over the prior three fiscal years. If the District is not paid by a municipality when due, the District is entitled to obtain the issuance of an execution against the goods and estate of the inhabitants of such municipality, such execution to be directed to a marshal for the seizure and sale of such goods sufficient to produce funds for payment of the District tax. See "Considerations for Bondholders" herein.

The District has never had to execute against the goods and estates of the inhabitants of its Member Municipalities due to the fact that all tax warrants have been paid to the District when declared due.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

The District 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. The District provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested. The District has adopted written disclosure procedures that it follows in the preparation of its annual information filings, material event notices and official statements.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Bonds; and (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form attached as Appendix C to this Official Statement.

The intent of such undertaking is to provide on a continuing basis the information described in the Rule. Accordingly, there is reserved the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of such information to be provided under such undertaking, the obligation pursuant to the Rule to provide such information also shall cease immediately.

The purpose of such undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights other than the remedy of specific performance in the event of any actual failure by the District to comply with its written undertaking.

The District 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 annual financial information and event notices pursuant to Rule 15c2-12. In the last five years, to the best of its knowledge, the District has not failed to comply with its obligations under its continuing disclosure agreements in all material respects.

As part of the District's internal compliance activities, the District determined that certain of its annual financial filings, which were timely filed, were not properly associated with CUSIP numbers of certain State Clean Water Fund bond issues for which the District may have been an obligated person. The District amended the affected filings to properly associate them with the proper CUSIP numbers. The District determined that certain of its annual financial information filings, which were timely filed, were not properly associated with all of the CUSIP numbers of its outstanding securities, including certain issues that were defeased (and subsequently retired). The District amended the affected filings to properly associate them with the proper CUSIP numbers, and put in place compliance procedures to assure future filings are properly associated.

In making the foregoing disclosures, the District does not thereby admit that these matters are material.

AUTHORIZATION AND PURPOSE

The District has the power to incur indebtedness as provided by the Connecticut General Statutes and the District Charter. As of the date of this Official Statement, the District has authorized debt for various water, sewer and combined funding capital projects in the aggregate amount of \$2,489,335,111, of which \$1,068,241,432 has previously been funded, leaving a total of \$1,307,593,679 of authorized and unissued debt. See “Part VIII Debt Summary - Authorized But Unissued Debt – The District” herein. The Bonds are being issued to retire at maturity certain bond anticipation notes of the District that were issued to finance various capital improvement projects of the District as set forth herein. See “Uses of Bond Proceeds” herein.

SOURCES AND USES OF BOND PROCEEDS

Sources of Funds

Par Amount of the Bonds	\$108,315,000.00
Net Original Issue Premium.....	<u>8,574,999.55</u>
Total Sources	\$116,889,999.55

Uses of Funds

Retirement of Bond Anticipation Notes	
Maturing on December 1, 2016.....	\$115,284,472.22
Bond Insurance.....	635,123.65
Underwriter Discount.....	590,349.94
Cost of Issuance ¹	<u>380,053.74</u>
Total Uses	\$116,889,999.55

¹Includes legal fees, printing costs, rating agency fees and other miscellaneous costs of issuance.

USES OF BOND PROCEEDS

Project	Amount Authorized	Bonded/Grants/Contributions	Notes Due 12/1/16	This Issue	Premium Applied	Authorized But Unissued
<u>Water Projects</u>						
2005 Water Distribution System Improvements.....	\$3,000,000	\$2,053,000	\$34,000	\$32,000	\$2,000	\$913,000
2005 Water Supply Facility & Site Improvements.....	700,000	696,000	3,000	3,000	0	1,000
2007 Treatment Facility Upgrades.....	1,100,000	1,066,000	33,000	32,000	1,000	1,000
2008 Farmington Avenue Water Main Replacement.....	1,000,000	636,000	6,000	6,000	0	358,000
2008 General Purpose Water.....	4,250,000	3,181,000	94,000	90,000	4,000	975,000
2008 Water Supply Facility Improvements.....	2,200,000	1,690,000	44,000	42,000	2,000	466,000
2009 Farmington Water Main Installation West Hartford.....	1,380,000	553,000	86,000	82,000	4,000	741,000
2009 Radio Frequency Automated Meter Reading.....	5,000,000	4,896,451	17,000	16,000	1,000	86,549
2009 Water Main - Farmington Avenue, Hartford.....	2,070,000	353,000	165,000	158,000	7,000	1,552,000
2010 CWP Water Main Replacement - Guilford, Etc. Hartford.....	3,607,000	2,786,314	12,000	11,000	1,000	808,686
2010 CWP Water Main Replacement - Wethersfield Avenue # 3.....	2,692,000	588,000	9,000	9,000	0	2,095,000
2010 Dam Safety Improvements - Res # 1.....	4,315,000	727,000	81,000	77,000	4,000	3,507,000
2010 Dam Safety Improvements - Res # 2.....	2,955,000	537,000	63,000	60,000	3,000	2,355,000
2010 Dam Safety Improvements - Res # 3.....	1,315,000	408,000	112,000	107,000	5,000	795,000
2010 General Purpose Water.....	3,251,000	1,562,320	154,000	147,000	7,000	1,534,680
2010 Hydraulic Computer Modeling.....	2,350,000	624,000	454,000	433,000	21,000	1,272,000
2010 Radio Frequency Automated Meter Reading.....	4,846,800	4,140,912	149,000	142,000	7,000	556,888
2010 Water Facilities Security & Improvement Program.....	4,492,000	2,676,000	249,000	238,000	11,000	1,567,000
2010 Water Main Replacement - Bloomfield.....	400,000	289,000	34,000	32,000	2,000	77,000
2010 Water Main Replacement - Farmington Ave, West Hartford.....	1,359,400	958,000	292,000	279,000	13,000	109,400
2010 Water Main Replacement - Hartford.....	1,000,000	171,000	156,000	149,000	7,000	673,000
2010 Water Main Replacement - Wethersfield.....	600,000	149,000	177,000	169,000	8,000	274,000
2010 Water Main Replacement - Windsor.....	400,000	26,000	11,000	11,000	0	363,000
2010 Water Pump Station Replacement Upgrade Program.....	4,800,000	557,000	201,000	192,000	9,000	4,042,000
2010 Water Supply Facility Improvements Program.....	2,500,000	2,155,000	239,000	228,000	11,000	106,000
2011 CWP - Water Main Replacements.....	3,750,000	3,256,447	127,000	121,000	6,000	366,553
2011 CWP Water Main Replacement - Farmington Ave, Hartford.....	800,000	0	19,000	18,000	1,000	781,000
2011 Dam Safety Improvements - Res #6.....	1,330,000	142,000	71,000	68,000	3,000	1,117,000
2011 Design of Water Main Replacements.....	1,000,000	105,000	264,000	252,000	12,000	631,000
2011 General Purpose Water.....	1,000,000	729,564	86,000	82,000	4,000	184,436
2011 Ground Water Development.....	5,000,000	304,000	1,000	1,000	0	4,695,000
2011 Radio Frequency Automated Meter Reading.....	1,500,000	491,972	625,000	596,000	29,000	383,028
2011 Water Main Replacement - Hamilton, Hartford, Phase II.....	4,750,000	172,000	85,000	81,000	4,000	4,493,000
2011 Water Main Replacement - Simmons Road, East Hartford.....	450,000	86,000	63,000	60,000	3,000	301,000
2011 Water Pump Station Improvements.....	1,200,000	549,396	137,000	131,000	6,000	513,604
2011 Water Supply Facility & Watershed Improvements.....	1,600,000	1,045,000	188,000	179,000	9,000	367,000
2011 Water Treatment Facility Upgrades.....	1,000,000	856,000	7,000	7,000	0	137,000
2012 Asset Management Construction Administration.....	904,000	0	19,000	18,000	1,000	885,000
2012 CWP Water Main Replacement - South Maple Ave West, Hartford	4,000,000	2,774,027	551,000	526,000	25,000	674,973
2012 Dam Safety Improvements - Goodwin & Saville.....	2,040,000	461,000	1,509,000	1,440,000	69,000	70,000
2012 Farmington Avenue Water Main Installation.....	1,868,000	1,265,000	150,000	143,000	7,000	453,000
2012 Paving Program.....	5,000,000	2,936,000	835,000	797,000	38,000	1,229,000
2012 Pump Station Upgrade - Canal Road.....	1,569,000	1,542,000	10,000	10,000	0	17,000
2012 Pump Station Upgrade - Newington & Orchard Road, Glastonbury .	4,200,000	2,109,199	230,000	220,000	10,000	1,860,801
2012 Radio Frequency Automated Meter Reading.....	5,000,000	1,250,000	421,000	402,000	19,000	3,329,000
2012 Standpipe & Above Grade Storage Tank Projects.....	4,224,000	56,000	36,000	34,000	2,000	4,132,000
2012 Structure Abandonment.....	603,000	0	12,000	11,000	1,000	591,000
2012 Water Main Replacement - Farmington Avenue.....	3,500,000	2,811,850	440,000	420,000	20,000	248,150
2012 Water Main Replacement - Montclair Drive.....	457,000	11,000	1,000	1,000	0	445,000
2012 Water Main Replacement - Retreat Avenue.....	4,094,000	2,205,572	1,019,000	972,000	47,000	869,428
2012 Water Storage Basin Upgrades.....	3,515,000	9,000	74,000	71,000	3,000	3,432,000
2012 Water Treatment Facilities Upgrade.....	2,500,000	948,000	839,000	801,000	38,000	713,000
2013 Asset Management Water Main Replacement.....	4,460,000	143,000	412,000	393,000	19,000	3,905,000
2013 Bloomfield Water Treatment Facility Filtered Water.....	5,000,000	174,000	540,000	515,000	25,000	4,286,000
2013 Buckingham Water Pump Station, Glastonbury.....	1,740,000	1,238,588	150,000	143,000	7,000	351,412
2013 CWP Water Main Rehabilitation - Fennway Street, Hartford.....	593,000	432,431	81,000	77,000	4,000	79,569
2013 CWP Water Main Replacement - Church Street, Hartford.....	370,000	25,000	79,000	75,000	4,000	266,000
2013 CWP Water Main Replacement - Portions of Church Street.....	4,570,000	181,000	136,000	130,000	6,000	4,253,000
2013 General Purpose Water.....	3,860,000	1,832,000	433,000	413,000	20,000	1,595,000
2013 Newington PRV Service Area Upgrades.....	2,330,000	72,000	125,000	119,000	6,000	2,133,000
2013 Paving Program.....	4,200,000	2,745,000	32,000	31,000	1,000	1,423,000
2013 Radio Frequency Automated Meter Reading.....	5,000,000	0	1,180,000	1,126,000	54,000	3,820,000
2013 Water Main Replacement - Franklin 13.....	2,100,000	1,445,011	461,000	440,000	21,000	193,989
2013 Water Main Replacement - Oakwood Ave, West Hartford.....	1,850,000	167,000	21,000	20,000	1,000	1,662,000
2013 Water Main Replacement - Pitkin Street.....	460,000	32,000	16,000	15,000	1,000	412,000
2013 Water Treatment Facility Upgrades.....	2,160,000	598,000	146,000	139,000	7,000	1,416,000
2014 Collinsville Road WTP Emergency Generator Replacement.....	700,000	34,000	27,000	26,000	1,000	639,000
2014 General Purpose Water.....	3,500,000	2,251,000	139,000	133,000	6,000	1,110,000
2014 Kilkenny Water.....	5,000,000	226,000	494,000	471,000	23,000	4,280,000
2014 Paving Program.....	3,000,000	156,000	2,758,000	2,632,000	126,000	86,000
2014 Phelps Brook Dam & East Dike Rehabilitation Project.....	3,000,000	145,000	83,000	79,000	4,000	2,772,000
2014 Radio Frequency Automated Meter Reading.....	5,000,000	0	150,000	143,000	7,000	4,850,000
2014 Renewable Energy Projects - Water Facilities.....	550,000	100,000	132,000	126,000	6,000	318,000
2014 Various Transmission Main Design & Construction.....	2,100,000	415,000	85,000	81,000	4,000	1,600,000
2014 Water Main Replacement - West Hartford.....	1,500,000	7,000	7,000	7,000	0	1,486,000
2014 Water Pump Station Improvements.....	175,000	73,000	6,000	6,000	0	96,000
2014 Water Rehabilitation Program.....	1,000,000	169,000	289,000	276,000	13,000	542,000
2014 Water Supply Generators.....	2,800,000	1,565,000	30,000	29,000	1,000	1,205,000
2014 Water Treatment Facilities Upgrades.....	2,300,000	551,000	546,000	521,000	25,000	1,203,000

Project	Amount Authorized	Previously	Notes Due 12/1/16	Bonds	Premium Applied	Authorized But Unissued
		Bonded/Grants/ Contributions		This Issue		
2015 General Purpose Water Program.....	4,000,000	449,000	23,000	22,000	1,000	3,528,000
2015 Hydrant Replacement Program.....	1,600,000	1,062,000	103,000	98,000	5,000	435,000
2015 Paving Program.....	2,500,000	2,435,000	20,000	19,000	1,000	45,000
2015 Water Rehabilitation Program.....	1,000,000	490,000	12,000	11,000	1,000	498,000
2015 Water Supply Improvements.....	3,000,000	792,000	80,000	76,000	4,000	2,128,000
2015 Water Treatment Facilities Upgrades.....	1,000,000	15,000	27,000	26,000	1,000	958,000
2016 WMR Simmons Road Area, East Hartford.....	3,800,000	0	20,000	19,000	1,000	3,780,000
Total Water Projects.....	\$214,655,200	\$79,615,054	\$19,537,000	\$18,644,000	\$893,000	\$115,503,146
Sewer Projects						
2006 Combined Sewer Separation.....	\$5,000,000	\$3,030,162	\$1,543,000	\$1,474,000	\$69,000	\$426,838
2006 CSO Abatement Program.....	5,000,000	1,500,216	3,302,000	3,151,000	151,000	197,784
2006 Sanitary Sewer Overflow - Engineering Design/Study.....	5,000,000	4,864,880	133,000	127,000	6,000	2,120
2006 Sanitary Sewer Overflow (SSO) - Newington.....	5,000,000	4,869,348	23,000	22,000	1,000	107,652
2006 Sanitary Sewer Overflow (SSO) - Rocky Hill.....	5,000,000	3,816,675	30,000	29,000	1,000	1,153,325
2006 Sanitary Sewer Overflow (SSO) - West Hartford.....	5,000,000	4,902,223	4,000	4,000	0	93,777
2006 Sanitary Sewer Overflow (SSO) - Wethersfield.....	5,000,000	4,674,805	123,000	117,000	6,000	202,195
2006 Wethersfield Cove Inflow & Infiltration Reduction.....	5,000,000	2,788,000	1,364,000	1,302,000	62,000	848,000
2007 Wastewater Treatment Facility Improvements.....	4,600,000	3,369,000	508,000	485,000	23,000	723,000
2007 Wastewater Treatment Facility Security & Communication.....	3,200,000	367,000	4,000	4,000	0	2,829,000
2008 Assessable Sewer.....	3,500,000	0	131,000	125,000	6,000	3,369,000
2008 Capacity Management Operations & Maintenance Compliance.....	5,000,000	3,682,000	151,000	144,000	7,000	1,167,000
2008 General Purpose Sewer.....	4,410,000	2,099,000	181,000	173,000	8,000	2,130,000
2008 Improvements to SCADA.....	2,500,000	1,145,000	1,229,000	1,173,000	56,000	126,000
2008 Water Pollution Control Infrastructure.....	2,000,000	959,000	322,000	307,000	15,000	719,000
2009 Assessable Sewer.....	2,904,000	0	990,000	945,000	45,000	1,914,000
2009 Assessable Sewer - Mountain Road, West Hartford.....	5,000,000	0	2,753,000	2,627,000	126,000	2,247,000
2009 Capacity Management Operations & Maintenance Compliance.....	5,000,000	4,644,000	2,000	2,000	0	354,000
2009 CMOM Compliance Capital Equipment.....	5,000,000	1,714,000	263,000	251,000	12,000	3,023,000
2009 General Purpose Sewer.....	3,507,000	2,680,000	13,000	12,000	1,000	814,000
2009 Hartford Odor Control Construction.....	4,888,000	2,024,000	72,000	69,000	3,000	2,792,000
2009 Water Pollution Control Infrastructure Replacements.....	4,455,000	3,422,000	348,000	332,000	16,000	685,000
2010 Assessable Sewer.....	510,000	0	117,000	112,000	5,000	393,000
2010 Backwater Valve Program/Private Property Inflow Disconnect.....	530,000	8,000	34,000	32,000	2,000	488,000
2010 General Purpose Sewer.....	2,702,000	1,887,000	337,000	322,000	15,000	478,000
2010 Sewer Study - Dividend Brook, Rocky Hill.....	300,000	145,000	117,000	112,000	5,000	38,000
2010 WPC EHWPCF Screen & Grit Replacement Program.....	3,823,000	520,000	1,959,000	1,871,000	88,000	1,344,000
2010 WPC Renewal & Replacements Program.....	2,000,000	1,424,000	255,000	243,000	12,000	321,000
2010 WPS Electrical Systems Modernization Program.....	4,280,000	987,000	214,000	204,000	10,000	3,079,000
2011 Capacity Management Operation & Maintenance - Compliance.....	2,800,000	1,094,000	1,357,000	1,295,000	62,000	349,000
2011 General Purpose Sewer.....	2,000,000	661,000	1,123,000	1,072,000	51,000	216,000
2011 Sewer Pump Station Improvement Pro. Ph II.....	300,000	0	185,000	177,000	8,000	115,000
2011 Sewer Pump Station Rehabilitation.....	2,000,000	865,000	161,000	154,000	7,000	974,000
2011 Sewer Study - Dividend Brook, Rocky Hill.....	4,500,000	0	119,000	114,000	5,000	4,381,000
2011 WPC Electronic Development.....	1,750,000	112,000	566,000	540,000	26,000	1,072,000
2011 WPC Equipment & Facility Refurbishment.....	1,200,000	934,000	61,000	58,000	3,000	205,000
2011 WPC Renewal & Replacements.....	2,250,000	829,000	605,000	577,000	28,000	816,000
2012 Backwater Valve.....	540,000	2,000	74,000	71,000	3,000	464,000
2012 East Hartford WPC Waste Water Screening Install.....	4,750,000	347,000	234,000	223,000	11,000	4,169,000
2012 General Purpose Sewer.....	5,000,000	204,000	1,017,000	971,000	46,000	3,779,000
2012 Hartford WPC Solids Handling & Processing.....	4,800,000	604,000	55,000	52,000	3,000	4,141,000
2012 Sanitary Sewer Replacements District - Wide.....	3,939,000	2,221,000	537,000	512,000	25,000	1,181,000
2012 Sanitary Sewer/Storm Drain Replacement Retreat Ave.....	5,000,000	518,000	172,000	164,000	8,000	4,310,000
2012 Sewer Gate Replacement Program District - Wide.....	1,296,000	378,000	89,000	85,000	4,000	829,000
2012 Sewer Pump Station Upgrades - Fishfy Street, Hartford.....	1,472,000	15,000	42,000	40,000	2,000	1,415,000
2012 Sewer Pump Station Upgrades - Mohawk Drive East.....	654,000	22,000	458,000	437,000	21,000	174,000
2012 Sewer Pump Station Upgrades - Ridge Street, Windsor.....	585,000	14,000	323,000	308,000	15,000	248,000
2012 Sewer Replacement - Montclair Drive, West Hartford.....	2,642,000	24,000	68,000	65,000	3,000	2,550,000
2012 Sewer Replacement - Woodland Ave & Peters Road.....	1,310,000	66,000	147,000	140,000	7,000	1,097,000
2012 WPC Equipment & Facilities Refurbishment.....	1,200,000	463,000	297,000	283,000	14,000	440,000
2012 WPC Renewal & Replacement.....	3,000,000	224,000	1,848,000	1,764,000	84,000	928,000
2013 Folly Brook Inflow/Infiltration, Wethersfield - Contract 1.....	4,850,000	0	321,000	306,000	15,000	4,529,000
2013 General Purpose Sewer.....	1,920,000	94,000	428,000	408,000	20,000	1,398,000
2013 HWPFC Cake Storage & Gravity.....	740,000	0	196,000	187,000	9,000	544,000
2013 Pump Station Upgrades - Brookside Street, Newington.....	3,240,000	28,000	14,000	13,000	1,000	3,198,000
2013 Pump Station Upgrades - Chateau Woods/High Path Road.....	500,000	20,000	465,000	444,000	21,000	15,000
2013 Pump Station Upgrades - Harvest Lane, Windsor.....	500,000	10,000	297,000	283,000	14,000	193,000
2013 Pump Station Upgrades - Meadow Street, Newington.....	620,000	20,000	468,000	447,000	21,000	132,000
2013 Pump Station Upgrades - Mohawk Drive, East Hartford.....	2,640,000	29,000	257,000	245,000	12,000	2,354,000
2013 Pump Station Upgrades - Motts - Wethersfield.....	510,000	22,000	44,000	42,000	2,000	444,000
2013 Pump Station Upgrades - Ridge Street, Windsor.....	630,000	22,000	399,000	381,000	18,000	209,000
2013 Rocky Hill Interceptor - Relief Sewer/Capacity Improvements.....	770,000	47,000	450,000	429,000	21,000	273,000
2013 Sewer Replacement - Oakwood Ave, West Hartford.....	4,560,000	76,000	152,000	145,000	7,000	4,332,000
2013 Sewer Replacement - Pheasant Lane.....	550,000	0	506,000	483,000	23,000	44,000
2013 Sewer Replacement/Repairs - 388-390 Farmington Ave, Hartford.....	1,900,000	0	26,000	25,000	1,000	1,874,000
2013 Various Sewer Pipe Replacement/Rehab - District Wide.....	4,940,000	942,000	1,197,000	1,142,000	55,000	2,801,000
2013 Windsor Inflow/Infiltration Removal.....	4,850,000	0	239,000	228,000	11,000	4,611,000
2013 WPC Equipment & Facilities Refurbishment.....	1,260,000	650,000	526,000	502,000	24,000	84,000
2013 WPC SCADA Upgrades.....	1,260,000	19,000	8,000	8,000	0	1,233,000

Project	Amount Authorized	Previously Bonded/Grants/ Contributions	Notes Due 12/1/16	Bonds		Authorized But Unissued
				This Issue	Premium Applied	
2014 General Purpose Sewer.....	5,000,000	5,000	748,000	714,000	34,000	4,247,000
2014 Hartford WPCF DAFT Sludge Equalization Design.....	800,000	0	759,000	724,000	35,000	41,000
2014 Hartford WPCF Sludge Mixing Tank, Sludge Screening, Upgrades...	5,000,000	0	730,000	697,000	33,000	4,270,000
2014 Hartford WPCF West Primary Settling Tanks.....	3,100,000	0	2,879,000	2,747,000	132,000	221,000
2014 Levee Protection System Improvements, East Hartford & Hartford.	3,100,000	0	40,000	38,000	2,000	3,060,000
2014 Pump Station Replacement - Rainbow Trunk, Windsor.....	5,000,000	0	471,000	449,000	22,000	4,529,000
2014 Pump Station Upgrades - Burnside Avenue, East Hartford.....	3,300,000	0	199,000	190,000	9,000	3,101,000
2014 Rehabilitation/Replacement NM - 14 Overflow, Hartford.....	1,050,000	0	24,000	23,000	1,000	1,026,000
2014 Renewable Energy Projects - Sewer Facilities.....	300,000	0	100,000	95,000	5,000	200,000
2014 Sewer Extension - Marsh Street, Wethersfield.....	400,000	0	47,000	45,000	2,000	353,000
2014 Sewer Rehabilitation Program.....	5,000,000	706,000	1,456,000	1,390,000	66,000	2,838,000
2014 Sewer Replacement - Madison Avenue, Hartford.....	1,000,000	0	125,000	119,000	6,000	875,000
2014 Various Sewer Pipe Replacement/Rehab.....	5,000,000	0	349,000	333,000	16,000	4,651,000
2014 Wastewater Pump Station Improvements.....	350,000	0	57,000	54,000	3,000	293,000
2014 WPC Equipment & Facilities Refurbishment.....	1,400,000	0	1,210,000	1,155,000	55,000	190,000
2014 WPC Renewal & Replacements.....	2,250,000	10,000	2,070,000	1,975,000	95,000	170,000
2015 East Hartford WPCF Compressor, DO Control & SCADA.....	5,000,000	0	310,000	296,000	14,000	4,690,000
2015 General Purpose Sewer.....	2,000,000	0	542,000	517,000	25,000	1,458,000
2015 Paving Program.....	2,500,000	0	1,157,000	1,104,000	53,000	1,343,000
2015 Sanitary Sewer Easements Acquisitions & Improvements.....	3,600,000	0	1,571,000	1,499,000	72,000	2,029,000
2015 Sewer Rehabilitation Program.....	5,000,000	0	1,513,000	1,444,000	69,000	3,487,000
2015 WPC Equipment & Facilities Improvements.....	2,600,000	0	823,000	785,000	38,000	1,777,000
Total Sewer Projects.....	\$262,087,000	\$73,819,309	\$49,233,000	\$46,984,000	\$2,249,000	\$139,034,691
Combined Funding Projects						
2007 Technology Improvements.....	\$3,100,000	\$2,966,000	\$2,000	\$2,000	\$0	\$132,000
2008 Facility & Building Improvements.....	1,500,000	1,139,000	53,000	51,000	2,000	308,000
2008 Pump Station Alarm Replacements.....	800,000	792,000	1,000	1,000	0	7,000
2008 Security System Upgrades.....	800,000	500,000	8,000	8,000	0	292,000
2009 Long-Term Strategic Initiatives.....	1,000,000	509,000	46,000	44,000	2,000	445,000
2009 Risk Management Initiatives.....	1,725,000	662,000	12,000	11,000	1,000	1,051,000
2010 CMMS - Phase II.....	2,640,000	163,000	206,000	197,000	9,000	2,271,000
2010 Facility & Equipment Improvements Program.....	444,000	107,000	261,000	249,000	12,000	76,000
2010 Information System Improvements # 1.....	3,600,000	3,393,000	33,000	31,000	2,000	174,000
2010 Vehicle and Equipment Replacement Program.....	1,931,000	1,306,000	624,000	596,000	28,000	1,000
2011 Facility & Equipment Improvements.....	1,400,000	592,000	231,000	220,000	11,000	577,000
2011 Headquarters Renovations.....	1,500,000	1,274,000	8,000	8,000	0	218,000
2011 Information System Improvements.....	700,000	634,000	15,000	14,000	1,000	51,000
2011 Pump Station Generators.....	4,800,000	3,524,000	88,000	84,000	4,000	1,188,000
2011 Security & SCADA Communication.....	1,000,000	55,000	301,000	287,000	14,000	644,000
2012 Facility Improvement Program.....	2,500,000	1,550,000	164,000	157,000	7,000	786,000
2012 Fleet Replacement.....	1,800,000	810,838	627,000	598,000	29,000	362,162
2012 Headquarters Parking Garage Renovations.....	3,095,000	1,382,000	1,232,000	1,176,000	56,000	481,000
2012 Information Technology Security Improvements.....	5,000,000	2,550,000	2,367,000	2,259,000	108,000	83,000
2012 Information Technology.....	3,000,000	2,733,000	29,000	28,000	1,000	238,000
2013 Communications System Upgrades.....	1,000,000	67,000	7,000	7,000	0	926,000
2013 Facilities Improvement Program.....	2,000,000	951,000	450,000	429,000	21,000	599,000
2013 Fleet Replacement.....	1,100,000	534,000	403,000	385,000	18,000	163,000
2013 Information Technology - Applications.....	5,000,000	179,000	2,136,000	2,038,000	98,000	2,685,000
2013 Information Technology - Hardware.....	5,000,000	1,832,000	2,778,000	2,651,000	127,000	390,000
2013 Information Technology - SAP/Oracle.....	5,000,000	3,084,000	1,495,000	1,427,000	68,000	421,000
2013 Land Improvements.....	1,000,000	85,000	318,000	303,000	15,000	597,000
2014 Construction Services.....	3,500,000	1,111,000	1,414,000	1,349,000	65,000	975,000
2014 Engineering Services.....	3,300,000	978,000	1,408,000	1,344,000	64,000	914,000
2014 Facilities Improvement Program.....	3,000,000	957,000	1,913,000	1,826,000	87,000	130,000
2014 Information Technology.....	5,000,000	0	4,829,000	4,608,000	221,000	171,000
2014 Land Improvements.....	1,000,000	189,000	423,000	404,000	19,000	388,000
2014 Survey & Construction.....	5,000,000	1,756,000	2,165,000	2,066,000	99,000	1,079,000
2014 Technical Services.....	2,600,000	925,000	1,072,000	1,023,000	49,000	603,000
2015 Administrative Facilities Improvement Program.....	2,000,000	10,000	29,000	28,000	1,000	1,961,000
2015 Construction Services.....	3,500,000	1,212,000	1,372,000	1,309,000	63,000	916,000
2015 Engineering Services.....	2,500,000	880,000	937,000	894,000	43,000	683,000
2015 Fleet Replacement.....	800,000	0	800,000	763,000	37,000	0
2015 Information Systems - Business Transformation SAP Upgrade.....	5,000,000	245,000	447,000	427,000	20,000	4,308,000
2015 Member Towns New GIS Base Map Development.....	1,600,000	0	342,000	326,000	16,000	1,258,000
2015 Survey & Construction.....	5,000,000	2,066,000	2,109,000	2,013,000	96,000	825,000
2015 Technical Services.....	4,000,000	1,420,000	1,589,000	1,516,000	73,000	991,000
2016 Construction Services.....	3,500,000	0	2,041,000	1,948,000	93,000	1,459,000
2016 Engineering Services.....	2,500,000	0	1,217,000	1,161,000	56,000	1,283,000
2016 Fleet Replacement.....	1,300,000	0	676,000	645,000	31,000	624,000
2016 Information Systems IT Upgrades.....	5,000,000	14,000	52,000	50,000	2,000	4,934,000
2016 Survey & Construction.....	5,000,000	0	3,700,000	3,531,000	169,000	1,300,000
2016 Technical Services.....	3,400,000	0	2,300,000	2,195,000	105,000	1,100,000
Total Combined Funding Projects.....	\$130,935,000	\$45,136,838	\$44,730,000	\$42,687,000	\$2,043,000	\$41,068,162
Total.....	\$607,677,200	\$198,571,202	\$113,500,000	\$108,315,000	\$5,185,000	\$295,605,999

RATINGS

S&P Global Ratings (“S&P”) assigns an insured bond rating of AA upon the issuance of the Policy by AGM at the time of delivery of the Bonds. The District received underlying credit ratings of “Aa2”, with a negative outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a negative outlook from S&P on the Bonds.

The ratings reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained from Moody’s at, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P at, 55 Water Street, 45th Floor, New York, New York 10041, respectively. There is no assurance that the ratings will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agencies if in its judgment circumstances so warrant. Any such downward change in or withdrawal of ratings may have an adverse effect on the marketability or market price of the District’s bonds and notes.

TAX MATTERS

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

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

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

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

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds. Co-Bond Counsel has not opined on any tax consequence not specifically stated in the opinions set forth in Appendix B.

Original Issue Discount

To the extent the issue price of any maturity on the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Connecticut taxable income. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or

wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisor with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Original Issue Premium

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

Under Section 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences for the disposition of and receipt of interest on the Bonds.

General

The opinion of Co-Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Co-Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

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 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. Prospective purchasers of the Bonds should consult their own tax and financial advisers regarding such matters.

CONSIDERATIONS FOR BONDHOLDERS

In making an investment decision with respect to the Bonds, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors.

If the District fails to comply with the terms of certain Federal and State environmental orders, it could be subject to penalties or restrictions on its operations that would impair its financial performance. If the District were unable to comply with the terms of the Federal and State orders referred to under "Clean Water Project" on page 26, regulators could take action to force the District to comply. This could include monetary penalties, injunctive proceedings, and amendments to these orders. These amendments could impose a requirement to proceed more swiftly in the District's efforts, and this may increase the cost of compliance. In addition, regulators could impose additional and more burdensome conditions in the District's permits, require redesign of certain aspects of the Clean Water Project or seek to prevent new connections until compliance was achieved. These steps could increase the costs of compliance and therefore increase the District's rates, adversely affect economic development, and otherwise materially adversely affect the District and its customers.

A significant portion of the District's Clean Water Project is expected to be funded through Federal and State loans and grants. The District currently expects grants and low interest loans from the State Clean Water Fund will fund 45-50% of the costs of the Clean Water Project. If the Clean Water Fund has insufficient resources to fund the Clean Water Project at this level, the District may be required to issue more debt than it expects, or seek other

financing, which will put the District's finances under greater pressure. The Clean Water Fund receives significant funding from the Federal government, and a failure of the Federal government to continue necessary support could lead to these consequences.

The District could seek protection from its creditors under the Federal Bankruptcy Act. Under current state law, the District is prohibited from filing for bankruptcy without the consent of the Governor of the State. The operations of the District as a whole could force it to seek such protection, as have other municipal bodies in other states.

The District's infrastructure may be vulnerable to terrorism, natural disasters such as floods, and other threats that may require expensive repairs. The District's infrastructure of reservoirs, dams, pipes and treatment plants has a large footprint. Some aspects of its infrastructure are not redundant. As a result, the infrastructure could be vulnerable to failures caused by terrorism or natural disasters such as floods. In particular, the District's Hartford wastewater treatment plant lies in a flood zone protected by levees. The District has identified vulnerabilities in these levees, which are maintained by other governmental entities and not by the District. If the levees were to fail during a flood event, the Hartford wastewater treatment plant could be damaged and require extensive emergency repairs, the cost of which could substantially exceed available insurance proceeds. This could have an adverse financial impact on the District, its service area and its ratepayers.

The District's remedies for the failure of a municipality to make its required payments may be controversial, may be resisted, and may take time to produce liquid resources to support the District's operations. If any Member Municipality fails to pay its taxes due to the District, the District is empowered under its Charter to execute against the goods and estate of the inhabitants of such Member Municipality. This remedy, which was prevalent for much of Connecticut's history, but virtually unused in modern times, would afford the District legal recourse to seize and sell real and personal property of inhabitants in a defaulting Member Municipality, jointly and severally. The District has never had to invoke this power. If invoked, this process may be the subject of litigation. No assurance can be given that invoking this power will produce for the District, when needed, liquid resources to support the District's operations.

The District's ability to collect taxes from a Member Municipality would be impaired if the Member Municipality filed for bankruptcy under the Federal Bankruptcy Act. If a Member Municipality seeks protection from its creditors under the Federal Bankruptcy Act, the ability of the District to collect tax payments from the Member Municipality would be impaired. Under current State law, a municipality is prohibited from filing for bankruptcy without the express prior written consent of the Governor. If such consent was granted, a bankruptcy filing likely would act as a stay of the ability of the District to enforce its right to payment, including its right to execute on the goods and estate of the inhabitants of the Member Municipality. Under such circumstances, the District might not be able to collect the full amount of taxes owed to it by the Member Municipality. In the event that a Member Municipality is permitted to seek relief under the Federal Bankruptcy Act, it is difficult to predict whether the claim would prevail and what remedies, if any, a bankruptcy judge would permit the District to exercise. The bankruptcy case law is not fully developed in areas where a court has to consider and apply state law and to determine appropriate remedies in connection with the delivery of essential services. The same is true if the District were permitted to seek relief under the Federal Bankruptcy Act.

The City of Hartford is facing fiscal challenges which may impact the District. The City of Hartford (the "City") is the most populous Member Municipality and is responsible for approximately one quarter of the District's annual tax revenues. Financial and other information about the City is set out at page 65 of this Official Statement. The City has paid, on time and in full, all of its tax obligations to the District to date.

In its adopted budget for the year ended June 30, 2017, the City appropriated \$552.9 million of expenditures. The budget assumed that the City would achieve employee concessions and other savings of \$16.5 million, which have not materialized, and drew down the City's \$8.4 million fund balance. The adopted budget also forecasts future City general fund deficits of \$32.8 million for its fiscal year ended June 30, 2018, rising to \$77.3 million for its fiscal year ended June 30, 2022. In an accompanying statement, the Mayor stated an intention to seek a regional consensus for a new fiscal framework for the City. In submissions to the Connecticut Municipal Finance Advisory Commission in September 2016, the Mayor advised that the City now projected a deficit for the fiscal year ended June 30, 2017 of \$22.6 million, and that it forecast serious cash flow issues by June 2017, at which time sufficient funding sources would not be available for the City to meet all of its obligations.

The District's management expects that the City will seek legislative action in the upcoming General Assembly session convening in January 2017 to assist the City in its financial situation, and intends to monitor developments closely.

Management believes that it is prudent for the District to develop a contingency plan for addressing the possibility that the City will be unable or unwilling to meet its tax obligations to the District in a timely fashion.

To that end, management proposed a budget for the District's fiscal year ending December 31, 2017 that would have flexibility to derive additional revenues from the other seven Member Municipalities in the event that the City failed to pay its tax obligations. Under the proposed budget, the District would assess a tax on its Member Municipalities to fund its sewer operations, payable in four quarterly installments due in mid-January, mid-April, mid-July and mid-October, following its current practice. In addition, the District would assess an additional component of its annual tax in an amount sufficient to raise from the other seven Member Municipalities any portion of the taxes assessed on the City which the City failed to pay. If the City made all or a portion of its payments the additional component would be reduced accordingly.

Management of the District has continued to work with the Member Municipalities on such a contingency plan for addressing the possibility that the City will be unable or unwilling to meet its tax obligations to the District in a timely fashion.

In meetings with representatives of the Member Municipalities, many of whom continued to express reservations about the contingency plan, the Mayor of Hartford committed to the payment by the City of the District taxes to be levied in the first half of calendar year 2017, stating that those amounts were within the City's budgeted appropriations and available resources. Because the City has not yet adopted a budget for its fiscal year beginning July 1, 2017, a similar commitment for the second half of the calendar year 2017 is premature. The Mayor further stated his continued desire in the next session of the State's General Assembly which convenes in January 2017 to seek the assistance of the State and the region in a resolution of the structural issues facing the City because of the significant amount of tax-exempt properties in the City and, consequently, its limited grand list.

In view of this commitment, management of the District amended the proposed budget to incorporate a revised contingency plan that focused on the possibility that the City might be unwilling or unable to meet its tax obligations to the District in the second half of calendar year 2017. Under the revised plan, the District would assess an additional component of its annual tax due at the end of October 2017, in an amount sufficient to raise from the other seven Member Municipalities any part of the taxes assessed on the City and due in mid-July and mid-October that the City failed to pay. If the City paid all or a portion of those tax installments by December 31, 2017, the additional component would be reduced or returned promptly. In addition, if the District borrowed on a short term basis to handle a non-payment and spread the burden on the other Member Municipalities in a more manageable way, the additional component would be reduced or returned promptly.

On November 22, 2017, the Board of Finance and the District Board met in a special meeting and approved the District's 2017 budget incorporating the revised contingency plan. The 2017 budget includes expenditures of \$160,341,900, representing a 7.4% increase over the 2016 budget, and revenues of \$160,341,900, representing a 7.4% increase over the 2016 budget. The revenues include a tax obligation on the Member Municipalities of \$49,644,000, of which the City's share would be \$13,061,000. \$5,875,750 of the City's share would be due in the second half of 2017, and the 2017 budget includes a contingent tax obligation payable by the Member Municipalities of \$7,973,600 (\$5,875,750 of which is allocated to the Member Municipalities other than the City). See "Revenues and Appropriations" herein. The District Board intends to meet again on December 5, 2017 to address some remaining budgetary matters, including revisions to its industrial rates and raw water rate.

Management of the District believes that its existing resources, together with the contingent obligation of the other Member Municipalities for the second half of 2017, are sufficient to fund its operations for the full year if the City fails to make any portion of its 2017 tax installments. The District tax installments are larger in the second half of the calendar year than in the first, to accommodate the budgeting practices of the Member Municipalities, which operate on a June 30 fiscal year. Accordingly, the District may find it prudent to issue tax anticipation notes against the contingent obligations of the other Member Municipalities in the event of a non-payment by the City earlier in the year. If the City fails to meet its obligation to the District, the District Counsel has said he would expect to pursue all means at the District's disposal to cause the City's obligation to be satisfied, including enforcement action directly against the City.

The District intends to seek legislation in the next legislative session of the General Assembly (expected to begin on January 4, 2017) to give it additional tools to handle such events, and thereby to enhance protection for the District and its Member Municipalities. This may take the form of an amendment to the District's Charter, or may be incorporated within measures that are specific only to the City. No assurance can be given that any such legislation will be enacted or, if enacted, that it will be effective in the event of a non-payment by the City.

BOND INSURANCE

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix D to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 27, 2016, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 10, 2015, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Capitalization of AGM

At September 30, 2016, AGM's policyholders' surplus and contingency reserve were approximately \$3,891 million and its net unearned premium reserve was approximately \$1,378 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 (filed by AGL with the SEC on August 4, 2016); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 (filed by AGL with the SEC on November 4, 2016).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

II. LEGAL AND OTHER INFORMATION

LITIGATION

The District

The District is the defendant in a number of lawsuits. It is the opinion of the District Counsel that none of the lawsuits will have a material adverse effect on the financial position of the District. In addition, please see the discussion regarding the Connecticut Resources Recovery Authority, now known as the Materials Innovation and Recycling Authority (the “CRRA”) under “District Functions” on page 24 herein.

The Town of Glastonbury received a judgment against the District in a lawsuit challenging the imposition of a non-member town capital infrastructure surcharge. Through this surcharge the District recaptures the proportional cost of the infrastructure utilized to provide Glastonbury and other non-member town customers with water. The District believes it possessed the authority to collect the surcharge. In 2014 the General Assembly passed Special Act 14-21 which, among other things, expressly provided for the surcharge but limited any surcharge to the amount of a customer service charge, effective January 1, 2015. Since January 1, 2015 the District has applied a surcharge consistent with Special Act 14-21 and expects the surcharge to collect \$1.7 million in fiscal year 2015, compared to \$2.0 million in fiscal year 2014.

The District has appealed the decision and expects to prevail on appeal. The Town of Glastonbury did not ask for money damages in its suit. The suit is for the surcharge assessed to the Town of Glastonbury for its own municipal use of water. If the town prevails, it will have to file a second suit for the claimed overcharge damages. The statute of limitations would limit damages to the three years immediately preceding the filing of the second lawsuit. Since the legislature specifically authorized the charges currently in place, there could be no damages from January 1, 2015 onward. Even if successful, damages are expected to be minimal.

UNDERWRITING

Morgan Stanley & Co. LLC (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Bonds from the District at a net aggregate purchase price of \$116,299,649.61 (consisting of the principal amount of \$108,315,000.00 plus net original issue premium of \$8,574,999.55 less Underwriter’s discount of \$590,349.94). The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the into investment trusts) at prices lower than the public offering prices stated on the cover page of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and certain of its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the District, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Hinckley, Allen & Snyder LLP Co-Bond Counsel to the District and Soeder & Associates, LLC, Co-Bond Counsel to the District. Complete copies of the proposed forms of Co-Bond Counsel's opinions are set forth as Appendix B hereto.

Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP which undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

FINANCIAL ADVISOR

FirstSouthwest, a division of Hilltop Securities Inc. (the "Financial Advisor"), has served as financial advisor to the District in connection with the financing described in this Official Statement. Financial Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement, or any other related information available to District, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the District and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Certain information herein has been derived by the District from various officials, departments and other sources and is believed by the District to be reliable, but such information, other than that obtained from official records of the District, has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the District, and executed for and on behalf of the District by the following official:

**THE METROPOLITAN DISTRICT
OF HARTFORD COUNTY, CONNECTICUT**

By: /s/ John M. Zinzarella

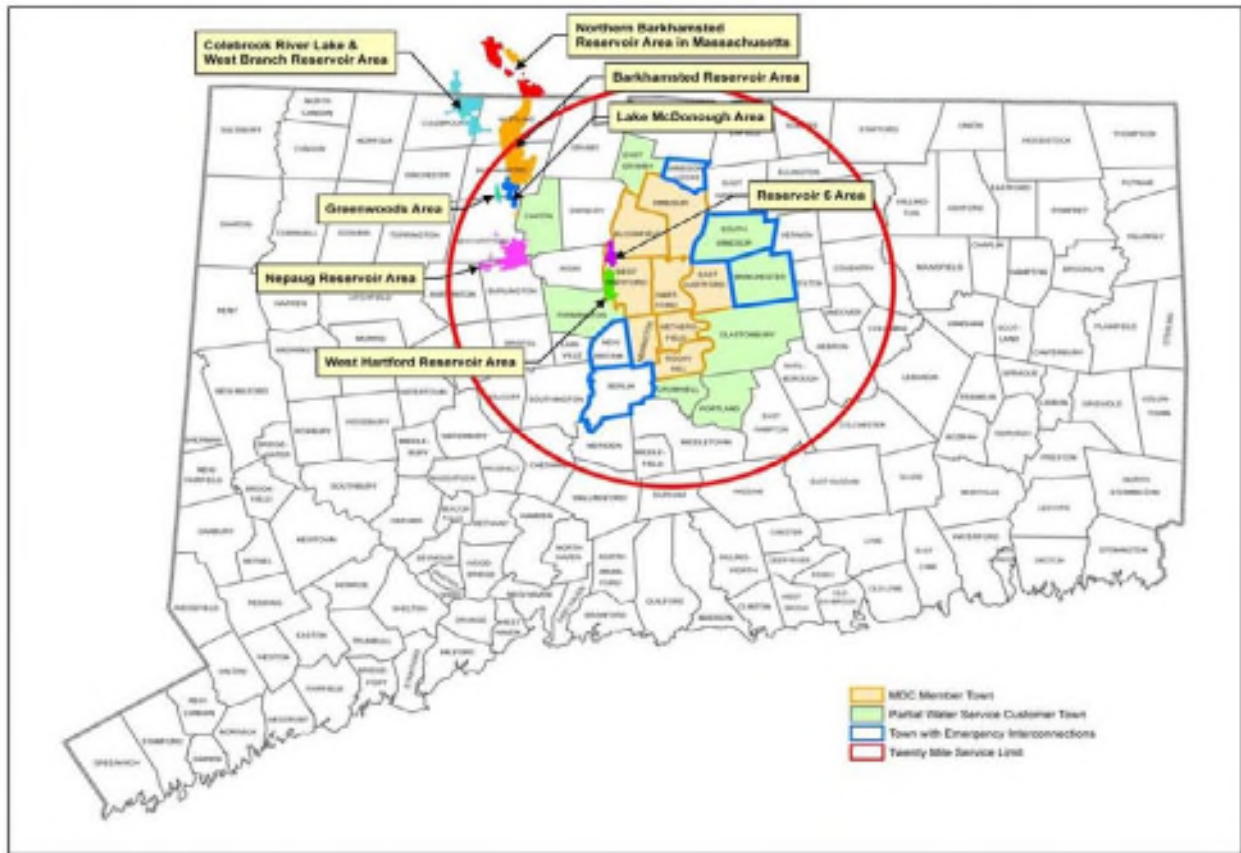
*John M. Zinzarella, Deputy Chief Executive Officer of
Business Services/Chief Financial Officer/Treasurer*

November 23, 2016

PART II
INFORMATION CONCERNING
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
November 23, 2016

This Part II contains information through November 23, 2016, concerning the District and includes the December 31, 2015 audited financial statements of the District prepared in accordance with generally accepted accounting principles ("GAAP") as Appendix A. This Part II and any appendices attached thereto, should be read collectively and in their entirety.

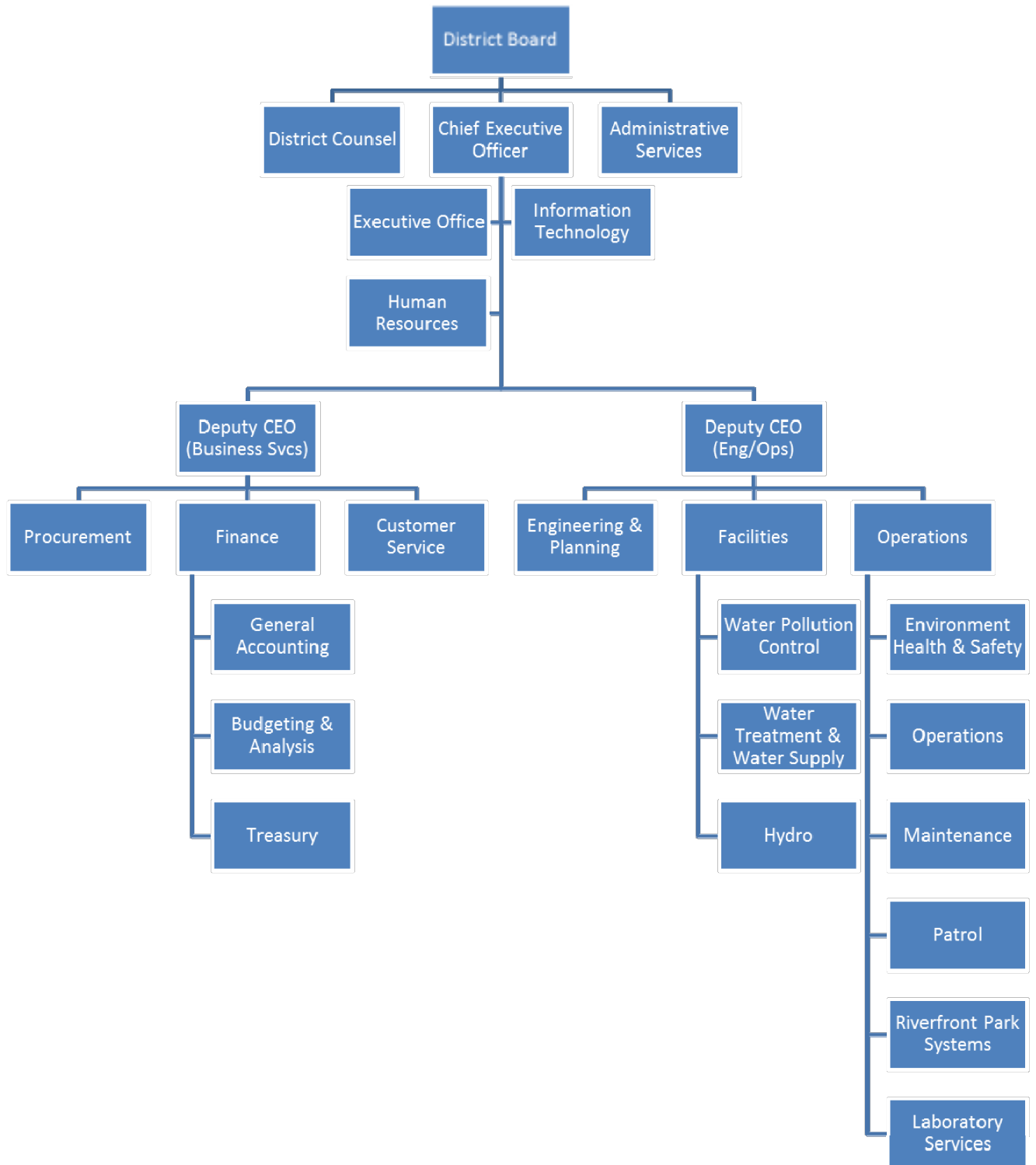
I. THE ISSUER



DESCRIPTION OF THE DISTRICT

The District was created by the Connecticut General Assembly in 1929 and operates as a specially chartered municipal corporation of the State under Act No. 511 of the 1929 Special Acts of the State, as amended (the “MDC Charter”). The District’s purpose is to provide, as authorized, a complete, adequate and modern system of water supply, sewage collection and disposal facilities for its Member Municipalities. Additionally, as a result of a Charter, amendment, approved by the Connecticut General Assembly in 1979, the District is also empowered to construct, maintain, and operate hydroelectric dams. The Member Municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (the “Member Municipalities”). The District also provides sewage disposal facilities and supplies water, under special agreements, to all or portions of non-member towns as well as various state facilities. The towns currently include Berlin, East Granby, Farmington, Glastonbury, Manchester, New Britain, Portland, South Windsor, Unionville and Windsor Locks.

ORGANIZATIONAL CHART



THE DISTRICT BOARD

A 33-member Board of Commissioners, referred to as the District Board, governs the District. The Member Municipalities appoint seventeen of the commissioners, eight are appointed by the Governor, and four are appointed by the leadership of the Connecticut State Legislature. Four nonvoting commissioners are appointed from non-member municipalities, one each from the towns of Glastonbury, South Windsor, East Granby and Farmington. Appointments made by municipalities having three or more members are subject to the minority representation provisions of Section 9-167a of the Connecticut General Statutes. All commissioners serve without remuneration for terms of six years from January first in the year of their appointment until their successors are appointed and qualify.

DISTRIBUTION OF COMMISSION MEMBERSHIP

	Commissioners	Appointed By:			
		Member Municipality	Non-Member Municipality	Governor	Connecticut State Legislature
Bloomfield.....	1	1	0	0	0
East Hartford.....	4	3	0	1	0
Hartford.....	9	6	0	3	0
Newington.....	2	1	0	1	0
Rocky Hill.....	1	1	0	0	0
West Hartford.....	4	3	0	1	0
Wethersfield.....	2	1	0	1	0
Windsor.....	2	1	0	1	0
District at Large.....	4	0	0	0	4
Farmington.....	1	*	0	1	0
Glastonbury.....	1	*	0	1	0
South Windsor.....	1	*	0	1	0
East Granby.....	1	*	0	1	0
Total.....	33	17	4	8	4

*Non-voting.

POWERS AND RESPONSIBILITIES OF THE DISTRICT BOARD

The District Board is authorized to establish ordinances or bylaws; organize committees and bureaus; define the powers and duties of such bodies; fix salaries and define the duties of all officers and employees; appoint deputies to any officers or agents of the District; and issue negotiable bonds, notes or other certificates of debt to meet the cost of public improvements or to raise funds in anticipation of taxes or water revenue, which debt shall be an obligation of the District and its inhabitants. The District Board has the power to levy a tax upon the Member Municipalities to finance the operational and capital budget of the General Fund.

The District Board refers a proposed budget of revenues and expenditures to the Board of Finance annually. The Board of Finance reviews the proposed budget, makes adjustments, if desired, and refers it back to the District Board for final enactment.

Capital project appropriations to be financed by the issuance of bonds, notes and other obligations of the District are subject to approval of the District Board upon recommendation of the Board of Finance.

ADMINISTRATION

Responsibility for the overall administration and management of District policy, operations and services rests with the Chief Executive Officer. The Chief Executive Officer has direct responsibility for the Human Resources and Information Technology functions and manages the remaining functions through the Deputy CEO of Engineering and Operations and Deputy CEO of Business Services. The Deputy CEO of Engineering and Operations has responsibility for design and construction of the District's Clean Water Project, Asset Management and capital planning programs, engineering, maintenance operations, water pollution control, water treatment and supply, and

environment, health and safety functions of the District. The responsibilities of the Deputy CEO of Engineering and Operations have largely been assumed by the Director of Engineering on an interim basis. The Deputy CEO of Business Services has responsibility for the District's accounting, budgeting, treasury, procurement, risk management functions and customer service.

DISTRICT CHAIRS AND DISTRICT OFFICIALS

<u>Function</u>	<u>Chair</u>	<u>Date Term Ends</u>
District Board.....	William A. DiBella	December 2017
Water Bureau.....	Timothy Curtis	December 2016
Bureau of Public Works.....	Richard V. Vicino	December 2017
Personnel, Pension & Insurance.....	Open	-
Board of Finance.....	Pasquale J. Salemi	December 2016

<u>Position</u>	<u>District Officials</u>
Chief Executive Officer.....	Scott W. Jellison
District Clerk.....	John S. Mirtle
District Counsel.....	R. Bartley Halloran
Deputy CEO of Engineering & Operations..	Open
Deputy CEO of Business Services.....	John M. Zinzarella
Director of Human Resources.....	Robert J. Zaik ¹
Director of Engineering.....	Susan Negrelli
Director of Operations.....	Open
Director of Finance.....	Robert Constable
Director of Procurement.....	Kelly J. Shane

¹ *Interim.*
Source: District Officials.

DISTRICT EMPLOYEES

The following table illustrates the full-time District employees for the last five fiscal years:

<u>Fiscal Year</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Employees.....	509	526	549	521	539

DISTRICT EMPLOYEES BARGAINING UNITS

<u>Bargaining Groups</u>	<u>Positions Covered</u>	<u>Contract Expiration Date</u>
Clerks, Technicians and Non-Supervisory Engineers - Local 3713.....	109	December 31, 2018
Supervisors - Local 1026.....	57	December 31, 2018
Operational - Local 184.....	238	December 31, 2018
Total Union Employees.....	404	

Source: District Officials.

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 certificated teachers and certain other employees. The legislative body of an affected municipality may reject an 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 gives 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.

DISTRICT FUNCTIONS

Principal functions of the District are the development and maintenance of sewer and water systems within the boundaries of its Member Municipalities. Additionally, as a result of Charter amendments approved by the Connecticut General Assembly, the District is also empowered to construct, maintain and operate hydroelectric dams.

The District's Bureau of Public Works is responsible for the sanitary sewer system, which includes collection, transmission and treatment of sewage from within boundaries of the Member Municipalities and treatment of sewage received from non-member municipalities per special agreement. The Bureau of Public Works is empowered to authorize the layout and construction of additions and improvements to the sewer system, assess the betterments to property abutting the sanitary sewer line, defer assessments as authorized by ordinance and act on such other matters that by MDC Charter, Ordinances or By-Laws, must first be voted upon by the Bureau and then referred to the District Board for final authorization. Public hearings are held as needed. The Bureau of Public Works acts as a court for the assessment of betterments and appraisal of damages. Any party claiming to be aggrieved may take an appeal to the Superior Court of the Judicial District of Hartford.

The District's Water Bureau is responsible for the water system that includes storage, transmission, treatment and distribution of water to customers. In addition, the Water Bureau is responsible for acquisition, construction and operation of hydroelectric plants. This bureau is empowered to make such bylaws or regulations for the preservation, protection and management of the water operations as may be deemed advisable. These include the power to establish rates for the use of water, and adopt rates for the assessment of benefits upon lands and buildings resulting from installation of water mains and service pipes.

Several other committees are created by the Charter or established by the District Board to carry out various other functions.

Additionally, the General Assembly of the State passed special legislation enabling the District to maintain a series of parks (developed by Riverfront Recapture) along the Connecticut River. The cost of maintaining Riverfront Recapture's parks is incorporated into the District's water budget and recovered through water rates.

The District also engages in surveying and mapping as a service to its Member Municipalities and its own operations.

CRRA

The Connecticut Resources Recovery Authority (the "CRRA") and the District entered into a contract dated December 31, 1984, which defined the responsibilities of both parties with respect to the Mid-Connecticut Resource Recovery Facility ("Mid-Connecticut Project"). The agreement detailed contractual obligations of the District with respect to the operation of the waste-processing facility, the transfer stations, the Hartford landfill and the transportation systems between the transfer stations, the Hartford landfill and the waste processing facilities, as well as the contractual obligations of the CRRA to reimburse the District for direct and indirect costs incurred and indemnify the District for the services performed.

The term of the initial contract was for twenty seven (27) years and the CRRA had the option to extend the contract for an additional twenty (20) years under the same terms and conditions. The contract terminated on December 31, 2011. The District has been displaced from the Mid-Connecticut Project and the CRRA has contracted with a private contractor.

As of December 30, 2011, there were 82 District employees directly assigned to manage, repair, maintain and/or operate the facilities and processes under the Mid-Connecticut Project. Through agreements with two of its three affiliated bargaining units, the District agreed to relocate vested employees (those over ten years of continuous service) into capital improvement projects. Between the two bargaining units, there were 37 employees with ten years or more of continuous service. Of the 37 employees, three chose to retire with the remainder still actively employed.

As of December 30, 2011, there were 28 employees assigned to the Mid-Connecticut Project with less than ten years of service. These employees were either re-assigned to existing operational budgeted positions or were placed on lay-off status.

The District and CRRA entered into binding arbitration to resolve liability for a dispute related to costs concerning the termination of the CRRA contract and other disputed issues. Arbitration proceedings commenced on March 31, 2014. A decision on liability was issued on August 23, 2015.

The arbitration panel found CRRA liable for unpaid termination costs, unpaid retiree medical costs, unpaid pension costs, and for future retiree medical and pension for those individuals who retired from the plant during the last years of the project, 2010-2011.

The parties have exchanged claims of damage calculations and cannot agree on damages. The panel has convened and it is expected that hearings for the determination of damages will be scheduled in November and December 2016.

II. WATER POLLUTION CONTROL

FACILITIES FOR SEWER SERVICE As of December 31

<u>Facilities for Sewer Service</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total General Fixed Assets ¹	\$1,335,235,414	\$1,187,968,518	\$1,034,089,978	\$890,623,899	\$748,542,631
Miles of Sewers:					
Sanitary.....	1,087	1,084	1,081	1,078	1,076
Combined.....	159	160	160	160	160
Storm.....	79	76	76	73	72
Estimated Sewer Connections.....	90,566	90,666	90,220	90,035	89,969
<u>Estimated Sewer</u>					
Population Units:					
Estimated Population.....	366,330	366,266	366,019	366,257	365,806
Estimated Family Units Sewered.....	143,558	144,199	149,218	148,710	149,146
Present Sewage Plant Capacity:					
Design Population.....	513,900	513,900	513,900	513,900	513,900
Design Flow (million gallons daily).....	105	105	105	105	105
Average Daily Flow (million gallons)....	68	65	66	59	60

¹ Includes all physical facilities and capital projects.

Source: District Officials.

Treatment: Water pollution control operations include the primary and secondary treatment of wastewater that flows into the facilities, septic tank loads received at the Hartford facility, and sludge delivered from regional towns. All treatment processes are in compliance with the District’s National Pollution Discharge Elimination permits issued by the State’s Department of Energy and Environmental Protection (“DEEP”).

Regulatory Compliance: The District entered into a consent order and a consent decree with the DEEP, the U.S. Department of Justice, and the U.S. Environmental Protection Agency to address sanitary sewer overflow, nitrogen reduction, and combined sewer overflow issues. On November 7, 2006, the voters of the District approved an \$800,000,000 referendum, “Clean Water Project”, to implement components of the previously mentioned consent order and decree. On November 6, 2012 the voters of the District approved a second \$800,000,000 referendum for the “Clean Water Project”.

Maintenance/Replacement: The District’s maintenance of its sewer system is part of the annual sewer operational budget. The District’s replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: Effective January 1, 1982, the District formally adopted the Adjusted Ad Valorem sewer user charge method of funding its sewer operations. This method of funding allocates the estimated cost of providing sewer services to customers based on actual use of the sewer system. More specifically, the Adjusted Ad Valorem sewer user charge method recovers sewer system costs from three separate user classifications: (1) low flow users (less than 25,000 gallons of discharge per day); (2) high flow users (more than 25,000 gallons per day); and (3) non-municipal tax-exempt users.

Revenue from low flow users is derived from the tax levied on the District’s Member Municipalities and is shown under the revenue item “Tax on Member Municipalities”.

Revenue from high flow users is based on actual sewer flow discharges from those users. A surcharge is levied on high flow users whose share of costs, based on flow, exceeds the portion of their annual property tax payments rendered in support of the District’s sewer system. Conversely, high flow users are eligible for year-end rebates if their user charge, based on flow, is less than the portion of the property tax they pay in support of sewer services.

Revenue from non-municipal tax-exempt properties is based on sewer flows from those properties. In addition, sewer user charge revenues from non-member municipalities, per written agreement, are based on actual sewer flows.

Cost Recovery: The District’s ability to recover costs associated with the operations of the sewer system is defined in the MDC Charter and Ordinances. Authority to levy a tax on the Member Municipalities and to bill a Sewer User Charge is defined in Chapters 3 and 10, respectively, of the District Charter. Specific ordinances relating to the District’s Adjusted Ad Valorem Sewer User Charge are found in Section 12 of the District’s General Sewer Ordinances.

**SEWER USER CHARGE
As of January 1
(Per Hundred Cubic Feet)**

2016	2015	2014	2013	2012
\$2.86	\$2.75	\$2.62	\$2.52	\$2.43

Source: District Officials.

Section 12 of the District’s Sewer Ordinances was amended on October 1, 2007 by the District Board to allow the implementation of a Clean Water Project Charge (previously the Special Sewer Service Surcharge) to fund the debt issued for the Clean Water Project. The District currently has outstanding general debt commitments that can be paid by the District from this Clean Water Project Charge. The District’s outstanding Clean Water Project Revenue Bonds are being repaid from a portion of the Clean Water Project Charge. These Bonds are not general obligations of the District. See “Clean Water Project” herein.

**CLEAN WATER PROJECT CHARGE
(PREVIOUSLY THE SPECIAL SEWER SERVICE SURCHARGE)
As of January 1
(Per Hundred Cubic Feet)**

2016	2015	2014	2013	2012
\$3.25*	\$2.90	\$2.90	\$2.40	\$1.90

*See Sewer Ordinance S-12-X.

Source: District Officials.

CLEAN WATER PROJECT*

The Clean Water Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The project is in response to an EPA SSO federal consent decree and a Connecticut DEEP CSO consent order to achieve the Federal Clean Water Act goals. The District's goal is to maximize the funding of the entire project with State and Federal grants; the use of State and Federal low-cost loans, and then fund the remainder with open market debt. Project financing is expected to be repaid with a Clean Water Project Charge (previously the Special Sewer Service Surcharge) to customers’ water bills. The Clean Water Project Charge is expected to increase annually up to a maximum, currently estimated at less than \$5.00 per hundred cubic feet of usage by Fiscal Year 2021, and then decline.

Cost Estimates

The total cost of the Clean Water Project was originally estimated to be approximately \$2.1 billion, comprised of three phases, and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design and construction and regulatory review and approval. Phase I features projects to control inflow and infiltration, sewer separation projects, projects to increase interceptors, and upgrades to the two treatment plants; it is nearing completion. Phase II features wet weather capacity improvements at the District’s treatment plants and a large storage and conveyance tunnel in the south of the District (the South Tunnel). Phase III currently features a large storage and conveyance tunnel in the north of the District running down to the South Tunnel (the North Tunnel). The North Tunnel has not yet been designed or definitively located.

*Note: The Clean Water Project, so called, should not be confused with references herein to the “Clean Water Fund”, a program of the State of Connecticut to provide loans and grants to municipal entities for funding sewerage projects generally.

Generally speaking, appropriations for the cost of the Clean Water Project must be approved by referendum vote of the voters of the Member Municipalities. Effective October 1, 2015, P.A. 15-114 excludes from the referendum requirement appropriations funded by Federal or State grants. An \$800 million appropriation was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million was approved at referendum on November 6, 2012. An appropriation of \$140 million for a grant, not requiring a referendum, was approved by the District Board on October 5, 2016. Completion of Phase III of the Clean Water Project will require submission of one or more further appropriations for approval by voters. The District has made no determination as to when an additional referendum will be held. The District expects Phase I and Phase II will be completed within authorized appropriations, and to be placed in service without regard to the outcome of any additional referendum.

As the Clean Water Project has progressed, the District has revised the original design conception. The Long-Term Control Plan, which sets out the Clean Water Project, was resubmitted in 2012 and revised further in 2015. It incorporates longer underground storage tunnels with greater capacity, and less sewer separation work, than the original conception, and sets forth a completion of Phase II in 2024 and Phase III in 2029. The revised plan was approved in May 2015. The delays occasioned by the redesign and permitting process, in particular with respect to the South Tunnel, now lead the District to expect an increase in projected costs of the Clean Water Project as a whole, but the District has not re-estimated the overall cost, in part because design and siting work for Phase III has not yet been conducted in sufficient detail. For planning purposes the District is currently projecting a total cost of the Clean Water Project of \$2.4 billion.

The District has recently received bids for the construction contract for the South Tunnel, which were favorable to engineering estimates. The District awarded a contract on June 30, 2016 and entered into a funding agreement with the State for the bulk of the funding of the contract through grants and loans from the State's Clean Water Fund.

As actual design and construction of the Clean Water Project have progressed, the District has been able to refine certain design elements to achieve cost savings, has altered some aspects of the original design, and continues to examine the Clean Water Project for efficiencies that can be achieved through value engineering. In addition some elements of construction have been completed at lower than estimated costs. The District expects the design and siting of the North Tunnel to be informed by its experience with construction of the South Tunnel, and is exploring opportunities that may exist (such as more aggressive cleaning of its existing system) that may allow for further savings.

The District cannot give any assurances as to when the Clean Water Project will be completed or its total cost.

The District has issued to date \$225.0 million in Clean Water Project Revenue Bonds. The revenue bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.

III. WATER OPERATIONS

Shortly after the District was created in 1929, approval was obtained from the Connecticut General Assembly and the Member Municipalities' electorates to construct the Barkhamsted Reservoir located on the east branch of the Farmington River in the towns of Barkhamsted and Hartland. The Barkhamsted Reservoir is the largest single water supply reservoir in Connecticut and has a capacity of 30.3 billion gallons of water.

The District has sought and received legislative and voter approval for various water programs, all with the basic objective of providing a water supply and water distribution system sufficient in size to meet current and anticipated future needs. The District's average level of water production for 2015 was 49.61 million gallons per day.

FACILITIES FOR WATER SERVICE As of December 31

	2015	2014	2013	2012	2011
Total Utility Plant.....	\$485,183,567	\$453,177,616	\$423,897,592	\$381,880,429	\$361,492,308
Net Addition to Plant.....	32,005,951	29,280,024	28,843,924	20,388,121	13,266,825
Miles of Water Mains.....	1,553	1,549	1,543	1,541	1,540
Gross Miles Added During Year.....	4	6	2	1	(2)
Number of Hydrants.....	11,238	11,484	11,238	11,178	11,146
Number of Services.....	101,446	101,217	102,669	102,449	102,324
Number of Meters.....	101,400	102,828	103,340	103,125	102,895
Estimated Population Served.....	443,451	444,989	445,036	405,449	405,610

Source: District Officials.

NUMBER OF WATER CUSTOMERS As of December 31

	2015	2014	2013	2012	2011
Domestic.....	93,838	94,323	94,011	93,986	93,886
Commercial.....	5,072	5,135	4,977	4,999	4,986
Industrial.....	507	522	519	523	525
Municipal & Other....	2,029	1,732	1,585	1,556	1,543
Total.....	101,446	101,712	101,092	101,064	100,940

Source: District Officials.

AVERAGE DAILY CONSUMPTION As of December 31 (Million Gallons Per Day)

	2015	2014	2013	2012	2011
Domestic.....	26.02	28.04	26.74	27.83	27.63
Commercial.....	9.16	9.01	8.70	9.40	9.31
Industrial.....	1.14	1.21	1.23	1.38	1.43
Municipal & Other.....	3.62	3.76	3.58	3.66	3.58
Total Million Gallons Per Day¹.....	39.94	42.02	40.25	42.27	41.95
Maximum Day.....	70.09	69.59	71.84	74.68	87.06
Minimum Day.....	37.57	38.46	35.85	35.19	34.64

¹ Represents net consumption billed.

Source: District Officials.

WATER UTILITY UNIT CHARGE
As of January 1
(Per Hundred Cubic Feet)

2016	2015	2014	2013	2012
\$2.66*	\$2.53	\$2.53	\$2.50	\$2.43

**The rate for each ccf of water used per day in excess of 668ccf will be \$2.16.*
Source: District Officials.

Treatment: Standards for the quality of drinking water supplied to District customers are maintained in conformity with the public health code of the Connecticut Department of Public Health and as promulgated under Federal water quality standards, under the Safe Drinking Water Act.

The District is in compliance with the Safe Drinking Water Act, also known as Public Health Code Regulation 19-13-B102, “Standards for Quality of Public Drinking Water”, and all subsequent amendments. The District has consistently pursued a policy to provide its customers a safe, potable water supply.

Maintenance/Replacement: The District’s maintenance of its water system is part of the annual water operational budget. Its replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: The Public Utilities Regulatory Authority does not have jurisdiction to establish rates for the use of water. Setting of rates for the use of water is vested in the Water Bureau, and as required by Charter, rates must be uniform throughout the District.

Billing Cycles: The District currently has approximately 101,446 quarterly and monthly customers; approximately 99,406 of these accounts are billed quarterly, and the remaining 2,040 accounts are billed monthly.

Cost Recovery: The District’s ability to recover costs associated with the operation of the water system is defined in its Charter and Ordinances. Authority to establish rates is defined in Chapter 5 of the Charter. Specific ordinances relating to the above are found in Section W-I of the District’s Water Supply Ordinances.

IV. HYDROELECTRIC DEVELOPMENT PROGRAM

The District's current hydroelectric program consisting of generating facilities at the Goodwin Dam in Hartland, Connecticut and at the Colebrook River Dam in Colebrook, Connecticut, was approved by the District Board on July 20, 1982. The Goodwin station began producing power on February 5, 1986, with commercial operations commencing on April 2, 1986. The Colebrook power station began producing power in May 1988, with full commercial operation commencing later that summer.

The District has agreements with the Connecticut Light & Power Company ("CL&P") for the purchase of electricity generated by the Colebrook and Goodwin generating facilities.

Deregulation: The Connecticut State Legislature mandated that CL&P divest its generating facilities and renegotiate all of its private power producer contracts. The District and CL&P negotiated a buydown agreement, effective March 1, 2001, for the original electrical power production contracts for the Colebrook and Goodwin generating facilities. The District received \$13,000,000 from the original buydown agreement.

The negotiated buydown agreement requires CL&P to purchase electricity from the District's Colebrook power generating facility over the remaining life of the original contract. The Colebrook contract expires March 31, 2017. The District has entered into a contract with CMEEC to purchase power generated at the Goodwin power generating facility. The contract expires on January 19, 2021.

Revenues from power sales and from the buydown agreement are estimated by the District to be adequate to finance budget commitments applicable to the hydroelectric program.

Operations and Maintenance: The maintenance of the District's hydroelectric facilities is part of the annual hydroelectric budget. Appropriations for operating and maintenance expenses are established annually as part of the overall budget process, and these expenses are funded primarily from power sales and proceeds from the CL&P and District buydown agreement.

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Town of Bloomfield				Town of East Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2014	20,626	0.7	788	2014	51,211	(0.1)	2,727
2010	20,486	4.6	783	2010	51,252	3.4	2,729
2000	19,587	0.5	748	2000	49,575	(1.7)	2,640
1990	19,483	4.7	744	1990	50,452	(4.0)	2,686
1980	18,608	1.7	711	1980	52,563	(8.7)	2,799
1970	18,301	34.4	699	1970	57,583	30.9	3,066

City of Hartford				Town of Newington			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2014	125,211	0.3	6,968	2014	30,652	0.3	2,326
2010	124,775	0.2	6,944	2010	30,562	4.3	2,319
2000	124,578	(10.8)	6,933	2000	29,306	0.3	2,224
1990	139,739	2.5	7,776	1990	29,208	1.3	2,216
1980	136,392	(13.7)	7,590	1980	28,841	10.8	2,188
1970	158,017	(2.6)	8,793	1970	26,037	47.4	1,975

Town of Rocky Hill				Town of West Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2014	19,838	0.7	1,438	2014	63,396	0.2	2,835
2010	19,709	9.7	1,428	2010	63,268	(0.5)	2,830
2000	17,966	8.5	1,302	2000	63,589	5.8	2,844
1990	16,554	13.7	1,200	1990	60,110	(1.9)	2,688
1980	14,559	31.1	1,055	1980	61,301	(9.9)	2,742
1970	11,103	50.0	805	1970	68,031	9.1	3,043

Town of Wethersfield				Town of Windsor			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2014	26,579	(0.3)	2,027	2014	29,130	0.3	984
2010	26,668	1.5	2,034	2010	29,044	2.9	981
2000	26,271	2.4	2,004	2000	28,237	1.5	954
1990	25,651	(1.4)	1,957	1990	27,817	10.4	940
1980	26,013	(2.4)	1,984	1980	25,204	12.0	851
1970	26,662	29.7	2,034	1970	22,502	15.6	760

¹ 1970-2010 – U.S. Department of Commerce, Bureau of Census; U.S. Census Bureau, 2010-2014 American Community Survey FY 2014.
² Per square mile: Bloomfield: 26.2 square miles; East Hartford: 18.8 square miles; Hartford: 18.0 square miles; Newington: 13.2 square miles; Rocky Hill: 13.8 square miles; West Hartford: 22.4 square miles; Wethersfield: 13.1 square miles; Windsor: 29.6 square miles.

AGE DISTRIBUTION OF THE POPULATION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	832	4.0%	2,834	5.5%	8,412	6.7%
5 - 19.....	2,658	12.9%	9,728	19.0%	29,980	23.9%
20 - 44.....	5,781	28.0%	17,652	34.5%	47,931	38.3%
45 - 64.....	6,291	30.5%	14,162	27.7%	26,975	21.5%
65 - 84.....	4,025	19.5%	5,830	11.4%	10,252	8.2%
85 and over.....	1,039	5.0%	1,005	2.0%	1,661	1.3%
Totals.....	20,626	100.0%	51,211	100.0%	125,211	100.0%
Median Age (years)		48.2		38.8		30.1

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,365	4.5%	1,167	5.9%	3,241	5.1%
5 - 19.....	4,921	16.1%	3,119	15.7%	12,745	20.1%
20 - 44.....	9,399	30.7%	6,209	31.3%	18,783	29.6%
45 - 64.....	9,021	29.4%	6,179	31.1%	17,743	28.0%
65 - 84.....	5,150	16.8%	2,479	12.5%	8,103	12.8%
85 and over.....	796	2.6%	685	3.5%	2,781	4.4%
Totals.....	30,652	100.0%	19,838	100.0%	63,396	100.0%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,373	5.2%	1,742	6.0%	194,338	5.4%
5 - 19.....	4,438	16.7%	5,168	17.7%	707,656	19.7%
20 - 44.....	7,396	27.8%	8,663	29.7%	1,126,757	31.4%
45 - 64.....	7,785	29.3%	8,989	30.9%	1,032,223	28.7%
65 - 84.....	4,477	16.8%	3,751	12.9%	443,512	12.3%
85 and over.....	1,110	4.2%	817	2.8%	87,567	2.4%
Totals.....	26,579	100.0%	29,130	100.0%	3,592,053	100.0%

Median Age (years)	45.3	42.5	40.3
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Source: U.S. Census Bureau, 2010-2014 American Community Survey.

INCOME DISTRIBUTION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	212	4.3%	854	6.6%	3,824	14.2%
10,000 - 14,999.....	38	0.8%	309	2.4%	2,319	8.6%
15,000 - 24,999.....	86	1.7%	988	7.6%	4,379	16.3%
25,000 - 34,999.....	269	5.4%	1,416	10.9%	3,286	12.2%
35,000 - 49,999.....	483	9.7%	1,605	12.3%	3,889	14.5%
50,000 - 74,999.....	921	18.6%	2,813	21.6%	4,340	16.2%
75,000 - 99,999.....	949	19.2%	2,524	19.4%	2,226	8.3%
100,000 - 149,999.....	1,130	22.8%	1,764	13.6%	1,711	6.4%
150,000 - 199,999.....	434	8.8%	476	3.7%	479	1.8%
200,000 and over.....	432	8.7%	259	2.0%	386	1.4%
Totals.....	4,954	100.0%	13,008	100.0%	26,839	100.0%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	97	1.2%	24	0.5%	472	2.9%
10,000 - 14,999.....	107	1.3%	70	1.4%	249	1.5%
15,000 - 24,999.....	179	2.2%	196	4.0%	632	3.8%
25,000 - 34,999.....	351	4.3%	225	4.6%	685	4.2%
35,000 - 49,999.....	947	11.6%	388	7.9%	1,067	6.5%
50,000 - 74,999.....	1,148	14.1%	794	16.1%	2,446	14.9%
75,000 - 99,999.....	1,599	19.6%	644	13.1%	1,963	12.0%
100,000 - 149,999.....	2,275	27.9%	1,113	22.6%	3,375	20.5%
150,000 - 199,999.....	978	12.0%	782	15.9%	2,095	12.8%
200,000 and over.....	465	5.7%	692	14.0%	3,441	20.9%
Totals.....	8,146	100.0%	4,928	100.0%	16,425	100.0%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	124	1.7%	170	2.2%	30,584	3.4%
10,000 - 14,999.....	84	1.2%	32	0.4%	18,591	2.1%
15,000 - 24,999.....	159	2.2%	284	3.6%	46,537	5.2%
25,000 - 34,999.....	350	4.9%	340	4.3%	56,473	6.3%
35,000 - 49,999.....	450	6.3%	590	7.5%	85,206	9.5%
50,000 - 74,999.....	1,252	17.4%	1,381	17.5%	140,776	15.6%
75,000 - 99,999.....	1,075	14.9%	1,584	20.1%	129,656	14.4%
100,000 - 149,999.....	1,960	27.2%	2,002	25.4%	184,327	20.5%
150,000 - 199,999.....	936	13.0%	949	12.0%	93,100	10.3%
200,000 and over.....	810	11.3%	552	7.0%	114,307	12.7%
Totals.....	7,200	100.0%	7,884	100.0%	899,557	100.0%

Source: U.S. Census Bureau, 2010-2014 American Community Survey.

INCOME LEVELS

	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
Per Capita Income, 2014.....	\$40,664	\$25,509	\$16,813	\$37,061	\$43,207
Per Capita Income, 2010.....	\$39,738	\$24,373	\$16,798	\$32,561	\$36,021
Per Capita Income, 1999.....	\$28,843	\$21,763	\$13,428	\$26,881	\$29,701
Per Capita Income, 1989.....	\$22,478	\$16,575	\$11,081	\$19,668	\$21,918
Median Family Income, 2014.....	\$84,735	\$60,350	\$33,686	\$94,756	\$103,477
Median Family Income, 2010.....	\$84,583	\$57,848	\$32,820	\$80,597	\$88,750
Median Family Income, 1999.....	\$64,892	\$50,540	\$27,051	\$67,085	\$72,726
Median Family Income, 1989.....	\$56,541	\$36,584	\$24,774	\$50,916	\$56,396
Percent Below Poverty Level 2014.....	5.8%	11.9%	31.3%	2.8%	4.2%

	Town of West Hartford	Town of Wethersfield	Town of Windsor	State of Connecticut
Per Capita Income, 2014.....	\$48,808	\$38,685	\$36,048	\$38,480
Per Capita Income, 2010.....	\$43,534	\$37,329	\$35,780	\$36,775
Per Capita Income, 1999.....	\$33,468	\$28,930	\$27,633	\$28,766
Per Capita Income, 1989.....	\$26,943	\$22,246	\$19,592	\$20,189
Median Family Income, 2014.....	\$111,150	\$101,480	\$91,912	\$88,217
Median Family Income, 2010.....	\$102,547	\$91,563	\$90,865	\$84,170
Median Family Income, 1999.....	\$77,865	\$68,154	\$73,064	\$65,521
Median Family Income, 1989.....	\$60,518	\$53,111	\$55,400	\$49,199
Percent Below Poverty Level 2014.....	5.6%	3.6%	4.0%	7.5%

Source: U.S. Department of Commerce, Bureau of Census, 2010, 2000, and 1990; Census Bureau, 2010-2014 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	449	2.8%	2,338	6.6%	10,049	13.7%
9th to 12th grade.....	938	5.9%	3,373	9.5%	11,766	16.0%
High School graduate.....	4,552	28.8%	11,994	33.8%	22,632	30.8%
Some college, no degree.....	2,951	18.6%	7,956	22.4%	13,682	18.6%
Associate's degree	1,220	7.7%	3,115	8.8%	4,357	5.9%
Bachelor's degree.....	3,313	20.9%	4,418	12.4%	6,335	8.6%
Graduate or professional degree...	2,408	15.2%	2,309	6.5%	4,722	6.4%
Totals.....	15,831	100.0%	35,503	100.0%	73,543	100.0%
Total high school graduate or higher (%).....		91.2%		83.9%		70.3%
Total bachelor's degree or higher (%).....		36.1%		18.9%		15.0%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	969	4.3%	469	3.2%	1,315	3.0%
9th to 12th grade.....	934	4.1%	552	3.8%	1,485	3.3%
High School graduate.....	6,167	27.2%	3,595	24.8%	7,594	17.1%
Some college, no degree.....	4,108	18.1%	2,361	16.3%	5,521	12.4%
Associate's degree	2,043	9.0%	1,087	7.5%	2,264	5.1%
Bachelor's degree.....	5,169	22.8%	4,228	29.1%	12,179	27.4%
Graduate or professional degree...	3,272	14.4%	2,230	15.4%	14,042	31.6%
Totals.....	22,662	100.0%	14,522	100.0%	44,400	100.0%
Total high school graduate or higher (%).....		91.6%		93.0%		93.7%
Total bachelor's degree or higher (%).....		37.2%		44.5%		59.1%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	858	4.4%	616	3.0%	106,784	4.3%
9th to 12th grade.....	1,025	5.3%	960	4.7%	150,227	6.1%
High School graduate.....	4,695	24.1%	5,074	24.8%	677,887	27.6%
Some college, no degree.....	3,420	17.6%	3,845	18.8%	431,807	17.6%
Associate's degree	1,384	7.1%	2,214	10.8%	180,321	7.3%
Bachelor's degree.....	4,741	24.4%	4,183	20.5%	506,662	20.6%
Graduate or professional degree...	3,342	17.2%	3,561	17.4%	401,889	16.4%
Totals.....	19,465	100.0%	20,453	100.0%	2,455,577	100.0%
Total high school graduate or higher (%).....		90.3%		92.3%		89.5%
Total bachelor's degree or higher (%).....		41.5%		37.9%		37.0%

Source: U.S. Census Bureau, 2010-2014 American Community Survey.

MAJOR EMPLOYERS WITHIN THE DISTRICT

Employer	Product	Location	Estimated Number of Employees
The Hartford Financial Group.....	Insurance	Hartford	(5,000-9,999)
Aetna Inc.....	Insurance	Hartford	(1,000-4,999)
City of Hartford.....	Municipality	Hartford	(1,000-4,999)
Connecticut Childrens Medical Ctr.	Hospital	Hartford	(1,000-4,999)
Eversource.....	Utility	Hartford	(1,000-4,999)
Institute of Living.....	Mental Health Service	Hartford	(1,000-4,999)
Lincoln Waste Solutions.....	Waste Reduction & Disposal	Hartford	(1,000-4,999)
Mt. Sinai Rehabilitation.....	Hospital	Hartford	(1,000-4,999)
Saint Francis Hospital.....	Hospital	Hartford	(1,000-4,999)
St. Paul Travelers Co.....	Insurance	Hartford	(1,000-4,999)
State of Connecticut.....	Various Departments	Hartford	(1,000-4,999)
Capital Community.....	College	Hartford	(500-999)
Community Renewal Team Inc.....	Full-Service Restaurant	Hartford	(500-999)
Lincoln National Life Ins. Co.....	Insurance	Hartford	(500-999)
Regional Market.....	State Agricultural Facility	Hartford	(500-999)
Trinity College.....	Schools/Universities	Hartford	(500-999)
United Technologies.....	Manufacturer	Hartford	(500-999)
Wcct.....	Television Station &	Hartford	(500-999)
Xfinity Theatre.....	Theatre	Hartford	(500-999)
XL Center.....	Ticket Service	Hartford	(500-999)
Pratt and Whitney Aircraft.....	Manufacturer	East Hartford	7,000
CIGNA Corp.....	Insurance	Bloomfield	3,460
Hartford Life.....	Insurance	Windsor	2,600
University of Hartford.....	University	West Hartford	2,035
MetLife.....	Insurance	Bloomfield	2,000
Town of West Hartford.....	Municipality	West Hartford	1,959
Town of East Hartford.....	Municipality	East Hartford	1,931
VOYA.....	Financial Services	Windsor	1,730
CT Dept of Labor.....	State of CT	Wethersfield	1,634
Town of Newington.....	Municipality	Newington	1,072
GE/Alstom Power Equipment.....	Power Generation Equipment	Windsor	1,050
CT Dept. of Transportation.....	State of CT	Newington	1,041
CIGNA Corp.....	Insurance	Windsor	1,000
Kaman Corporation.....	Manufacturer	Bloomfield	925
Town of Windsor.....	Municipality	Windsor	879
Amazon.com.....	Fulfillment Center	Windsor	800
Town of Wethersfield.....	Municipality	Wethersfield	715
Hartford Hospital - Newington.....	Health Services	Newington	711
Hebrew Home.....	Health Care	West Hartford	704
Walgreens.....	Drug Store Distribution Center	Windsor	660
Town of Bloomfield.....	Municipality	Bloomfield	643
Goodwin College.....	University	East Hartford	613
St. Mary's Home.....	Nursing Home	West Hartford	601
Coca Cola.....	Bottler	East Hartford	600
Eversource.....	Utility	Windsor	600
Konica Minolta.....	Imaging & Print Processor	Windsor	600
Homegoods Distribution.....	Wholesale Distribution	Bloomfield	575
Data-Mail.....	Mail Services	Newington	569
The Metropolitan District.....	Water & Sewer Authority	Hartford	509
Bank of America Headquarters.....	Financial Services	East Hartford	500
Henkel Corporation.....	Adhesives & Sealants	Rocky Hill	500
Wiremold Product, Inc.....	Manufacturer	West Hartford	500

Source: 2015 Audited Financial Statements of Member Municipalities; March 2016 Official Statements for Hartford Stadium Authority, East Hartford, Rocky Hill, West Hartford, Wethersfield and Windsor.

Note: The information shown above was derived from information obtained from various sources believed to be reliable as of the date provided. It should be noted the data may not reflect all consolidation or workforce reduction plans.

EMPLOYMENT BY INDUSTRY

Sector	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	33	0.3%	33	0.1%	106	0.2%
Construction.....	409	4.0%	756	3.0%	2,251	4.7%
Manufacturing.....	680	6.7%	2,880	11.6%	3,705	7.7%
Wholesale Trade.....	85	0.8%	991	4.0%	946	2.0%
Retail Trade.....	950	9.4%	3,214	13.0%	6,607	13.7%
Transportation and warehousing, and utilities....	645	6.4%	1,553	6.3%	2,495	5.2%
Information	224	2.2%	607	2.4%	654	1.4%
Finance, insurance, real estate, and rental and leasing.....	1,343	13.2%	2,389	9.6%	2,990	6.2%
Professional, scientific, management, administrative, and waste management svcs....	919	9.1%	2,466	9.9%	5,122	10.6%
Educational, health and social services.....	3,311	32.6%	5,686	22.9%	12,868	26.7%
Arts, entertainment, recreation, accommodation and food services.....	510	5.0%	1,918	7.7%	5,881	12.2%
Other services (except public administration).....	397	3.9%	1,281	5.2%	2,692	5.6%
Public Administration	644	6.3%	1,035	4.2%	1,868	3.9%
Total Labor Force, Employed.....	10,150	100.0%	24,809	100.0%	48,185	100.0%

Sector	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	39	0.2%	10	0.1%	20	0.1%
Construction.....	746	4.7%	419	4.0%	1,120	3.5%
Manufacturing.....	1,679	10.5%	936	9.0%	2,703	8.4%
Wholesale Trade.....	343	2.1%	167	1.6%	661	2.1%
Retail Trade.....	1,681	10.5%	733	7.0%	2,243	7.0%
Transportation and warehousing, and utilities....	674	4.2%	267	2.6%	775	2.4%
Information	302	1.9%	154	1.5%	973	3.0%
Finance, insurance, real estate, and rental and leasing.....	1,798	11.2%	1,857	17.9%	4,471	13.9%
Professional, scientific, management, administrative, and waste management svcs....	1,377	8.6%	1,679	16.1%	4,131	12.9%
Educational, health and social services.....	4,790	29.9%	2,564	24.6%	10,293	32.1%
Arts, entertainment, recreation, accommodation and food services.....	983	6.1%	684	6.6%	2,038	6.3%
Other services (except public administration).....	689	4.3%	398	3.8%	1,304	4.1%
Public Administration	936	5.8%	535	5.1%	1,383	4.3%
Total Labor Force, Employed.....	16,037	100.0%	10,403	100.0%	32,115	100.0%

Sector	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	15	0.1%	8	0.1%	7,413	0.4%
Construction.....	625	4.8%	772	5.1%	97,974	5.5%
Manufacturing.....	975	7.5%	1,140	7.6%	191,057	10.8%
Wholesale Trade.....	381	2.9%	404	2.7%	44,195	2.5%
Retail Trade.....	1,293	9.9%	1,219	8.1%	191,267	10.8%
Transportation and warehousing, and utilities....	455	3.5%	732	4.9%	65,068	3.7%
Information	273	2.1%	365	2.4%	41,905	2.4%
Finance, insurance, real estate, and rental and leasing.....	1,812	13.9%	2,275	15.1%	161,926	9.2%
Professional, scientific, management, administrative, and waste management svcs....	1,172	9.0%	1,616	10.7%	197,880	11.2%
Educational, health and social services.....	3,751	28.8%	3,941	26.1%	467,574	26.5%
Arts, entertainment, recreation, accommodation and food services.....	845	6.5%	1,083	7.2%	154,005	8.7%
Other services (except public administration).....	491	3.8%	526	3.5%	80,179	4.5%
Public Administration	920	7.1%	990	6.6%	66,491	3.8%
Total Labor Force, Employed.....	13,008	100.0%	15,071	100.0%	1,766,934	100.0%

Source: U.S. Census Bureau, 2010-2014 American Community Survey.

EMPLOYMENT DATA

Period ¹	Percentage Unemployed				
	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
August 2016.....	6.3%	7.6%	10.8%	4.6%	4.3%
July 2016.....	6.4	7.6	10.8	4.8	4.3
May 2016.....	6.0	6.8	9.7	4.6	4.2
March 2016.....	6.4	7.7	10.9	5.6	4.8
January 2016.....	6.3	7.3	10.5	5.3	4.6
Annual Average					
2015.....	6.3%	7.3%	10.4%	4.7%	4.2%
2014.....	7.3	8.5	12.2	5.4	5.0
2013.....	8.5	10.0	14.3	6.4	5.7
2012.....	9.1	10.7	15.1	7.0	6.2
2011.....	9.3	11.1	15.7	7.6	6.7
2010.....	9.5	11.3	15.6	8.1	7.0
2009.....	9.0	10.6	14.3	7.3	6.7
2008.....	6.4	7.1	10.7	4.8	4.7
2007.....	5.3	6.1	9.0	4.1	3.9
2006.....	5.4	5.9	9.0	3.8	3.6
2005.....	5.9	6.4	9.7	4.3	4.1

Period ¹	Percentage Unemployed				
	Town of West Hartford	Town of Wethersfield	Town of Windsor	Hartford Labor Market	State of Connecticut
August 2016.....	4.2%	5.0%	5.6%	5.7%	5.6%
July 2016.....	4.3	5.1	5.7	5.8	5.6
May 2016.....	4.1	4.7	5.1	5.4	5.4
March 2016.....	4.3	5.4	5.7	6.2	6.2
January 2016.....	4.2	5.2	5.5	6.0	6.0
Annual Average					
2015.....	4.0%	4.8%	5.4%	5.7%	5.6%
2014.....	4.7	5.7	6.4	6.6	6.6
2013.....	5.5	6.5	7.6	7.7	7.7
2012.....	6.1	7.1	8.1	8.4	8.3
2011.....	6.5	7.8	8.2	8.8	8.8
2010.....	6.8	8.3	8.6	9.2	9.1
2009.....	7.3	7.8	8.0	8.3	8.3
2008.....	5.0	5.1	5.2	5.7	5.6
2007.....	4.1	4.2	4.2	4.7	4.6
2006.....	3.9	4.3	4.2	4.6	4.4
2005.....	4.3	4.6	4.6	5.1	4.9

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	762	8.7%	3,273	15.1%	18,998	35.4%
1940 to 1969.....	4,199	48.0%	12,775	58.8%	22,435	41.8%
1970 to 1979.....	1,056	12.1%	2,439	11.2%	4,252	7.9%
1980 to 1989.....	1,360	15.5%	2,219	10.2%	3,659	6.8%
1990 to 2000.....	585	6.7%	550	2.5%	2,175	4.1%
Later than 2000.....	784	9.0%	475	2.2%	2,125	4.0%
Total housing units, 2014....	8,746	100.0%	21,731	100.0%	53,644	100.0%
Percent Owner Occupied, 2014		73.0%		57.5%		23.5%

Year Built	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	1,274	9.8%	617	7.2%	7,069	27.1%
1940 to 1969.....	5,733	44.0%	1,874	21.9%	14,056	53.9%
1970 to 1979.....	2,596	19.9%	2,338	27.3%	2,090	8.0%
1980 to 1989.....	1,646	12.6%	1,971	23.0%	1,234	4.7%
1990 to 2000.....	991	7.6%	912	10.7%	675	2.6%
Later than 2000.....	785	6.0%	841	9.8%	941	3.6%
Total housing units, 2014....	13,025	100.0%	8,553	100.0%	26,065	100.0%
Percent Owner Occupied, 2014		82.2%		67.7%		72.2%

Year Built	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	2,148	19.0%	1,707	14.6%	334,290	22.4%
1940 to 1969.....	5,505	48.8%	4,321	37.0%	536,618	36.0%
1970 to 1979.....	1,194	10.6%	2,270	19.4%	200,288	13.4%
1980 to 1989.....	1,387	12.3%	1,941	16.6%	193,794	13.0%
1990 to 2000.....	753	6.7%	596	5.1%	113,875	7.6%
Later than 2000.....	304	2.7%	836	7.2%	111,516	7.5%
Total housing units, 2014....	11,291	100.0%	11,671	100.0%	1,490,381	100.0%
Percent Owner Occupied, 2014		79.0%		81.8%		67.3%

Source: U.S. Census Bureau, 2010-2014 American Community Survey.

HOUSING INVENTORY

Type	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	5,793	66.2%	11,283	51.9%	8,198	15.3%
1 unit attached.....	471	5.4%	970	4.5%	2,348	4.4%
2 to 4 units.....	761	8.7%	3,974	18.3%	19,152	35.7%
5 to 9 units.....	641	7.3%	933	4.3%	8,093	15.1%
10 or more units.....	1,080	12.3%	4,020	18.5%	15,824	29.5%
Mobile home, trailer, other.	0	0.0%	551	2.5%	29	0.1%
Total Inventory.....	8,746	100.0%	21,731	100.0%	53,644	100.0%

Type	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,390	64.4%	4,089	47.8%	17,348	66.6%
1 unit attached.....	1,458	11.2%	993	11.6%	764	2.9%
2 to 4 units.....	991	7.6%	957	11.2%	2,814	10.8%
5 to 9 units.....	964	7.4%	413	4.8%	901	3.5%
10 or more units.....	1,189	9.1%	2,054	24.0%	4,162	16.0%
Mobile home, trailer, other.	33	0.3%	47	0.5%	76	0.3%
Total Inventory.....	13,025	100.0%	8,553	100.0%	26,065	100.0%

Type	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,388	74.3%	8,944	76.6%	882,955	59.2%
1 unit attached.....	514	4.6%	568	4.9%	79,922	5.4%
2 to 4 units.....	994	8.8%	1,068	9.2%	253,522	17.0%
5 to 9 units.....	103	0.9%	355	3.0%	81,574	5.5%
10 or more units.....	1,292	11.4%	725	6.2%	180,292	12.1%
Mobile home, trailer, other.	0	0.0%	11	0.1%	12,116	0.8%
Total Inventory.....	11,291	100.0%	11,671	100.0%	1,490,381	100.0%

Source: U.S. Census Bureau, 2010-2014 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	128	2.1%	706	6.1%	523	4.8%
\$50,000 to \$99,999.....	177	2.9%	789	6.8%	1,437	13.3%
\$100,000 to \$149,999.....	864	14.1%	2,422	20.9%	2,202	20.4%
\$150,000 to \$199,999.....	1,526	24.8%	4,079	35.2%	3,110	28.8%
\$200,000 to \$299,999.....	2,096	34.1%	3,079	26.6%	2,476	23.0%
\$300,000 to \$499,999.....	1,101	17.9%	321	2.8%	669	6.2%
\$500,000 to \$999,999.....	232	3.8%	162	1.4%	279	2.6%
\$1,000,000 or more.....	21	0.3%	28	0.2%	90	0.8%
Totals.....	6,145	100.0%	11,586	100.0%	10,786	100.0%

Median Sales Price ¹	\$134,000	\$112,800	\$93,900
Median Sales Price ²	\$214,800	\$169,900	\$163,600

Specified Owner-Occupied Units	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	234	2.3%	104	1.9%	431	2.4%
\$50,000 to \$99,999.....	126	1.2%	173	3.1%	136	0.8%
\$100,000 to \$149,999.....	986	9.5%	387	7.0%	366	2.0%
\$150,000 to \$199,999.....	1,990	19.2%	550	10.0%	1,275	7.1%
\$200,000 to \$299,999.....	5,182	49.9%	2,084	37.9%	6,610	36.8%
\$300,000 to \$499,999.....	1,709	16.5%	1,900	34.5%	6,757	37.6%
\$500,000 to \$999,999.....	90	0.9%	304	5.5%	2,134	11.9%
\$1,000,000 or more.....	71	0.7%	0	0.0%	275	1.5%
Totals.....	10,388	100.0%	5,502	100.0%	17,984	100.0%

Median Sales Price ¹	\$144,800	\$165,400	\$176,400
Median Sales Price ²	\$232,400	\$267,300	\$304,000

Specified Owner-Occupied Units	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	221	2.6%	203	2.3%	24,122	2.6%
\$50,000 to \$99,999.....	155	1.8%	178	2.0%	26,438	2.9%
\$100,000 to \$149,999.....	328	3.8%	817	9.2%	72,756	8.0%
\$150,000 to \$199,999.....	1,161	13.5%	2,007	22.7%	137,797	15.1%
\$200,000 to \$299,999.....	4,044	47.2%	4,200	47.5%	257,364	28.2%
\$300,000 to \$499,999.....	2,333	27.2%	1,345	15.2%	243,882	26.7%
\$500,000 to \$999,999.....	302	3.5%	85	1.0%	109,918	12.0%
\$1,000,000 or more.....	25	0.3%	0	0.0%	40,766	4.5%
Totals.....	8,569	100.0%	8,835	100.0%	913,043	100.0%
Median Sales Price ¹		\$159,300		\$142,200		\$166,900
Median Sales Price ²		\$254,200		\$227,300		\$274,500

¹ Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

² U. S. Census Bureau, 2010-2014 American Community Survey

Source: U. S. Census Bureau, 2010-2014 American Community Survey.

VI. TAX BASE DATA

TAX COLLECTION PROCEDURE

The method for taxing Member Municipalities is set forth in Section 3-12 of the District Charter which grants the District Board, acting on the recommendation of the Board of Finance, the power to levy tax upon the Member Municipalities sufficient to finance the District’s budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

COMPARATIVE ASSESSED VALUATIONS

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$2,038,195,880	0.2%	2015	\$2,736,032,759	1.7%
2014 ¹	2,033,984,990	-1.6%	2014	2,689,464,641	0.1%
2013	2,067,157,242	1.7%	2013	2,687,876,591	-0.1%
2012	2,032,528,017	2.6%	2012	2,691,709,967	-0.1%
2011	1,981,916,344	1.7%	2011 ¹	2,695,242,754	-12.9%
2010	1,948,057,019	-2.1%	2010	3,095,300,382	0.1%
2009 ¹	1,990,439,045	13.4%	2009	3,092,179,605	-0.5%
2008	1,755,693,878	1.9%	2008	3,107,157,886	-2.1%
2007	1,723,152,319	1.6%	2007	3,172,514,025	16.4%
2006	1,695,764,929	-1.3%	2006	2,724,586,547	16.6%

¹ Revaluation Year.

¹ Revaluation Year.

City of Hartford			Town of Newington		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$3,701,904,978	2.3%	2015	\$2,615,695,201	2.5%
2014	3,619,341,714	2.5%	2014	2,550,822,204	0.1%
2013	3,531,344,777	1.2%	2013	2,548,042,597	0.5%
2012	3,487,781,236	2.0%	2012	2,536,619,686	-1.1%
2011 ¹	3,417,940,335	-8.6%	2011 ¹	2,564,276,354	-4.3%
2010	3,738,377,678	3.7%	2010	2,679,238,211	0.4%
2009	3,604,167,480	4.0%	2009	2,667,951,078	0.9%
2008	3,465,777,122	0.4%	2008	2,645,387,187	0.5%
2007	3,451,438,441	3.5%	2007	2,633,316,889	1.7%
2006 ²	3,334,666,569	-5.9%	2006	2,590,253,718	1.0%

¹ Revaluation Year.

² Revaluation Year. The City implemented a five-year phase-in of the revaluation.

¹ Revaluation Year.

Town of Rocky Hill

Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$2,033,673,437	0.8%
2014	2,018,435,060	1.5%
2013 ¹	1,988,502,360	-8.1%
2012	2,164,593,839	0.4%
2011	2,156,334,575	0.0%
2010	2,155,935,688	-2.0%
2009	2,200,202,480	-0.1%
2008 ¹	2,202,202,012	32.9%
2007	1,656,796,387	1.3%
2006	1,635,894,255	1.8%

¹ Revaluation Year

Town of West Hartford

Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$5,981,347,789	0.6%
2014	5,946,170,476	0.4%
2013	5,924,661,849	0.5%
2012	5,893,896,106	0.2%
2011 ¹	5,880,331,173	16.8%
2010	5,034,401,821	0.7%
2009	4,999,850,000	0.9%
2008 ²	4,953,979,658	1.3%
2007	4,889,430,313	8.7%
2006 ³	4,497,443,813	21.2%

¹ Revaluation Year.

² In June 2009, the Town Council elected to suspend the phase-in as allowed under newly enacted State legislation.

³ Revaluation Year. The Town implemented a phase-in for a period not to exceed five years.

Town of Wethersfield

Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$2,214,180,160	0.0%
2014	2,213,400,730	0.3%
2013 ¹	2,205,813,324	-5.7%
2012	2,338,758,240	0.4%
2011	2,329,648,250	0.6%
2010	2,314,769,170	0.0%
2009	2,315,493,100	0.4%
2008 ¹	2,307,397,010	15.2%
2007	2,003,032,473	0.6%
2006	1,991,317,830	0.0%

¹ Revaluation Year.

Town of Windsor

Grand List of 10/1	Net Taxable Grand List	% Growth
2015	\$2,924,503,409	2.6%
2014	2,849,933,303	0.7%
2013 ¹	2,831,162,216	-6.1%
2012	3,014,279,336	3.7%
2011	2,907,891,898	3.4%
2010	2,811,979,697	3.2%
2009	2,724,614,072	-7.2%
2008 ¹	2,937,296,936	13.4%
2007	2,590,737,631	7.9%
2006	2,401,738,783	4.3%

¹ Revaluation Year.

Source: Assessor's Office, Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF BLOOMFIELD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
2015	2017	\$2,038,195,880	36.65	\$67,837,272	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	2,033,984,990	36.00	71,333,195	<i>Unaudited</i>		
2013	2015	2,067,157,242	34.84	72,246,279	98.6%	1.4%	1.4%
2012	2014	2,032,528,017	34.85	71,075,964	98.5%	1.5%	0.5%
2011	2013	1,981,916,344	34.55	68,561,240	98.4%	1.6%	0.2%
2010	2012	1,948,057,019	33.70	65,281,933	98.7%	1.3%	0.1%
2009	2011	1,990,439,045	32.72	63,290,257	98.4%	1.6%	0.1%
2008	2010	1,755,693,878	35.53	62,068,048	97.8%	2.2%	0.0%
2007	2009	1,723,152,319	35.29	60,370,599	98.3%	1.7%	0.0%
2006	2008	1,695,764,929	34.33	57,873,253	98.2%	1.8%	0.0%

Source: Tax Collector's Office, Town of Bloomfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF EAST HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
					Fiscal Year	End of Fiscal Year	6/30/2015
2015	2017	\$2,736,032,759	45.86	\$118,336,250	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	2,689,464,641	45.86	120,917,824	<i>Unaudited</i>		
2013	2015	2,687,876,591	45.40	121,245,000	97.6%	2.4%	2.4%
2012	2014	2,691,709,967	43.90	117,379,000	97.9%	2.1%	0.8%
2011	2013	2,695,242,754	42.79	115,155,000	97.1%	2.9%	0.1%
2010	2012	3,095,300,382	34.42	106,016,000	97.3%	2.7%	0.0%
2009	2011	3,092,179,605	33.82	104,001,000	97.2%	2.8%	0.0%
2008	2010	3,107,157,886	31.67	97,618,000	97.7%	2.3%	0.0%
2007	2009	3,172,514,025	31.67	99,128,000	97.6%	2.4%	0.0%
2006	2008	2,724,586,547	36.16	98,607,000	96.0%	4.0%	0.0%

Source: Tax Collector's Office, Town of East Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – CITY OF HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
					Fiscal Year	End of Fiscal Year	6/30/2015
2015	2017	\$3,701,904,978	74.29	\$244,734,896	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	3,619,341,714	74.29	249,236,672	<i>Unaudited</i>		
2013	2015	3,531,344,777	76.79	253,546,000	96.0%	4.0%	4.0%
2012	2014	3,487,781,236	74.29	248,851,000	95.0%	5.0%	3.2%
2011	2013	3,417,940,335	74.29	247,520,000	94.6%	5.4%	2.2%
2010	2012	3,738,377,678	71.79	278,481,000	93.8%	6.2%	1.8%
2009	2011	3,604,167,480	72.79	268,745,000	95.4%	4.6%	1.6%
2008	2010	3,465,777,122	72.79	260,038,000	95.8%	4.2%	1.4%
2007	2009	3,451,438,441	68.34	242,777,000	96.2%	3.8%	1.5%
2006	2008	3,334,666,569	63.39	221,445,000	96.3%	3.7%	0.9%

Source: Tax Collector's Office, City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF NEWINGTON

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
					Fiscal Year	End of Fiscal Year	6/30/2015
2015	2017	\$2,615,695,201	35.75	\$83,117,156	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	2,550,822,204	35.80	89,713,037	<i>Unaudited</i>		
2013	2015	2,548,042,597	34.77	88,599,000	99.2%	0.8%	0.8%
2012	2014	2,536,619,686	33.63	85,346,000	99.1%	0.9%	0.2%
2011	2013	2,564,276,354	32.64	82,937,000	99.3%	0.7%	0.1%
2010	2012	2,679,238,211	30.02	80,441,000	98.9%	1.1%	0.1%
2009	2011	2,667,951,078	29.18	77,679,000	98.8%	1.2%	0.0%
2008	2010	2,645,387,187	28.40	75,091,000	99.1%	0.9%	0.0%
2007	2009	2,633,316,889	27.68	72,940,000	98.9%	1.1%	0.0%
2006	2008	2,590,253,718	26.91	69,973,000	99.1%	0.9%	0.0%

Source: Tax Collector's Office, Town of Newington.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF ROCKY HILL

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
2015	2017	\$2,033,673,437	31.00	\$62,216,743	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	2,018,435,060	29.70	58,954,735	<i>Unaudited</i>		
2013	2015	1,988,502,360	31.00	59,329,833	99.4%	0.6%	0.6%
2012	2014	2,164,593,839	26.60	57,774,467	99.0%	1.0%	0.3%
2011	2013	2,156,334,575	25.90	56,093,759	99.1%	0.9%	0.1%
2010	2012	2,155,935,688	24.50	52,823,294	99.0%	1.0%	0.0%
2009	2011	2,200,202,480	23.80	52,249,228	99.0%	1.0%	0.0%
2008	2010	2,202,202,012	22.90	50,276,269	99.3%	0.7%	0.0%
2007	2009	1,656,796,387	29.20	48,792,629	99.3%	0.7%	0.0%
2006	2008	1,635,894,255	28.40	46,723,104	99.4%	0.6%	0.0%

Source: Tax Collector's Office, Town of Rocky Hill.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WEST HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
2015	2017	\$5,981,347,789	39.51	\$229,544,429	<i>Collections 7/1/16 & 1/1/17</i>		
2014	2016	5,946,170,476	38.31	223,959,992	<i>Unaudited</i>		
2013	2015	5,924,661,849	37.37	222,213,000	99.2%	0.8%	0.8%
2012	2014	5,893,896,106	36.30	214,310,000	99.2%	0.8%	0.3%
2011	2013	5,880,331,173	35.75	210,066,000	99.1%	0.9%	0.1%
2010	2012	5,034,401,821	39.44	199,192,000	99.1%	0.9%	0.0%
2009	2011	4,999,850,000	38.38	192,761,000	98.9%	1.1%	0.0%
2008	2010	4,953,979,658	37.54	186,542,000	99.1%	0.9%	0.0%
2007	2009	4,889,430,313	36.97	181,771,000	99.1%	0.9%	0.0%
2006	2008	4,497,443,813	38.63	174,302,000	99.0%	1.0%	0.0%

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

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WETHERSFIELD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
2015	2017	\$2,214,180,160	38.54	\$82,593,692	<i>Collections 7/1/15 & 1/1/16</i>		
2014	2016	2,213,400,730	38.19	81,934,961	<i>Unaudited</i>		
2013	2015	2,205,813,324	36.74	80,862,756	99.1%	0.9%	0.9%
2012	2014	2,338,758,240	33.46	78,123,896	99.0%	1.0%	0.3%
2011	2013	2,329,648,250	32.58	75,725,740	99.0%	1.0%	0.1%
2010	2012	2,314,769,170	31.42	72,558,938	98.9%	1.1%	0.2%
2009	2011	2,315,493,100	30.66	70,662,766	98.8%	1.2%	0.2%
2008	2010	2,307,397,010	30.68	70,693,007	99.2%	0.8%	0.1%
2007	2009	2,003,032,473	34.71	69,579,789	99.2%	0.8%	0.1%
2006	2008	1,991,317,830	32.94	65,637,736	99.0%	1.0%	0.1%

Source: Tax Collector's Office, Town of Wethersfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WINDSOR

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2015
2015	2017	\$2,924,503,409	31.52	\$90,561,620	<i>Collections 7/1/15 & 1/1/16</i>		
2014	2016	2,849,933,303	30.92	86,651,520	<i>Unaudited</i>		
2013	2015	2,831,162,216	30.47	86,548,952	98.8%	1.2%	1.2%
2012	2014	3,014,279,336	27.33	82,919,994	98.6%	1.4%	0.4%
2011	2013	2,907,891,898	27.95	81,403,784	98.7%	1.3%	0.0%
2010	2012	2,811,979,697	28.03	79,201,381	98.8%	1.2%	0.0%
2009	2011	2,724,614,072	28.38	77,747,083	98.6%	1.4%	0.0%
2008	2010	2,937,296,936	28.34	74,984,463	98.6%	1.4%	0.0%
2007	2009	2,590,737,631	29.30	76,374,720	98.8%	1.2%	0.0%
2006	2008	2,401,738,783	29.30	70,937,721	98.8%	1.2%	0.0%

Source: Tax Collector's Office, Town of Windsor.

TEN LARGEST TAXPAYERS – TOWN OF BLOOMFIELD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Eversource ²	Utility	\$127,669,800	6.26%
CIT Finance LLC	Commercial Financing	80,011,350	3.93%
Connecticut General Life Insurance Co...	Insurance	44,234,100	2.17%
Metropolitan Life Insurance Co	Insurance	41,767,370	2.05%
AMCAP Copaco LLC	Real Estate	41,229,968	2.02%
HG Conn Realty Corp	Real Estate	32,306,410	1.59%
Duncaster Inc	Retirement Community	30,537,060	1.50%
Bouwfonds Hawthorn LP	Real Estate	26,880,960	1.32%
CIGNA Health & Life Ins Co	Insurance	22,980,810	1.13%
Church Home of Hartford Inc	Retirement Community	19,039,970	0.93%
Total		\$466,657,798	22.90%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,038,195,880.

² Formerly known as Connecticut Light and Power Company.

Source: Town of Bloomfield.

TEN LARGEST TAXPAYERS – TOWN OF EAST HARTFORD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
United Technologies Corp	Manufacturing	\$365,472,121	13.36%
Goodwin College	College	113,284,776	4.14%
Fremont Riverview LLC	Offices	44,521,228	1.63%
Coca-Cola Bottling Co	Beverage Mfg./Distributor	40,154,210	1.47%
Connecticut Light and Power Company ...	Utility	34,488,210	1.26%
Merchant Group	Offices	26,892,081	0.98%
Connecticut Natural Gas Corp	Utility	26,673,780	0.97%
Cabela's Inc	Retail	25,346,930	0.93%
Ansonia Acquisitions LLC	Apartments	22,032,750	0.81%
East Hartford Founders LLC	Offices	13,020,000	0.48%
Total		\$711,886,086	26.02%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,736,032,759.

Source: Town of East Hartford.

TEN LARGEST TAXPAYERS – CITY OF HARTFORD¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light and Power Company ...	Utility	\$164,193,330	4.44%
Hartford Fire Insurance & Twin City Ins..	Insurance	131,975,100	3.57%
Travelers Indemnity Co. Affiliate.....	Insurance	120,154,010	3.25%
Aetna Life Insurance Co. & Annuity.....	Insurance	107,612,620	2.91%
Hartford Steam Boiler Inspection & Ins....	Insurance	54,226,430	1.46%
RP Asylum LLC.....	Real Estate	48,977,640	1.32%
Talcott II Gold, LLC.....	Office Complex	45,394,580	1.23%
Mac-State Square LLC.....	Office Complex	44,450,000	1.20%
Hartford Hospital & HHMOB Corp.....	Hospital	36,370,699	0.98%
Connecticut Natural Gas Corp.....	Utility	33,683,220	0.91%
Total.....		\$787,037,629	21.26%

¹ Based on a 10/1/15 Net Taxable Grand List of \$3,701,904,978.
Source: City of Hartford.

TEN LARGEST TAXPAYERS – TOWN OF NEWINGTON¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light and Power Company ...	Utility	\$38,085,750	1.46%
GKN Aerospace.....	Manufacturing	25,474,730	0.97%
IREIT Newington Fair LLC.....	Shopping Center	21,509,790	0.82%
TLG Newington LLC.....	Shopping Center	20,447,730	0.78%
Newington VF LLC.....	Shopping Center	20,300,000	0.78%
Newington Gross LLC.....	Shopping Center	19,462,690	0.74%
Brixmor GA Turnpike Plaza LLC.....	Shopping Center	17,850,000	0.68%
Hayes Kaufman Newington Assoc. LLC..	Real Estate	17,164,240	0.66%
Saputo Dairy Foods USA.....	Dairy Products	14,121,800	0.54%
Mandell Properties.....	Printing	13,758,650	0.53%
Total.....		\$208,175,380	7.96%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,615,695,201.
Source: Town of Newington.

TEN LARGEST TAXPAYERS – TOWN OF ROCKY HILL¹

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Century Hills Property Owner LLC.....	Apartments	\$38,407,040	1.89%
RP Glenbrook LLC.....	Warehouse	26,962,600	1.33%
MKS - 500 Enterprise LLC.....	Real Estate	24,869,630	1.22%
Burris Logistics Inc.....	Real Estate	23,336,740	1.15%
CT Light & Power.....	Utility	16,048,410	0.79%
Henkel Corporation.....	Manufacturer of Adhesives	15,087,660	0.74%
Connecticut Natural Gas Corporation.....	Utility	13,548,280	0.67%
Sysco Food Services of CT.....	Distribution Warehouse	13,518,500	0.66%
Auxi Horizon Commons LLC.....	Real Estate	12,177,970	0.60%
Rocky Hill Properties LLC.....	Apartments	11,875,080	0.58%
Total.....		\$195,831,910	9.63%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,033,673,437.
Source: Town of Rocky Hill.

TEN LARGEST TAXPAYERS – TOWN OF WEST HARTFORD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Sof-Ix Blueback Square Holdings LP.....	Real Estate	\$75,658,380	1.26%
West Farms Mall.....	Shopping Mall	37,805,390	0.63%
Connecticut Light and Power Company ...	Utility	37,699,280	0.63%
FW CT - Corbins Corner.....	Retail, Office	33,839,820	0.57%
Town Center West Associates.....	Office	24,933,960	0.42%
Bishops Corner (E&A) LLC.....	Shopping Center	18,242,890	0.30%
McAuley Center Incorporated.....	Assisted Living	17,740,870	0.30%
E&A Northeast Limited Partnership.....	Shopping Center	15,498,070	0.26%
Prospect Plaza Improvements, LLC.....	Retail	13,994,540	0.23%
Westgate Apartments LLC.....	Apartments	13,248,900	0.22%
Total.....		\$288,662,100	4.83%

¹ Based on a 10/1/15 Net Taxable Grand List of \$5,981,347,789.
Source: Town of West Hartford.

TEN LARGEST TAXPAYERS – TOWN OF WETHERSFIELD¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Wethersfield Apartments Assoc. LLC.....	Apartments	\$20,118,400	0.91%
Wethersfield Shopping Center LLC.....	Shopping Center	13,650,000	0.62%
Executive Square LTD Partnership.....	Apartments	13,617,000	0.61%
Connecticut Light and Power Company ...	Utility	13,314,110	0.60%
Cedar-Jordan Lane LLC.....	Shopping Center	13,300,000	0.60%
100 Great Meadow Road.....	Real Estate	13,021,500	0.59%
Connecticut Natural Gas.....	Utility	9,927,110	0.45%
Phoenix Medical LLC.....	Real Estate	6,265,210	0.28%
Goodwin Gardens LLC.....	Apartments	6,091,100	0.28%
Goff Brook Shoppes of Wethersfield LLC.	Real Estate	4,724,700	0.21%
Total.....		\$114,029,130	5.15%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,214,180,160.
Source: Town of Wethersfield.

TEN LARGEST TAXPAYERS – TOWN OF WINDSOR¹

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
KTR CT I LLC (Amazon).....	Real Estate	\$77,532,445	2.65%
Walgreens.....	Pharmacy	76,550,840	2.62%
Griffin Land & Affiliates.....	Real Estate	75,746,720	2.59%
CIGNA.....	Insurance	60,692,576	2.08%
Voya Retirement Insurance.....	Finance	54,447,984	1.86%
Dollar Tree Distribution Inc.....	Real Estate	53,343,236	1.82%
IBM & Affiliates.....	Information Technology	51,788,339	1.77%
Cellco/Verizon Wireless.....	Information Technology	48,375,941	1.65%
Hartford Financial Corporation.....	Finance	47,669,652	1.63%
Northeast Utilities.....	Utility	36,000,804	1.23%
Total.....		\$582,148,537	19.91%

¹ Based on a 10/1/15 Net Taxable Grand List of \$2,924,503,409.
Source: Town of Windsor.

EQUALIZED NET GRAND LIST

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2013	\$2,837,611,566	1.24%	2013	\$3,829,879,530	-2.72%
2012	2,802,966,115	8.00%	2012	3,936,906,558	2.28%
2011	2,595,430,274	-6.87%	2011	3,849,203,343	-2.96%
2010	2,786,819,016	-5.97%	2010	3,966,619,309	-7.51%
2009	2,963,847,920	-5.66%	2009	4,288,594,846	-2.31%
2008	3,141,560,761	-1.55%	2008	4,390,028,134	-10.49%
2007	3,190,940,420	0.51%	2007	4,904,766,424	21.05%
2006	3,174,623,445	5.19%	2006 ¹	4,051,722,914	-15.36%
2005	3,018,109,847	23.13%	2005	4,786,965,847	9.88%
2004	2,451,100,334	-3.37%	2004	4,356,509,975	3.65%

¹ Revaluation phased- in.

City of Hartford			Town of Newington		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2013	\$6,877,950,983	-0.15%	2013	\$3,834,827,702	5.01%
2012	6,888,293,807	5.55%	2012	3,651,832,566	0.08%
2011	6,526,348,965	-8.69%	2011	3,648,904,984	-5.97%
2010	7,147,577,757	-7.34%	2010	3,880,511,002	-4.74%
2009	7,713,607,784	5.52%	2009	4,073,474,409	2.99%
2008	7,309,947,142	-8.96%	2008	3,955,308,064	-2.98%
2007	8,029,737,495	42.94%	2007	4,076,961,126	-3.38%
2006 ¹	5,617,517,672	-39.01%	2006	4,219,375,008	13.61%
2005	9,210,207,486	8.21%	2005	3,714,043,661	-8.34%
2004	8,511,588,775	13.23%	2004	4,051,823,902	15.60%

¹ Revaluation phased- in.

Town of Rocky Hill			Town of West Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2013	\$2,841,314,800	2.02%	2013	\$9,156,172,567	1.33%
2012	2,784,951,675	1.59%	2012	9,035,908,810	7.56%
2011	2,741,368,613	-0.81%	2011	8,400,921,331	15.96%
2010	2,763,696,337	-6.61%	2010	7,244,491,864	1.50%
2009	2,959,219,154	-6.24%	2009	7,137,413,505	-4.48%
2008	3,156,073,966	3.76%	2008	7,472,184,092	1.90%
2007	3,041,593,706	2.77%	2007	7,332,637,978	13.73%
2006	2,959,539,490	-0.98%	2006 ¹	6,447,326,690	-30.58%
2005	2,988,857,920	9.97%	2005	9,287,369,286	4.97%
2004	2,717,981,445	23.36%	2004	8,847,511,973	7.97%

¹ Revaluation phased- in.

Town of Wethersfield			Town of Windsor		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2013	\$3,153,114,691	0.19%	2013	\$4,047,961,669	0.54%
2012	3,147,128,675	0.02%	2012	4,026,160,993	0.00%
2011	3,146,435,531	0.59%	2011	4,026,157,221	0.56%
2010	3,128,048,308	-4.47%	2010	4,003,835,033	-0.89%
2009	3,274,360,078	-0.76%	2009	4,039,645,772	-5.96%
2008	3,299,287,214	-9.29%	2008	4,295,760,010	-5.23%
2007	3,637,100,135	0.18%	2007	4,533,063,159	-0.46%
2006	3,630,413,611	-2.64%	2006	4,553,843,709	9.66%
2005	3,728,964,091	5.31%	2005	4,152,615,879	10.89%
2004	3,541,097,244	26.68%	2004	3,744,909,821	14.72%

¹ Revaluation phased- in.

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

VII. FINANCIAL INFORMATION

FISCAL YEAR

Financial information for the District for fiscal years ended December 31, 2010 through December 31, 2015 and for the Member Municipalities for fiscal years ended June 30, 2010 through June 30, 2015, was taken from audited financial statements. Budget and audited financial data for the Member Municipalities of the District was provided by the Member Municipalities.

The District's fiscal year begins January 1 and ends December 31. The fiscal year for the Member Municipalities begins July 1 and ends June 30.

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

The District's accounting system is organized and operated on a fund accounting basis, conforming to the Charter and Ordinances of the District, the Governmental Accounting Standards Board ("GASB"), Generally Accepted Accounting Principles ("GAAP") for municipalities, and the American Institute of Certified Public Accountants industry audit guide, "Audits of State and Local Governmental Units". The District's proprietary funds apply all GASB pronouncements as well as follow pronouncements issued before November 30, 1989, unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures. Please refer to Appendix A "Notes to the Financial Statements" herein for compliance and implementation details.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Actual data for the General Fund for the District and Member Municipalities is presented in this Official Statement on a modified accrual basis of accounting and a current financial resources measurement focus. Revenues are recorded when they become measurable and available to finance operations of the fiscal year and expenditures are recorded when the related liability has been incurred. Actual data for the Water Utility Fund, the Hydroelectric Fund, and the Mid-Connecticut Fund utilize the accrual basis of accounting. Revenues are recognized when they are earned and their expenses are recognized when they are incurred. Budget data for the District and all Member Municipalities are presented on a budgetary non-GAAP basis, whereby encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued; and accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. All unencumbered budget appropriations lapse at the end of each fiscal year. Actual expenditures include current encumbrances, which method of accounting for encumbrances is different from that utilized by the GAAP accounting method.

BUDGETARY PROCEDURES

During the last quarter of the year, the ensuing year's proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1, of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data are presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above.

Budgetary integration is employed on a continuing (project length) basis for capital projects funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternately achieved through general obligation bond and note indenture provisions.

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

DEBT ADMINISTRATION POLICY

Capital appropriations require approval by a two-thirds vote of the entire District Board and by a majority of the electors of the District at a referendum with the following exceptions:

1. Capital appropriations not exceeding \$20,000,000, indexed for inflation, excluding those portions of an appropriation payable from Federal or State grants for any single item within the capital section of the budget.
2. Appropriations for any reason involving not more than \$25,000,000 in any one year for the purpose of meeting a public emergency threatening the lives, health or property of citizens of the District.
3. Construction of or leasing headquarters facilities.
4. Any public improvement all or a portion of which is to be paid for by assessments of benefits or from funds established to pay for waste or water facilities.

With the exception of the two \$800,000,000 appropriations, and bond authorizations for the District's Clean Water Project approved at referenda in November, 2006 and November, 2012, which are expected to be supported by general obligation bonds, revenue bonds, and clean water fund obligations payable from a Clean Water Project Charge (previously the Special Sewer Service Surcharge), (*see "Clean Water Project" and "Authorized but Unissued Debt – The District" herein*), the District has followed a policy of financing capital expenditures by issuing general obligation bonds secured by unlimited taxes levied proportionately upon the Member Municipalities comprising the District (*See "Security and Remedies" herein*).

In addition to taxes, certain water charges, sewer user fees, and assessments are available to repay the general obligation bonds. Sewer bonds are payable from a municipal tax levy on each Member Municipality and from sewer user charges levied on tax-exempt and high-flow users. General obligation water bonds are paid from water sale revenues. Assessable sewer construction bonds are secured by liens against assessments on benefited properties. The receipts from assessments are deposited in a separate fund, and payments for debt service on assessable sewer construction bonds are made from such fund. Hydroelectric bonds are funded from power sales revenue deposited in a separate fund, and payments of the debt service on the Hydroelectric bonds are made from said fund.

ANNUAL AUDIT

Pursuant to its Charter and Connecticut law, the District is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State's, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended December 31, 2015, the examination was conducted by the firm of Blum, Shapiro & Company, P.C., independent certified public accountants and business consultants, of West Hartford, Connecticut. The firm was appointed by the Board of Finance.

PENSION PLAN

The District has an employee retirement system with a pension plan, adopted January 1, 1944 and amended April 1, 1989. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System (MDERS), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

Management of the plans rests with the Personnel, Pension and Insurance ("PPI") Committee, which consists of 11 members.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand alone financial report.

Participation in the plan is immediate upon employment for all full-time employees. Vesting in benefits occurs after ten years of service. Termination of employment before that time results in forfeiture of the District's portion of the accrued benefit.

The District's PPI Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings, subject to a maximum of 32 years.

Six-Year Trend Information			
Year Ended	Annual Required Contribution (ARC)	Actual Contribution	% of ARC Funded
MDC			
2011	\$4,948,298	\$4,633,200	94%
2012	\$5,347,556	\$5,822,098	109%
2013	\$5,804,428	\$5,881,000	101%
2014	\$5,857,601	\$5,918,000	101%
2015	\$5,805,223	\$6,000,000	103%
2016 ¹	\$6,361,424	\$6,000,000	94%
MidCT			
2011	\$10,102,174	\$0	0%

¹ 2016 financial projection includes contributing the full ARC of \$6,361,424.

As noted elsewhere in this Official Statement under "Legal and Other Information", the District and CRRA are currently involved in arbitration with regard to contract termination expenses. The contract agreement between the District and CRRA expired on December 31, 2011 and the 2011 Mid-Connecticut Project annual required contribution amount, which was billed to CRRA, reflects a required contribution to bring the pension plan to 100% funding status with respect to Mid-Connecticut Project employees at December 31, 2011.

The District implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the District at December 31, 2015, determined by an actuarial valuation as of January 1, 2015 and based on actuarial assumptions as of that date, were as follows.

GASB 67 Schedules	
Total pension liability at December 31, 2015	\$246,828,827
Plan fiduciary net position	194,914,098
District's net pension liability	<u>\$51,914,729</u>
Plan fiduciary net position as % of total pension liability	78.97%

The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
District Plan's net pension liability as of December 31, 2015	\$79,703,926	\$51,914,729	\$29,200,538

457(f) Nonqualified Deferred Compensation Plan

The District has a 457(f) Nonqualified Deferred Compensation Plan for certain qualified key employees as deemed eligible by the PPI Committee. The District will make contributions to the plan as deemed necessary.

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 4” herein for information on the District’s Pension Plan.

OTHER POST EMPLOYMENT BENEFITS

The Retiree Health Plan (RHP) is provided through indemnity plans and health maintenance organizations. The RHP is a single-employer defined healthcare plan and provides medical, dental and life insurance benefits to eligible retirees and their spouses. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

Expenses for postemployment benefits were paid out of the OPEB trust fund during fiscal year ended December 31, 2015. The plan does not issue a stand-alone financial report.

The contribution requirements of the plan members and the District are also negotiated with the various unions representing the employees. Active employees hired prior to October 4, 2015 are required to contribute 0.5% of regular earnings and active employees hired after October 4, 2015 are required to contribute 1.0% of regular earnings into the OPEB Trust Fund. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of the health insurance premiums.

The cost per month for District retiree spouse coverage under Connecticut Blue Cross/Blue Shield Century 94 plus Major Medical Blue Cross Dental Plan is 5% of the difference in cost between the individual coverage and the cost of the coverage selected. There is no cost for retirees. Retirees are eligible to receive term life insurance in the amount equal to one half of their group life insurance.

Employer contributions to the plan of \$5,000,000 were made in accordance with the actuarially determined requirements.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed
12/31/2011	\$19,247,038	\$26,995,985	140.3%
12/31/2012	\$14,346,459	\$7,932,085	55.3%
12/31/2013	\$15,162,000	\$6,512,592	43.0%
12/31/2014	\$15,682,151	\$5,588,854	35.6%
12/31/2015	\$14,689,454	\$5,000,000	34.0%
Net OPEB Obligation as of December 31, 2014.....			\$55,841,592
Net OPEB Obligation as of December 31, 2015.....			\$65,531,046

As of January 1, 2014, the most recent actuarial valuation date, the plan was 11.8% funded. The actuarial accrued liability for benefits was approximately \$203 million, and the actuarial value of assets was approximately \$26 million, resulting in an unfunded actuarial accrued liability of approximately \$177 million.

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 5” herein for information on the District’s Post Employment Healthcare Plan.

INVESTMENT POLICIES AND PRACTICES

Connecticut General Statutes define the legal investments available to municipalities and establish criteria for financial institutions to receive municipal deposits.

Sections 7-400 and 7-402 allow municipalities to invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

Sections 3-27a through 3-27i allow for the purchases of participation certificates in the Short Term Investment Fund (“STIF”) managed by the State Treasurer. STIF’s primary investment vehicles are United States Government Obligations, United States agency obligations, United States Postal Service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts and bank acceptances.

Section 36a-330 defines the collateralization requirements and risk-based capital ratios for financial institutions to accept municipal deposits. A financial institution must collateralize varying levels of public deposits depending on its risk-based capital ratio. A qualified public depository (financial institution) must collateralize 10% of its deposits, if its risk-based capital ratio is above 10%. However, if the public depository’s risk-based capital ratio is greater or equal to 8% but less than 10%, the public depository must collateralize 25% of its total public deposits. A financial institution must provide collateral equal to 100% of its public deposits, if its risk-based capital ratio is greater than or equal to 3% but less than 8%. If the financial institution’s risk-based capital is less than 3%, the firm’s public deposits must be collateralized at 120%.

DISTRICT CASH MANAGEMENT INVESTMENT POLICY

The District’s Cash Management Investment Policy further defines the investment and deposit of District funds. This policy is the direct responsibility of the Board of Finance with oversight of the District Board. The District’s funds are deposited and invested with qualified public depositories that have a risk-based capital ratio greater than or equal to 10%. In addition, the only investments allowed under this policy are obligations of the United States and certain of its agencies, fully collateralized repurchase agreements of such investment, certificates of deposit, the State of Connecticut Short Term Investment Fund, custodial pools, investment companies or investment trusts.

The District’s Cash Management Investment Policy defines the primary objectives of investment activities as safety, liquidity and return on investment.

RISK MANAGEMENT

The District purchases commercial insurance for all risks of loss except as follows. The District is self insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1.0 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

COMPENSATED ABSENCES

The District's liability for accumulated unpaid vacation, sick pay and other employee time off is accrued when incurred in governmental and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The remaining is recorded in the general long-term obligations account group. Accrued compensated absences as of December 31, 2015 were \$5,086,988.

REVENUES AND APPROPRIATIONS BUDGET FOR 2016 – ADOPTED BUDGET FOR 2017

	Budget 2016	Adopted Budget 2017
Water Revenues		
Sale of Water.....	\$74,015,300	\$77,669,700
Other Operating Revenue.....	3,663,700	3,738,700
Total Operating Revenue.....	\$77,679,000	\$81,408,400
Non-Operating Revenue.....	5,581,600	2,134,800
Contribution from (to) Working Funds.....	1,033,500	0
Total Water Revenues.....	\$84,294,100	\$83,543,200
Sewer Revenues		
Tax on Member Municipalities.....	\$38,944,300	\$49,644,000
Revenue From Other Governmental Agencies.....	3,963,400	4,530,000
Other Sewer Revenues.....	11,854,700	13,684,700
Sewer User Charge Revenue.....	6,348,800	6,826,000
Total Operating Revenue.....	\$61,111,200	\$74,684,700
Contributions/Transfers From Other Funds.....	3,882,100	2,114,000
Revenue Surplus Designated from Prior Year.....	0	0
Total Sewer Revenues.....	\$64,993,300	\$76,798,700
Total Water and Sewer Revenues.....	\$149,287,400	\$160,341,900
Hydroelectric Revenues.....	1,143,700	895,300
Total Revenues and Other Financing Sources.....	\$150,431,100	\$161,237,200

	2016			Adopted 2017		
	Water	Sewer	Total	Water	Sewer	Total
Appropriations Water And Sewer Budgets						
District Board.....	\$ 122,700	\$ 117,800	\$ 240,500	\$ 155,800	\$ 149,700	\$ 305,500
Executive Office.....	340,100	326,800	666,900	344,900	331,400	676,300
Administrative Services.....	110,700	106,300	217,000	114,500	110,000	224,500
Legal.....	1,000,000	960,700	1,960,700	1,019,600	979,700	1,999,300
Human Resources.....	758,000	728,300	1,486,300	757,900	728,100	1,486,000
Information Technology.....	4,743,600	2,336,300	7,079,900	4,365,500	2,150,200	6,515,700
Finance.....	2,854,400	2,742,400	5,596,800	2,864,600	2,752,200	5,616,800
Environment, Health, Safety.....	463,700	445,500	909,200	488,800	469,600	958,400
Engineering and Planning.....	509,800	489,800	999,600	640,100	615,100	1,255,200
Customer Service.....	2,531,600	1,304,100	3,835,700	2,510,100	1,293,200	3,803,300
Operating Office.....	400,400	384,800	785,200	365,300	350,900	716,200
Operations.....	8,154,600	2,718,200	10,872,800	7,662,600	2,554,300	10,216,900
Laboratory Services.....	933,100	861,400	1,794,500	885,400	817,300	1,702,700
Water Pollution Control.....	-	17,435,400	17,435,400	-	16,281,400	16,281,400
Maintenance.....	5,903,300	5,672,000	11,575,300	5,692,900	5,469,500	11,162,400
Water Treatment & Supply.....	8,724,400	-	8,724,400	9,021,700	-	9,021,700
Patrol.....	1,653,100	-	1,653,100	1,713,900	-	1,713,900
Debt Service.....	22,708,200	20,865,100	43,573,300	26,029,500	22,668,800	48,698,300
Employee Benefits.....	13,473,600	4,985,900	18,459,500	10,343,200	8,462,500	18,805,700
General Insurance.....	2,893,600	1,240,200	4,133,800	2,893,600	1,240,200	4,133,800
Taxes and Fees.....	3,010,000	-	3,010,000	3,110,000	-	3,110,000
Special Agreements, Programs.....	1,954,300	1,272,300	3,226,600	1,954,300	1,401,000	3,355,300
Contingency.....	-	-	-	-	7,973,600	7,973,600
Riverfront Park Systems.....	1,050,900	-	1,050,900	609,000	-	609,000
Total Water and Sewer Budgets....	\$ 84,294,100	\$ 64,993,300	\$ 149,287,400	\$ 83,543,200	\$ 76,798,700	\$ 160,341,900
Hydroelectric Budget.....	1,143,700		1,143,700	895,300		895,300
Total Appropriations.....	\$ 85,437,800	\$ 64,993,300	\$ 150,431,100	\$ 84,438,500	\$ 76,798,700	\$ 161,237,200

**SOURCES OF FUNDS
BUDGET FOR 2016 – ADOPTED BUDGET FOR 2017**

<u>Sale of Water by User</u>	<u>Budget 2016</u>	<u>Adopted Budget 2017</u>
Domestic.....	36.07%	37.23%
Commercial.....	8.83	7.35
Industrial.....	1.28	1.02
Public Authority.....	3.40	2.84
Total.....	49.58%	48.44%
<u>Sewer Revenues Paid By Member Municipality Tax</u>		
Hartford.....	6.82	8.15
West Hartford.....	5.83	6.90
East Hartford.....	3.19	3.76
Newington.....	2.35	2.79
Windsor.....	2.28	2.72
Wethersfield.....	2.15	2.53
Bloomfield.....	1.97	2.28
Rocky Hill.....	1.50	1.84
Total.....	26.09%	30.97%
<u>Other Sources of Funds for Sewer & Water</u>		
Other Sewer & Water Revenues.....	24.33%	20.59%
Total Sources of Funds for Sewer & Water.....	100.00%	100.00%
<u>Sources of Funds for All Projects</u>		
Water revenues.....	56.04	51.81
Sewer Revenues.....	43.20	47.63
Hydroelectric Revenues.....	0.76	0.56
Total.....	100.00%	100.00%

GENERAL FUND REVENUES AND EXPENDITURES
The District
Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2017	Amended Budget 2016 ¹	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
REVENUES:							
Taxation - Member Towns.....	\$49,644,000	\$38,944,300	\$37,446,400	\$36,156,600	\$34,799,400	\$33,493,200	\$32,360,500
Sewer User Fees.....	6,826,000	6,347,800	6,513,558	5,733,380	5,641,519	5,459,338	5,648,811
Intergovernmental	4,530,000	5,960,000	4,028,474	3,547,471	3,247,905	3,689,993	6,126,080
Investment Income.....	40,000	84,800	36,202	52,350	33,637	16,592	29,710
Other Revenues.....	13,644,700	2,804,200	1,735,684	3,359,742	1,494,494	1,323,249	5,566,982
Transfers In.....	2,114,000	3,882,100			15,752,598	13,728,145	9,817,075
Total Revenues and Transfers In.....	\$76,798,700	\$58,023,200	\$49,760,318	\$48,849,543	\$60,969,553	\$57,710,517	\$59,549,158
EXPENDITURES:							
General Government.....	\$17,376,800	\$7,858,292	\$5,471,054	\$4,824,078	\$4,071,317	\$4,114,155	\$7,463,935
Engineering & Planning.....	615,100	385,578		247,304	36,396	118,517	1,124,966
Operations.....	2,905,200	2,442,727	1,447,931	1,432,213	1,802,090	1,679,661	3,281,022
Plants & Maintenance.....	23,969,200	19,870,165	17,002,752	16,780,068	19,078,105	21,555,352	20,001,916
Employee Benefits & Other.....	9,702,700	7,515,539	7,196,385	8,900,673	8,435,751	8,183,275	8,388,095
Transfers Out.....	22,229,700	19,950,900	17,847,927	15,427,552	28,714,385	20,502,729	19,084,525
Total Expenditures and Transfers Out.....	\$76,798,700	\$58,023,200	\$48,966,049	\$47,611,888	\$62,138,044	\$56,153,689	\$59,344,459
Results from Operations.....		²	\$794,269	\$1,237,655	(\$1,168,491)	\$1,556,828	\$204,699
Fund Balance, January 1.....			\$16,694,898	\$15,457,243	\$16,625,734	\$15,068,906	\$14,864,207
Fund Balance, December 31...			\$17,489,167	\$16,694,898	\$15,457,243	\$16,625,734	\$15,068,906

¹ Amended 2016 Budget, modified for GAAP.

² At this time, District Officials anticipate that revenues and transfers in will equal expenditures and transfers out at fiscal year ending December 31, 2016.

ANALYSIS OF GENERAL FUND EQUITY
The District
(GAAP BASIS)

	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
Nonspendable.....	\$2,987,472	\$2,654,631	\$1,980,172	\$1,387,243	
Reserved:					
Inventory.....					\$1,749,997
Encumbrances.....					2,423,443
Assigned.....			891,949	573,120	
Unreserved:					
Designated for Infrastructure Improvements.....					
Unassigned.....	14,501,695	14,040,267	12,585,122	14,665,371	10,895,466
Total Fund Balance	\$17,489,167	\$16,694,898	\$15,457,243	\$16,625,734	\$15,068,906

Source: Audit Reports 2011-2015; Amended Budget 2016; Adopted Budget 2017.

HISTORY OF MEMBER MUNICIPALITY'S TAXATION ¹

<u>Member Municipality</u>	<u>Budget</u>		<u>Actual</u>		<u>Actual</u>	
	<u>2016</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2014</u>	<u>%</u>
Bloomfield	\$ 2,936,000	7.54	\$ 2,752,400	7.35	\$ 2,612,500	7.23
East Hartford	4,762,000	12.23	4,490,100	11.99	4,213,200	11.65
Hartford	10,174,900	26.13	10,298,600	27.50	10,374,400	28.69
Newington	3,508,400	9.00	3,287,300	8.78	3,132,300	8.66
Rocky Hill	2,239,700	5.75	2,153,700	5.75	2,089,100	5.78
West Hartford	8,710,900	22.37	8,219,700	21.95	7,798,800	21.57
Wethersfield	3,207,700	8.24	3,022,000	8.07	2,824,400	7.81
Windsor	3,404,700	8.74	3,222,600	8.61	3,111,900	8.61
Total	\$ 38,944,300	100.0%	\$ 37,446,400	100.0%	\$ 36,156,600	100.0%

<u>Member Municipality</u>	<u>Actual</u>		<u>Actual</u>		<u>Actual</u>	
	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
Bloomfield	\$ 2,584,900	7.43	\$ 2,488,900	7.43	\$ 2,399,000	7.41
East Hartford	3,964,500	11.39	3,856,000	11.51	3,769,700	11.65
Hartford	9,955,500	28.61	9,472,000	28.28	9,046,600	27.96
Newington	3,014,900	8.66	2,888,200	8.62	2,794,700	8.64
Rocky Hill	2,011,100	5.78	1,941,700	5.80	1,869,100	5.78
West Hartford	7,485,100	21.51	7,207,700	21.52	6,968,100	21.53
Wethersfield	2,756,900	7.92	2,682,500	8.01	2,619,900	8.10
Windsor	3,026,500	8.70	2,956,200	8.83	2,893,400	8.93
Total	\$ 34,799,400	100.0%	\$ 33,493,200	100.0%	\$ 32,360,500	100.0%

¹ The District has the power to levy a tax upon the Member Municipalities sufficient to finance the District's budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

Source: District Officials.

WATER UTILITY FUND REVENUES AND EXPENDITURES

The District

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

	Budget 2016 ¹	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
Operating Revenues:						
Water Sales.....	\$74,015,300	\$73,285,849	\$73,334,034	\$76,994,138	\$68,827,277	\$55,530,498
Other Operating Revenues.....	3,663,700	0		0	0	0
Total Operating Revenue.....	\$77,679,000	\$73,285,849	\$73,334,034	\$76,994,138	\$68,827,277	\$55,530,498
Total Operating Expenses.....						
	84,294,100	76,171,269	73,708,227	61,586,554	57,846,953	50,971,083
Operating Income (Loss).....	(6,615,100)	(2,885,420)	(374,193)	15,407,584	10,980,324	4,559,415
Non-operating Revenues.....	5,581,600	1,989,866	1,255,128	1,717,490	1,079,465	873,794
Income (Loss) Before Interest &						
Fiscal Charges & Operating Transfers....	(1,033,500)	(895,554)	880,935	17,125,074	12,059,789	5,433,209
Interest & Fiscal Charges.....	0	(6,710,980)	(3,562,568)	(3,759,238)	(3,343,497)	(3,528,359)
Income Before Operating Transfers..	(\$1,033,500)	(\$7,606,534)	(\$2,681,633)	\$13,365,836	\$8,716,292	\$1,904,850
Net Operating Transfers.....	1,033,500	4,827,274	3,671,010	4,001,232	1,728,440	588,642
Net Income (Loss).....	\$0	(\$2,779,260)	\$989,377	\$17,367,068	\$10,444,732	\$2,493,492
Net Assets, January 1.....		\$252,779,244 ²	\$275,397,686	\$258,030,618	\$247,585,886	\$245,092,394
Net Assets, December 31.....		\$249,999,984	\$276,387,063	\$275,397,686	\$258,030,618	\$247,585,886

¹ Budgetary Basis.

² Restated.

³ At this time, District Officials anticipate a revenue surplus of \$2.84M at December 31, 2016.

Source: Audit Reports 2011-2015; Budget 2016.

HYDROELECTRIC FUND REVENUES AND EXPENDITURES

The District

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

	Budget 2016 ¹	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
Operating Revenues:						
Power Sales.....	\$1,139,700	\$912,162	\$1,063,425	\$868,056	\$696,703	\$1,115,675
Miscellaneous.....	4,000					
Total Operating Revenue.....	\$1,143,700	\$912,162	\$1,063,425	\$868,056	\$696,703	\$1,115,675
Total Operating Expenses.....						
	\$1,143,700	\$479,326	\$394,359	\$345,431	\$402,924	\$321,966
Operating Income (Loss).....	\$0	\$432,836	\$669,066	\$522,625	\$293,779	\$793,709
Non-operating Revenues (Expenses).....	\$0	\$105	\$4	\$0	\$608	\$2,944
Income Before Operating Transfers.....	\$0	\$432,941	\$669,070	\$522,625	\$294,387	\$796,653
Net Operating Transfers.....	0	0	0	(1,000,000)	(1,500,000)	(1,550,000)
Net Income (Loss).....	\$0	\$432,941	\$669,070	(\$477,375)	(\$1,205,613)	(\$753,347)
Net Assets, January 1.....		\$8,296,123	\$7,627,053	\$8,104,428	\$9,310,041	\$10,063,388
Net Assets, December 31.....		\$8,729,064	\$8,296,123	\$7,627,053	\$8,104,428	\$9,310,041

¹ Budgetary Basis.

Source: Audit Reports 2011-2015; Budgets 2016.

MID-CONNECTICUT PROJECT FUND REVENUES AND EXPENDITURES ¹
The District
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>
Total Operating Revenue	\$230,093	\$0	\$0	\$2,636,095	\$46,711,439
Operating Expenses:					
General Administration.....	761,311	1,855,831	169,394	252,637	2,206,429
Operations.....		310,726	1,001,773	95,841	837,469
Maintenance.....			238,850	356,227	3,112,756
Capital Outlay.....					
Personnel Services.....			4,681,827	10,696,039	21,539,808
Total Operating Expenses	\$761,311	\$2,166,557	\$6,091,844	\$11,400,744	\$27,696,462
Operating Income (Loss)	(\$531,218) ⁵	(\$2,166,557) ⁴	(\$6,091,844) ³	(\$8,764,649) ²	\$19,014,977

¹ The Metropolitan District Commission provided services to the Connecticut Resources Recovery Authority (the "CRRA") for the operation of the waste-processing at the Mid-Connecticut Resource Recovery Facility, the transfer stations, the Hartford landfill and the transportation system between the transfer stations. The contract between the two parties terminated on December 31, 2011.

² The fund had net assets of \$10,276,228 at December 31, 2012.

³ The fund had net assets of (\$32,862,981) at December 31, 2013.

⁴ The fund had net assets of (\$30,485,009) at December 31, 2014.

⁵ The fund had net assets of (\$31,016,227) at December 31, 2015.

Source: Audit Reports 2010-2014.

GENERAL FUND REVENUES AND EXPENDITURES

Town of Bloomfield

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

	Budget 2016-17¹	Budget 2015-16¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Taxes and Assessments.....	\$73,944,997	\$72,968,195	\$72,644,940	\$71,679,525	\$68,752,328	\$66,310,109	\$64,430,555
State and Federal Grants.....	7,661,218	6,800,296	10,539,585	11,640,999	14,348,379	12,018,377	9,952,846
Charges for Services.....	1,077,900	1,111,350	1,751,284	1,866,078	1,788,758	1,534,009	1,559,250
Investment Income.....	65,000	55,000	48,687	56,004	50,389	34,882	152,656
Licenses and Permits.....	823,200	826,250	0	0	0	0	0
Other.....	206,082	254,980	135,009	160,234	11,531,093 ⁵	228,226 ⁴	15,835,164 ²
Transfers In.....	1,400,000 ⁹	1,930,000 ⁸	293,587 ⁷	50,000	0	197,911	75,000
Total Revenues and Transfers In.....	\$85,178,397	\$83,946,071	\$85,413,092	\$85,452,840	\$96,470,947	\$80,323,514	\$92,005,471
EXPENDITURES:							
General Government.....	\$4,481,673	\$4,340,333	\$3,922,150	\$3,631,187	\$3,648,117	\$3,360,349	\$3,579,222
Public Safety.....	7,898,052	7,707,212	7,318,777	7,092,673	6,715,624	6,528,267	7,025,588
Public Works.....	3,195,347	3,178,482	3,185,324	3,100,569	2,907,343	5,570,103	2,450,354
Leisure Services.....	759,439	749,714	688,923	690,299	666,670	664,004	663,276
Public Libraries.....	1,589,426	1,560,396	1,522,952	1,459,802	1,385,092	1,367,410	1,397,095
Human Services.....	1,532,837	1,490,540	1,391,259	1,340,671	1,292,322	1,280,713	1,382,686
Facilities.....	1,697,029	1,680,767	1,516,800	1,582,410	1,621,760	1,542,864	1,697,811
Fixed Charges.....	16,075,570	15,394,405	15,392,282	14,114,184	12,841,982	12,588,736	11,887,131
Miscellaneous.....	366,000	313,000	86,098	159,666	127,739	109,268	221,393
Education.....	40,244,204	39,268,082	42,712,016	42,708,097	40,980,883	41,407,469	40,609,912
Debt Service.....	6,087,820	6,198,140	6,087,159	5,955,928	6,509,608	5,486,120	3,142,441
Transfers Out.....	1,251,000	2,065,000	2,631,577	2,850,000	13,419,610 ⁶	733,186	14,576,807 ³
Total Expenditures and Transfers Out.....	\$85,178,397	\$83,946,071	\$86,455,317	\$84,685,486	\$92,116,750	\$80,638,489	\$88,633,716
Results from Operations.....			(\$1,042,225)	\$767,354	\$4,354,197	(\$314,975)	\$3,371,755
Fund Balance, July 1.....			\$18,205,960	\$17,438,606	\$13,084,409	\$13,399,384	\$10,027,629
Fund Balance, June 30.....			\$17,163,735	\$18,205,960	\$17,438,606	\$13,084,409	\$13,399,384

¹ Budgetary Basis.

² Includes \$12,400,000 refunding bonds issued, \$2,082,150 premium on bond issuance and \$1,250,737 premium on refunding bond issuance.

³ Includes \$13,701,807 payment to refunded bond escrow agent.

⁴ Includes \$76,365 premium on bond issuance.

⁵ Includes \$10,240,000 refunding bonds issued and \$1,145,841 premium on refunding bond issuance.

⁶ Includes \$11,336,373 payment to refunded bond escrow agent.

⁷ Includes \$51,299 premium on notes and \$117,288 premium on bond issuance.

⁸ Represents \$1,930,000 appropriated from prior years' surplus.

⁹ Represents \$1,400,000 appropriated from prior years' surplus.

ANALYSIS OF GENERAL FUND EQUITY

Town of Bloomfield

(GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Restricted.....			\$712,937	\$1,382,150	\$2,082,150
Assigned.....	\$2,054,536	\$2,315,312	2,122,990	672,501	358,070
Unassigned.....	15,109,199	15,890,648	14,602,679	11,029,758	10,959,164
Total Fund Balance	\$17,163,735	\$18,205,960	\$17,438,606	\$13,084,409	\$13,399,384
Unassigned Fund Balance As % of Total Expenditures	<u>17.48%</u>	<u>18.76%</u>	<u>15.85%</u>	<u>13.68%</u>	<u>12.36%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES
Town of East Hartford
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Budget 2016-17 ¹	Budget 2015-16 ¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Property Taxes.....	\$122,036,250	\$122,792,824	\$122,150,000	\$118,022,000	\$115,890,000	\$107,495,000	\$103,943,000
Intergovernmental.....	55,839,377	51,119,868	64,424,000	63,834,000	59,947,000	60,641,000	51,565,000
Other local revenues.....	3,943,850	3,967,650	10,495,000	9,886,000	9,009,000	10,482,000	8,635,000
Transfers In.....	5,010	5,010	725,000	661,000	13,818,000 ⁴	5,979,000 ²	457,000
Total Revenues and Transfers In.....	\$181,824,487	\$177,885,352	\$197,794,000	\$192,403,000	\$198,664,000	\$184,597,000	\$164,600,000
EXPENDITURES:							
General Government.....	\$37,424,735	\$35,488,079	\$36,145,000	\$33,669,000	\$34,905,000	\$30,955,000	\$26,997,000
Public Safety.....	27,936,502	27,516,274	27,957,000	27,139,000	26,064,000	25,544,000	25,048,000
Inspection/Permits.....	732,776	703,847	654,000	644,000	656,000	639,000	645,000
Public Works.....	14,080,825	13,832,854	9,373,000	9,128,000	8,535,000	8,185,000	8,629,000
Parks and Recreation.....	3,198,524	3,138,810	3,168,000	2,797,000	2,520,000	2,558,000	2,600,000
Health and Social Services.....	1,639,627	1,548,042	3,985,000	1,457,000	1,430,000	1,361,000	1,326,000
Debt Service.....	7,545,079	7,391,027	9,437,000	9,215,000	9,357,000	9,758,000	9,160,000
Education.....	89,266,419	88,266,419	103,700,000	107,307,000	100,759,000	97,696,000	89,434,000
Transfers Out.....	0	0	1,672,000	1,080,000	15,023,000 ⁵	6,208,000 ³	187,000
Total Expenditures and Transfers Out.....	\$181,824,487	\$177,885,352	\$196,091,000	\$192,436,000	\$199,249,000	\$182,904,000	\$164,026,000
Results from Operations.....			\$1,703,000	(\$33,000)	(\$585,000)	\$1,693,000	\$574,000
Fund Balance, July 1.....			\$14,593,000	\$14,626,000	\$15,211,000	\$13,518,000	\$12,944,000
Fund Balance, June 30.....			\$16,296,000	\$14,593,000	\$14,626,000	\$15,211,000	\$13,518,000

¹ Budgetary Basis.

² Includes \$5,280,000 of Bond Issuance and \$193,000 of refunding bond premium.

³ Includes \$5,411,000 in refunding bond escrow.

⁴ Includes \$12,230,000 of Refunding Bond Issuance and \$1,076,000 of refunding bond premium.

⁵ Includes \$13,188,000 in refunding bond escrow.

ANALYSIS OF GENERAL FUND EQUITY
Town of East Hartford
 (GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Assigned.....	\$583,000	\$626,000	\$1,338,000	\$1,257,000	\$668,000
Unassigned.....	15,713,000	13,967,000	13,288,000	13,954,000	12,850,000
Total Fund Balance	\$16,296,000	\$14,593,000	\$14,626,000	\$15,211,000	\$13,518,000
Unassigned Fund Balance As % of Total Expenditures	<u>8.01%</u>	<u>7.26%</u>	<u>6.67%</u>	<u>7.63%</u>	<u>7.83%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES
City of Hartford
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Budget 2016-17 ¹	Budget 2015-16 ¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Property Taxes.....	\$260,301,621	\$265,681,672	\$260,640,000	\$256,765,000	\$255,546,000	\$277,245,000	\$274,013,000
Licenses and Permits.....	6,468,808	6,213,860	7,778,000	6,555,000	5,661,000	6,299,000	4,891,000
Investment Income.....	2,067,163	4,767,238	378,000	489,000	312,000	399,000	317,000
Intergovernmental.....	266,719,991	244,230,556	289,332,000	286,236,000	280,695,000	280,582,000	272,915,000
Charges for Services.....	2,791,519	2,949,105	3,813,000	3,589,000	2,829,000	2,258,000	2,807,000
Other Revenues.....	6,198,183	9,972,354	4,665,000	3,725,000	4,600,000	6,951,000	7,743,000
Transfers In.....	8,394,335 ⁵	0	21,150,000	10,430,000	12,439,000 ⁴	2,840,000 ²	4,159,000
Total Revenues and Transfers In.....	\$552,941,620	\$533,814,785	\$587,756,000	\$567,789,000	\$562,082,000	\$576,574,000	\$566,845,000
EXPENDITURES:							
General Government.....	\$18,157,466	\$19,893,736	\$17,067,000	\$19,384,000	\$19,206,000	\$21,566,000	\$19,800,000
Public Safety.....	84,189,679	74,159,540	76,841,000	74,778,000	72,691,000	73,595,000	75,672,000
Public Works.....	11,774,521	13,187,907	14,355,000	13,761,000	12,866,000	13,162,000	13,083,000
Development and Community	3,229,396	4,163,453	4,733,000	4,739,000	4,592,000	4,612,000	4,228,000
Human Services.....	4,241,691	5,100,101	4,715,000	4,441,000	4,588,000	4,704,000	7,103,000
Library.....	7,860,851	8,215,000	0	0	0	0	0
Education.....	282,801,144	284,008,188	326,647,000	321,535,000	314,620,000	313,069,000	304,370,000
Recreation and Culture.....	0	0	8,570,000	7,863,000	8,215,000	7,972,000	0
Benefits and Insurance.....	74,965,228	65,693,371	85,690,000	86,898,000	66,941,000	64,501,000	65,160,000
Debt Service.....	30,079,004	23,365,289	0	0	0	0	0
Other.....	35,642,640	36,028,200	32,403,000	21,019,000	17,858,000	29,445,000	34,552,000
Transfers Out.....	0	0	11,690,000	26,868,000	40,240,000	38,921,000	37,427,000
Total Expenditures and Transfers Out.....	\$552,941,620	\$533,814,785	\$582,711,000	\$581,286,000	\$561,817,000	\$571,547,000	\$561,395,000
Results from Operations.....			\$5,045,000	(\$13,497,000)	\$265,000	\$5,027,000	\$5,450,000
Fund Balance, July 1.....			\$16,881,000	\$30,378,000	\$30,113,000	\$25,086,000	\$19,636,000³
Fund Balance, June 30.....			\$21,926,000	\$16,881,000	\$30,378,000	\$30,113,000	\$25,086,000

¹ Budgetary Basis.

² Includes \$555,000 of Bond Premium.

³ Restated.

⁴ Includes \$6,511,000 of Bond Premium.

⁵ Includes \$8,394,335 appropriated from prior years' surplus.

ANALYSIS OF GENERAL FUND EQUITY
City of Hartford
 (GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Assigned.....	\$1,712,000	\$3,859,000	\$2,850,000	\$4,332,000	\$2,525,000
Unassigned.....	20,214,000	13,022,000	27,528,000	25,781,000	22,561,000
Total Fund Balance	\$21,926,000	\$16,881,000	\$30,378,000	\$30,113,000	\$25,086,000
Unassigned Fund Balance					
As % of Total Expenditures	<u>3.47%</u>	<u>2.24%</u>	<u>4.90%</u>	<u>4.51%</u>	<u>4.02%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES

Town of Newington

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

	Budget 2016-17¹	Budget 2015-16¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Property Taxes.....	\$91,410,938	\$91,029,387	\$89,177,000	\$85,646,000	\$83,913,000	\$80,895,000	\$77,704,000
Payment in Lieu of Taxes.....	2,954,620	3,246,774	2,731,000	2,764,000	2,339,000	2,343,000	3,096,000
Licenses, Fees and Permits.....	315,500	315,500	345,000	344,000	402,000	278,000	194,000
Intergovernmental.....	17,399,219	15,578,767	22,709,000	23,590,000	22,228,000	24,791,000	19,176,000
Rental.....	107,600	107,600	113,000	77,000	146,000	133,000	137,000
Income on Investments.....	71,350	68,500	74,000	62,000	39,000	67,000	123,000
Fines.....	36,500	36,500	155,000	89,000	122,000	123,000	93,000
Charges for Services.....	544,375	566,075	544,000	551,000	574,000	488,000	510,000
Refunds and Reimbursements.....	79,000	102,260	0	0	0	0	0
Other.....	78,556	75,179	216,000	128,000	96,000	832,000	136,000
Transfers In ²	2,618,824	2,467,912	331,000	433,000	10,436,000 ³	164,000	127,000
Total Revenues and Transfers In.....	\$115,616,482	\$113,594,454	\$116,395,000	\$113,684,000	\$120,295,000	\$110,114,000	\$101,296,000
EXPENDITURES:							
General Government.....	\$4,838,385	\$4,771,190	\$4,509,000	\$4,483,000	\$4,245,000	\$4,016,000	\$3,874,000
Public Safety.....	8,461,090	8,242,384	7,935,000	7,608,000	7,474,000	7,533,000	7,173,000
Public Works.....	4,871,569	4,962,387	4,908,000	4,728,000	4,557,000	6,223,000	4,668,000
Community Planning & Develop	547,396	522,269	525,000	465,000	456,000	422,000	430,000
Health and Human Services.....	1,176,285	1,185,291	1,160,000	1,123,000	1,057,000	1,093,000	1,074,000
Library.....	1,714,892	1,735,113	1,706,000	1,655,000	1,633,000	1,668,000	1,566,000
Parks and Recreation.....	1,644,384	1,642,878	1,544,000	1,513,000	1,512,000	1,542,000	1,472,000
Education.....	70,185,928	69,840,928	74,223,000	74,223,000	69,551,000	68,303,000	64,499,000
Miscellaneous.....	15,013,317	13,739,114	12,063,000	11,031,000	11,748,000	10,424,000	10,026,000
Debt Service.....	1,191,631	1,227,831	1,677,000	1,476,000	2,353,000	2,312,000	2,158,000
Transfers Out.....	5,971,605	5,725,069	4,836,000	4,955,000	14,666,000 ⁴	4,958,000	5,026,000
Total Expenditures and Transfers Out.....	\$115,616,482	\$113,594,454	\$115,086,000	\$113,260,000	\$119,252,000	\$108,494,000	\$101,966,000
Results from Operations.....			\$1,309,000	\$424,000	\$1,043,000	\$1,620,000	(\$670,000)
Fund Balance, July 1.....			\$20,060,000	\$19,636,000	\$18,593,000	\$16,973,000	\$17,643,000
Fund Balance, June 30.....			\$21,369,000	\$20,060,000	\$19,636,000	\$18,593,000	\$16,973,000

¹ Budgetary Basis.

² Includes \$2,500,000 and \$2,250,000 appropriated from prior years' surplus in Fiscal Years 2017 and 2016, respectively.

³ Includes \$462,000 premium on refunding bonds and \$9,810,000 refunding bonds issued.

⁴ Includes \$10,144,000 payment to refunded bond escrow agent.

ANALYSIS OF GENERAL FUND EQUITY

Town of Newington

(GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Assigned.....	\$5,370,000	\$4,877,000	\$5,010,000	\$4,174,000	\$3,891,000
Designated for Sub. Year.....	0	0	0	0	0
Unassigned.....	15,999,000	15,183,000	14,626,000	14,419,000	13,082,000
Total Fund Balance	\$21,369,000	\$20,060,000	\$19,636,000	\$18,593,000	\$16,973,000
Unassigned Fund Balance As % of Total Expenditures	<u>13.90%</u>	<u>13.41%</u>	<u>12.26%</u>	<u>13.29%</u>	<u>12.83%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Rocky Hill
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Budget 2016-17 ¹	Budget 2015-16 ¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Taxes and Assessments.....	\$63,421,743	\$60,469,735	\$59,840,044	\$57,822,637	\$56,453,949	\$53,019,340	\$52,381,560
Intergovernmental.....	6,757,281	6,138,498	9,434,186	10,206,932	9,052,449	9,149,211	7,432,129
Charges for Services.....	8,300	34,000	1,848,848	1,378,617	1,544,079	896,449	844,632
Income on Investments.....	110,500	75,000	80,802	23,823	14,069	13,720	24,417
Miscellaneous.....	1,365,494	1,225,710	815,311	995,991	827,777	747,501	722,482
Transfers In.....	1,114,769 ⁵	621,705 ⁴	0	0	7,779,757 ²	0	0
Total Revenues							
and Transfers In.....	\$72,778,087	\$68,566,648	\$72,019,191	\$70,428,000	\$75,672,080	\$63,826,221	\$61,405,220
EXPENDITURES:							
General Government.....	\$3,850,441	\$3,109,388	\$2,369,390	\$2,388,003	\$2,399,855	\$2,463,450	\$2,269,845
Public Safety.....	5,911,285	5,791,644	6,453,248	6,153,764	5,828,716	5,503,034	5,650,377
Public Works.....	5,599,974	6,228,964	5,943,415	5,952,262	5,573,494	5,352,691	5,256,628
Health and Human Services.....	468,474	564,498	533,142	676,010	567,584	522,184	522,896
Parks, Recreation and Facilities...	3,082,662	2,889,704	4,055,005	5,955,413	5,544,561	5,312,396	5,423,382
Library Services.....	954,948	954,243	929,171	953,855	912,754	862,248	882,446
Education.....	39,331,681	37,187,869	38,973,084	35,566,626	33,885,126	32,952,537	30,865,280
Miscellaneous.....	7,619,267	7,127,514	7,392,445	7,596,307	7,357,111	6,948,577	6,477,639
Capital Outlays.....	2,836,399	2,073,849	1,852,330	1,068,650	1,473,714	973,159	956,339
Debt Service	3,122,956	2,638,975	1,962,439	1,671,560	2,235,379	2,385,319	2,363,467
Transfers Out.....	0	0	1,405,502	2,177,382	8,324,556 ³	497,548	506,348
Total Expenditures and							
Transfers Out.....	\$72,778,087	\$68,566,648	\$71,869,171	\$70,159,832	\$74,102,850	\$63,773,143	\$61,174,647
Results from Operations.....			\$150,020	\$268,168	\$1,569,230	\$53,078	\$230,573
Fund Balance, July 1.....			\$6,138,851	\$5,870,683	\$4,301,453	\$4,248,375	\$4,017,802
Fund Balance, June 30.....			\$6,288,871	\$6,138,851	\$5,870,683	\$4,301,453	\$4,248,375

¹ Budgetary Basis

² Includes \$7,160,000 refunding bonds issued and \$619,757 premium on refunding bond issuance.

³ Includes \$7,675,728 payment to refunded bond escrow agent.

⁴ Includes \$621,705 appropriated from prior years' surplus.

⁵ Includes \$1,114,769 appropriated from prior years' surplus designated for capital projects.

ANALYSIS OF GENERAL FUND EQUITY
Town of Rocky Hill
(GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Assigned.....	\$1,084,837	\$1,552,335	\$1,198,823	\$245,955	\$754,586
Unassigned.....	5,204,034	4,586,516	4,671,860	4,055,498	3,493,789
Total Fund Balance	\$6,288,871	\$6,138,851	\$5,870,683	\$4,301,453	\$4,248,375
Unassigned Fund Balance					
As % of Total Expenditures	<u>7.24%</u>	<u>6.54%</u>	<u>6.30%</u>	<u>6.36%</u>	<u>5.71%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES

Town of West Hartford

Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Budget 2017 ¹	Budget 2016 ¹	Actual 2015	Actual 2014	Actual 2013	Actual 2012 ²	Actual 2011
REVENUES:							
Property Taxes.....	\$233,344,429	\$227,984,992	\$223,062,000	\$214,923,000	\$210,571,000	\$200,033,000	\$192,984,000
Intergovernmental.....	26,724,743	22,198,732	41,016,000	43,115,000	39,853,000	46,477,000	32,117,000
Charges for Services.....	5,827,720	5,205,109	5,711,000	4,741,000	4,632,000	4,970,000	4,304,000
Income on Investments.....	384,000	250,000	282,000	256,000	382,000	451,000	710,000
Miscellaneous.....	738,250	836,500	844,000	775,000	779,000	1,004,000	1,140,000
Transfers In.....	910,788	1,038,710	922,000	849,000	790,000	994,000	878,000
Total Revenues.....	\$267,929,930	\$257,514,043	\$271,837,000	\$264,659,000	\$257,007,000	\$253,929,000	\$232,133,000
EXPENDITURES:							
Current:							
General Government.....	\$5,963,552	\$5,515,125	\$5,393,000	\$5,328,000	\$5,182,000	\$5,064,000	\$5,033,000
Public Safety.....	25,991,693	25,652,282	25,609,000	25,368,000	25,629,000	25,340,000	23,497,000
Community Maintenance.....	16,444,457	15,952,852	15,701,000	15,669,000	15,329,000	14,398,000	15,011,000
Human and Cultural.....	6,435,078	6,152,075	6,055,000	6,079,000	5,864,000	5,691,000	5,503,000
Education.....	153,283,022	148,370,424	162,477,000	160,266,000	155,074,000	149,600,000	139,573,000
Debt and Sundry.....	58,217,939	54,407,938	37,184,000	34,431,000	32,380,000	40,601,000	25,922,000
Capital Outlay.....	0	0	132,000	102,000	48,000	0	99,000
Transfers Out.....	1,594,189	1,463,347	18,436,000	16,654,000	16,413,000	13,591,000	16,786,000
Total Expenditures and Transfers Out.....	\$267,929,930	\$257,514,043	\$270,987,000	\$263,897,000	\$255,919,000	\$254,285,000	\$231,424,000
Results from Operations.....			\$850,000	\$762,000	\$1,088,000	(\$356,000)	\$709,000
Fund Balance, July 1.....			\$20,205,000	\$19,443,000	\$18,355,000	\$18,711,000	\$18,002,000
Fund Balance, June 30.....			\$21,055,000	\$20,205,000	\$19,443,000	\$18,355,000	\$18,711,000

¹Budgetary Basis.

²In 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).

ANALYSIS OF GENERAL FUND EQUITY

Town of West Hartford

(GAAP BASIS)

	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
Nonspendable.....	\$172,000	\$178,000	\$179,000	\$169,000	\$178,000
Assigned.....	262,000	374,000	333,000	355,000	652,000
Unassigned.....	20,621,000	19,653,000	18,931,000	17,831,000	17,881,000
Total Fund Balance	21,055,000	20,205,000	19,443,000	18,355,000	18,711,000
Unassigned Fund Balance As % of Total Expenditures	<u>7.61%</u>	<u>7.45%</u>	<u>7.40%</u>	<u>7.01%</u>	<u>7.73%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Wethersfield
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Budget 2016-17 ¹	Budget 2015-16 ¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Property Taxes.....	\$83,929,992	\$84,524,511	\$80,702,609	\$78,321,007	\$75,019,911	\$72,867,903	\$70,620,970
Intergovernmental.....	11,289,179	9,698,690	16,368,042	17,339,290	16,262,260	16,674,045	14,296,441
Other Local Revenues.....	1,679,819	1,732,712	2,048,350	2,157,286	1,920,385	1,498,540	2,155,787
Transfers In.....	400,000 ²	300,000 ²	90,000	123,429	6,769,120 ⁴	672,465	0
Total Revenues and Transfers In.....	\$97,298,990	\$96,255,913	\$99,209,001	\$97,941,012	\$99,971,676	\$91,712,953	\$87,073,198
EXPENDITURES:							
Public Safety.....	\$10,338,841	\$10,061,707	\$9,514,907	\$9,242,982	\$8,614,977	\$8,597,455	\$8,443,638
Public Works.....	8,372,064	8,212,369	8,808,425	8,298,582	7,917,299	7,594,385	7,877,295
Recreation and Parks.....	1,736,151	1,782,115	1,657,898	1,591,171	1,403,082	1,389,756	1,495,198
Social Services.....	850,799	826,988	771,051	791,675	875,144	829,087	906,931
Library.....	1,976,003	1,928,134	1,833,101	1,799,942	1,732,883	1,665,484	1,659,845
General Government.....	10,056,095	10,583,870	8,747,908	8,437,977	8,527,909	9,090,322	7,359,677
Education.....	56,613,100	56,374,947	61,943,559	60,950,236	58,303,580	55,269,575	54,344,069
Debt Service.....	5,185,048	4,385,547	3,367,577	3,236,244	3,807,461	3,569,423	3,775,508
Contingency.....	350,000	340,000	0	0	0	0	0
Transfers Out.....	1,820,889	1,760,236	2,721,597	2,285,085	8,453,204 ⁵	3,356,751	2,022,213
Total Expenditures and Transfers Out.....	\$97,298,990	\$96,255,913	\$99,366,023	\$96,633,894	\$99,635,539	\$91,362,238	\$87,884,374
Results from Operations.....			(\$157,022)	\$1,307,118	\$336,137	\$350,715	(\$811,176)
Fund Balance, July 1.....			\$11,788,700	\$10,481,582	\$10,145,445	\$9,794,730	\$10,605,906³
Fund Balance, June 30.....			\$11,631,678	\$11,788,700	\$10,481,582	\$10,145,445	\$9,794,730

¹ Budgetary Basis.

² Includes \$300,000 and \$400,000 appropriated from prior years' surplus in Fiscal Years 2016 and 2017, respectively.

³ Restated.

⁴ Includes \$6,170,000 refunding bonds issued and \$549,120 premium on refunding bonds.

⁵ Includes \$6,610,679 payment to refunded bond escrow agent.

ANALYSIS OF GENERAL FUND EQUITY
Town of Wethersfield
 (GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Committed.....	\$388,603	\$414,179	\$373,793	\$405,817	\$1,823,247
Assigned.....	517,910	1,126,833	796,624	829,460	858,617
Unassigned.....	10,725,165	10,247,688	9,311,165	8,910,168	7,112,866
Total Fund Balance	11,631,678	11,788,700	10,481,582	10,145,445	9,794,730
Unassigned Fund Balance As % of Total Expenditures	<u>10.79%</u>	<u>10.60%</u>	<u>9.35%</u>	<u>9.75%</u>	<u>8.09%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Windsor
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Budget 2016-17 ¹	Budget 2015-16 ¹	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
REVENUES:							
Property Taxes.....	\$92,250,720	\$88,290,620	\$87,600,034	\$82,937,213	\$82,159,015	\$79,806,333	\$78,440,338
State & Federal Governments.....	15,710,880	15,250,210	22,366,478	22,298,413	21,410,871	21,115,541	19,819,257
Charges for Services.....	1,831,390	1,828,310	4,847,452	4,865,078	4,531,261	3,361,671	3,764,362
Investment Income.....	170,000	115,000	123,805	120,506	132,574	158,626	243,289
Transfers In ²	900,000	900,000	99,540	95,510	105,150	903,038	113,220
Total Revenues and Transfers In.....	\$110,862,990	\$106,384,140	\$115,037,309	\$110,316,720	\$108,338,871	\$105,345,209	\$102,380,466
EXPENDITURES:							
Education.....	\$72,296,690	\$70,630,670	\$72,051,878	\$70,387,913	\$68,251,357	\$67,390,801	\$64,675,805
General Government.....	20,993,180	18,299,490	11,528,544	11,681,899	11,367,560	10,823,683	10,508,186
Culture & Recreation.....	1,450,120	1,412,430	3,782,540	3,765,963	3,748,207	3,714,831	3,562,735
Human Services.....	810,580	787,460	1,359,207	1,333,534	1,409,128	1,293,713	1,339,342
Public Safety.....	9,965,720	9,976,810	10,149,394	10,347,278	9,482,675	9,246,685	9,191,543
Public Works.....	5,346,700	5,277,280	5,911,934	5,697,653	5,553,231	5,444,107	5,745,378
Transfers Out.....	0	0	7,816,760	6,824,000	6,219,500	7,196,210	6,223,950
Total Expenditures and Transfers Out.....	\$110,862,990	\$106,384,140	\$112,600,257	\$110,038,240	\$106,031,658	\$105,110,030	\$101,246,939
Results from Operations.....			\$2,437,052	\$278,480	\$2,307,213	\$235,179	\$1,133,527
Fund Balance, July 1.....			\$21,189,830	\$20,911,350	\$18,604,137	\$18,368,958	\$17,235,431 ³
Fund Balance, June 30.....			\$23,626,882	\$21,189,830	\$20,911,350	\$18,604,137	\$18,368,958

¹ Budgetary Basis.

² Represents appropriation from prior years' surplus.

³ Restated.

ANALYSIS OF GENERAL FUND EQUITY
Town of Windsor
(GAAP BASIS)

	Actual 2014-15	Actual 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11
Reserved for Encumbrances.....					
Nonspendable.....	\$31,213	\$46,154	\$42,679	\$48,934	\$35,544
Reserved for Prepaids.....					
Committed.....					3,395,259
Assigned.....	4,621,032	3,795,689	3,939,957	3,238,973	
Unassigned.....	18,974,637	17,347,987	16,928,714	15,316,230	14,938,155
Total Fund Balance	\$23,626,882	\$21,189,830	\$20,911,350	\$18,604,137	\$18,368,958
Unassigned Fund Balance					
As % of Total Expenditures	<u>16.85%</u>	<u>15.77%</u>	<u>15.97%</u>	<u>14.57%</u>	<u>14.75%</u>

Source: Audit Reports 2011-2015; Budgets 2016 and 2017.

VIII. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS – THE DISTRICT¹

As of December 1, 2016
(Pro Forma)

<u>Long-Term Debt</u>				Debt	Date of
Date	Purpose	Rate %	Original Issue	Outstanding As of 12/1/16	Fiscal Year Maturity
12/30/97	CWF (270C).....	2.00	6,690,902	27,879	2016
06/30/99	CWF (319C).....	2.00	1,691,005	176,146	2018
12/30/99	CWF (383C).....	2.00	4,241,334	492,572	2019
06/30/00	CWF (361C).....	2.00	2,635,079	406,241	2019
08/31/01	Drinking Water (SRF 9709C).....	2.60	206,898	38,794	2020
12/31/01	Drinking Water (SRF 9704C).....	2.60	860,842	175,756	2020
06/30/02	Drinking Water (SRF 9710C).....	2.50	861,978	197,537	2021
06/30/02	CWF (405C).....	2.00	8,163,200	2,074,813	2021
03/30/03	CWF (267C).....	2.00	5,213,046	1,381,652	2022
06/30/03	CWF (494C).....	2.00	2,029,367	617,266	2022
12/31/03	Drinking Water (DWSRF9709CD1).....	2.10	956,990	215,323	2020
12/31/03	Drinking Water (9704DCD1).....	2.10	2,225,346	534,520	2020
12/31/03	Drinking Water (200105C).....	2.10	2,343,735	781,245	2023
12/31/04	CWF (451C).....	2.00	3,987,009	1,501,715	2024
09/30/09	CWF (521C).....	2.00	4,240,340	2,402,859	2028
10/31/08	CWF (508C).....	2.00	1,232,078	672,509	2027
12/30/08	CWF (160C).....	2.00	1,888,557	999,361	2027
12/31/08	CWF (578C).....	2.00	2,042,741	1,110,165	2027
02/28/09	CSL (142).....	2.00	6,200,000	3,487,500	2028
09/30/09	CWF (520C).....	2.00	4,547,580	2,690,652	2028
09/30/09	CSL (149).....	2.00	12,710,000	7,520,083	2028
06/01/10	Refunding Bonds.....	4.00-5.00	12,845,000	7,590,000	2022
07/15/10	General Purpose, Series A 2010.....	4.00-5.00	91,900,000	70,700,000	2035
07/15/10	General Purpose, Series B 2010.....	3.00-5.00	46,200,000	40,595,000	2040
01/31/11	CWF (578CD1).....	2.00	2,619,264	1,844,398	2030
08/31/11	Drinking Water (DWSRF 2010-8008)....	2.06	2,579,412	1,773,346	2030
02/28/12	Drinking Water (DWSRF 2010-8009)....	2.06	772,079	530,804	2030
03/31/12	CSL (166).....	2.00	21,907,709	16,381,441	2030
03/31/12	CWF (619D1).....	2.00	12,600,000	9,421,622	2030
01/31/13	CWF (626C).....	2.00	22,160,848	16,805,309	2032
01/31/13	Drinking Water (DWSRF 2010-8009-1)...	2.06	193,644	151,428	2030
02/01/13	General Purpose, Series A 2013.....	2.125-5.00	30,235,000	25,690,000	2033
02/01/13	General Purpose, Series B 2013.....	2.125-5.00	25,030,000	21,265,000	2033
03/13/13	CWF (639C).....	2.00	41,301,329	33,358,766	2032
06/19/13	Clean Water Project Revenue Bonds....	2.25-5.00	85,000,000	82,000,000	2039
06/28/13	CWF (633C).....	2.00	15,485,718	12,453,099	2032
07/15/14	Drinking Water (DWSRF 2013-7012)....	2.00	2,780,620	2,317,183	2033
08/06/14	General Purpose Series A 2014.....	3.00-5.00	47,735,000	43,324,078	2034
08/06/14	Refunding Bonds, Series B 2014.....	2.00-5.00	14,845,000	9,990,922	2024
09/30/14	CWF (619-C1).....	2.00	24,821,197	20,891,175	2033
09/30/14	Drinking Water (DWSRF 7018).....	2.00	398,083	335,053	2033
11/14/14	Clean Water Project Revenue Bonds....	2.00-5.00	140,000,000	134,810,000	2042
02/28/15	CWF (646-C).....	2.00	24,579,826	21,200,100	2034
03/19/15	General Purpose, Issue of 2015.....	3.00-5.00	66,740,000	63,560,000	2035
03/31/15	Drinking Water (DWSRF 2014-7026)....	2.00	1,691,379	1,508,146	2035
05/31/15	CWF (652-D).....	2.00	20,398,152	18,358,335	2034
06/01/15	Drinking Water (DWSRF 2013-7013)....	2.00	2,713,243	2,374,087	2034
06/30/15	Drinking Water (DWSRF 2013-7017)....	2.00	2,013,468	1,786,953	2034
06/30/15	Drinking Water (DWSRF 2013-7019)....	2.00	1,539,774	1,353,718	2034
06/30/15	CWF (626-CD1).....	2.00	6,815,898	6,233,635	2032
09/30/15	Drinking Water (DWSRF 2013-7014)....	2.00	4,691,464	4,300,509	2035
11/03/15	General Purpose, Series B 2015.....	2.00-5.00	36,215,000	34,400,000	2035
12/30/15	CSL (214).....	2.00	14,198,442	13,192,718	2035
01/31/16	CWF (652-C).....	2.00	25,528,771	24,465,072	2036
02/18/16	General Purpose, Series A 2016.....	2.00-5.00	33,025,000	33,025,000	2036
03/31/16	Drinking Water (DWSRF 2014-7029)....	2.00	3,173,899	2,909,407	2035
04/28/16	Refunding Bonds, Series B 2016.....	2.00-5.00	48,035,000	44,785,000	2028
04/29/16	Drinking Water (DWSRF 2014-7021)....	2.00	3,809,525	3,412,699	2034
05/31/16	Drinking Water (DWSRF 2014-7031)....	2.00	3,626,881	3,266,579	2035
05/31/16	Drinking Water (DWSRF 2014-7015)....	2.00	5,635,824	5,075,949	2035
05/31/16	CWF (619-CD-1).....	2.00	20,360,028	19,772,720	2033
07/31/16	Drinking Water (DWSRF 2014-7030)....	2.00	1,892,813	1,766,626	2035
07/31/16	CWF (657-C).....	2.00	33,352,916	32,797,033	2036
09/01/16	Drinking Water (DWSRF 2014-7033)....	2.00	1,501,320	1,481,566	2035
09/01/16	Drinking Water (DWSRF 2016-7035)....	2.00	2,203,262	2,174,272	2035
09/01/16	Drinking Water (DWSRF 2016-7042)....	2.00	825,335	814,476	2035
12/01/16	General Purpose, Series C 2016.....	4.00-5.00	108,315,000	108,315,000	2034
	Total Long-Term Debt.....		\$1,189,260,149	\$1,032,062,814	

Short-Term Debt:

The District issued \$113,500,000 in General Obligation Bond Anticipation Notes on February 18, 2016 to temporarily finance various sewer, water and public improvement projects of the District. The notes will mature on December 1, 2016.

The District currently has \$372,178,651 of outstanding Interim Funding Obligations (“IFO’s”) issued under the State’s Clean Water Fund Program and Drinking Water State Revolving Fund Program. The amount drawn to date is \$78,183,041.

Other Long-Term Commitments:

The District has no other general obligation long term commitments.

CLEAN WATER FUND PROGRAM

The Metropolitan District is a participant in the State’s Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrification projects (30% grant and 70% loan). Loans are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation (“IFO”) from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion, or, in the case of certain larger projects, annually, a 20-year debt obligation called a Project Loan Obligation (“PLO”) is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date, or, in the case of certain larger projects, the earlier of such date or annually commencing one year after the date of the agreement. The final maturity of each loan is the earlier of twenty years from the scheduled completion date or twenty years from the date of the PLO. Principal and interest payments are made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may prepay their loans at any time prior to maturity without penalty.

DRINKING WATER STATE REVOLVING FUND PROGRAM

The Metropolitan District is a participant in the State’s Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through loans bearing interest at rates ranging from 2% to 3% per annum and grants.

Loans and grants are made pursuant to a Project Loan and Subsidy Agreement. Each municipality is obligated to repay only that amount that is drawn down for the payment of project costs (“Loan Agreement”). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

ANNUAL BONDED DEBT MATURITY SCHEDULE - THE DISTRICT¹

As of December 1, 2016

(Pro Forma)

Schedule A – General Obligation Bonds

Fiscal Year Ending	Outstanding Principal	Interest	Total	Bonds to be issued 12/1/2016	Cumulative Percent Retired
2016	\$1,704,461	\$516,538	\$2,220,999		0.21
2017	44,424,652	21,666,642	66,091,295		5.66
2018	44,389,652	20,147,458	64,537,110	\$6,375,000	11.89
2019	44,509,766	18,571,296	63,081,062	6,375,000	18.13
2020	44,015,088	16,990,517	61,005,605	6,375,000	24.31
2021	43,114,417	15,452,729	58,567,145	6,375,000	30.38
2022	42,625,727	13,980,714	56,606,441	6,375,000	36.39
2023	41,228,759	12,574,156	53,802,916	6,370,000	42.23
2024	40,893,600	11,254,577	52,148,177	6,370,000	48.02
2025	40,195,171	9,969,779	50,164,951	6,370,000	53.74
2026	40,260,171	8,729,618	48,989,789	6,370,000	59.46
2027	40,035,241	7,608,330	47,643,571	6,370,000	65.15
2028	39,096,176	6,597,017	45,693,193	6,370,000	70.73
2029	34,694,346	5,611,817	40,306,163	6,370,000	75.76
2030	34,178,497	4,674,159	38,852,656	6,370,000	80.74
2031	30,129,514	3,752,959	33,882,473	6,370,000	85.21
2032	27,976,045	2,947,746	30,923,791	6,370,000	89.43
2033	25,076,334	2,206,887	27,283,221	6,370,000	93.28
2034	19,201,625	1,529,198	20,730,823	6,370,000	96.42
2035	14,304,409	962,345	15,266,754		98.17
2036	4,954,163	572,825	5,526,989		98.78
2037	2,320,000	446,850	2,766,850		99.07
2038	2,425,000	342,450	2,767,450		99.36
2039	2,535,000	233,325	2,768,325		99.67
2040	2,650,000	119,250	2,769,250		100.00
Totals	\$706,937,814	\$187,459,183	\$894,396,997	\$108,315,000	

¹ Excludes principal and interest payments made in current Fiscal Year 2016.

Source: District Officials.

Schedule B – Clean Water Project Revenue Bonds

Fiscal Year Ending 12/31	Outstanding Principal	Interest	Total	Cumulative Percent Retired
2017	\$3,760,000	\$10,386,450	\$14,146,450	1.73
2018	3,870,000	10,239,800	14,109,800	3.52
2019	4,015,000	10,065,050	14,080,050	5.37
2020	4,075,000	9,959,750	14,034,750	7.25
2021	4,225,000	9,756,000	13,981,000	9.20
2022	4,355,000	9,577,000	13,932,000	11.21
2023	4,525,000	9,359,250	13,884,250	13.30
2024	4,700,000	9,133,000	13,833,000	15.46
2025	4,885,000	8,898,000	13,783,000	17.72
2026	5,080,000	8,662,500	13,742,500	20.06
2027	5,285,000	8,426,000	13,711,000	22.50
2028	5,495,000	8,178,625	13,673,625	25.03
2029	5,905,000	7,907,375	13,812,375	27.75
2030	6,290,000	7,608,500	13,898,500	30.66
2031	8,715,000	7,239,500	15,954,500	34.68
2032	11,015,000	6,752,750	17,767,750	39.76
2033	13,165,000	6,155,125	19,320,125	45.83
2034	15,025,000	5,457,500	20,482,500	52.76
2035	15,330,000	4,706,250	20,036,250	59.83
2036	15,645,000	3,939,750	19,584,750	67.04
2037	14,970,000	3,214,275	18,184,275	73.95
2038	15,320,000	2,529,075	17,849,075	81.02
2039	15,700,000	1,826,050	17,526,050	88.26
2040	8,075,000	1,273,000	9,348,000	91.98
2041	8,480,000	869,250	9,349,250	95.89
2042	8,905,000	445,250	9,350,250	100.00
Totals	\$216,810,000	\$172,565,075	\$389,375,075	

Source: District Officials.

Combined Schedules A and B Outstanding Debt

Total Outstanding Principal¹	Total Interest	Total
\$1,032,062,814	\$410,504,684	\$1,442,567,497

¹ Excludes principal and interest payments made in current Fiscal Year 2016.

Source: District Officials.

**OVERLAPPING AND UNDERLYING NET DEBT
THE DISTRICT AND MEMBER MUNICIPALITIES**

As of December 1, 2016
(Pro Forma)

The outstanding indebtedness of the District is considered overlapping debt of the Member Municipalities.

The outstanding indebtedness of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford is considered underlying debt of the District:

Member Municipalities	Share of Net District Debt ¹	Net Direct District Debt Applicable to Member Municipalities as of 12/1/16 ²	Net Direct Debt of Member Municipalities	Underlying Debt Issued Since 6/30/2015	Underlying Net Debt Applicable to District
Bloomfield.....	7.54	\$68,513,471	\$56,695,000	\$0	\$56,695,000
East Hartford.....	12.23	111,129,940	44,910,000	14,839,000	59,749,000
Hartford.....	26.13	237,434,615	558,476,420 ³	125,000,000	683,476,420
Newington.....	9.00	81,780,005	7,295,000	0	7,295,000
Rocky Hill.....	5.75	52,248,337	42,690,000	29,000,000	71,690,000
West Hartford.....	22.37	203,268,746	148,785,626	14,000,000	162,785,626
Wethersfield.....	8.24	74,874,138	42,370,000	11,000,000	53,370,000
Windsor.....	8.74	79,417,472	40,185,000	4,735,000	44,920,000
Totals.....	100.00%	\$908,666,725	\$941,407,046	\$198,574,000	\$1,139,981,046

¹ The Member Municipalities' share of the District's Net Direct Debt is based on the annual tax levy of each Member Municipalities as of Fiscal Year 2015-16.

² Includes approximately \$709,201,597 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.6 billion for the District's Clean Water Project which represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 27 and 85 herein for further details.

³ Excludes the following long-term commitment of the City: The City of Hartford established the Hartford Stadium Authority ("the Authority"), which issued \$62.45 million in Lease Revenue Bonds in February, 2015 and \$6.195 million in Lease Revenue Bonds in March, 2016 for the acquisition and construction of a new AA minor league baseball stadium and related facilities. Under a Lease Agreement and a First Amendment to Lease Agreement, the City of Hartford as Lessee will make rent payments equal to the principal and interest on the bonds when due. The obligation to make such payments is an absolute and unconditional obligation of the City, subject to annual appropriation by the City.

Source: Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford Audits.

DEBT STATEMENT - THE DISTRICT

As of December 1, 2016

(Pro Forma)

LONG TERM DEBT

Water (Self-Supporting).....	\$181,901,751
Sewer.....	141,239,931
Combined Projects ¹	78,052,844
Clean Water Project ²	522,553,288
Bonds of this Issue.....	108,315,000

TOTAL LONG TERM DEBT **\$1,032,062,814**

SHORT TERM DEBT

CWF/DWSRF - IFO's ³	372,178,651
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TOTAL DIRECT DEBT **\$1,404,241,465**

Less:

Debt Not Subject to Debt Limitation ⁴	495,574,740
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TOTAL DIRECT NET DEBT..... **\$908,666,725**

NET UNDERLYING DEBT - Member Municipalities ⁵..... **1,139,981,046**

DIRECT NET DEBT PLUS NET UNDERLYING..... **\$2,048,647,771**

¹ Represents bonds funded by water and sewer sources.

² Represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 29 and 87 herein for further details.

³ Interim Funding Obligations ("IFO's") issued under the Clean Water Fund and Drinking Water State Revolving Fund programs total \$372,178,651; funds drawn to date total \$78,183,041.

⁴ Represents debt issued for water purpose and revenue bonds and other debt excluded from the debt limit.

⁵ Represents net direct debt of each Member Municipality.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – THE DISTRICT

As of December 1, 2016

(Pro Forma)

Population ¹	366,643
Net Taxable Grand List - 10/1/15 @ 70% of full value ²	\$24,245,533,613
Estimated Full Value ³	\$34,636,476,590
Equalized Net Taxable Grand List - 2013 ⁴	\$36,578,833,508

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$1,404,241,465	\$908,666,725	\$2,048,647,771
Per Capita.....	\$3,830.00	\$2,478.34	\$5,587.58
Ratio to Net Taxable Grand List.....	5.79%	3.75%	8.45%
Ratio to Estimated Full Value.....	4.05%	2.62%	5.91%
Ratio to Equalized Grand List.....	3.84%	2.48%	5.60%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

² Represents 2015 Net Taxable Grand Lists for the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

³ Represents estimated full values of 2015 Net Taxable Grand Lists of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

⁴ Office of Policy and Management, State of Connecticut.

DEBT STATEMENT – TOWN OF BLOOMFIELD

As of June 30, 2015

LONG TERM DEBT	\$56,695,000
SHORT TERM DEBT	<u>0</u>
TOTAL DIRECT DEBT	\$56,695,000
TOTAL NET DIRECT INDEBTEDNESS	\$56,695,000
NET OVERLAPPING DEBT - MDC 12/1/16 ¹	68,513,471
NET UNDERLYING DEBT - Fire Districts 6/30/15	<u>2,348,000</u>
TOTAL OVERALL DIRECT NET DEBT	\$127,556,471

¹Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF BLOOMFIELD

As of June 30, 2015

Population ¹	20,626
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,038,195,880
Estimated Full Value	\$2,911,708,400
Equalized Net Taxable Grand List - 2013 ²	\$2,837,611,566
Money Income per Capita - 2014 ³	\$40,664

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$56,695,000	\$56,695,000	\$127,556,471
Per Capita.....	\$2,748.72	\$2,748.72	\$6,184.26
Ratio to Net Taxable Grand List.....	2.78%	2.78%	6.26%
Ratio to Estimated Full Value.....	1.95%	1.95%	4.38%
Ratio to Equalized Grand List.....	2.00%	2.00%	4.50%
Debt per Capita to Money Income per Capita...	6.76%	6.76%	15.21%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Bloomfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Bloomfield.

DEBT STATEMENT – TOWN OF EAST HARTFORD

As of June 30, 2015

LONG TERM DEBT	\$44,910,000
SHORT TERM DEBT	<u>0</u>
TOTAL DIRECT DEBT	\$44,910,000
TOTAL NET DIRECT INDEBTEDNESS	\$44,910,000
NET OVERLAPPING DEBT - MDC 12/1/16 ¹	<u>111,129,940</u>
TOTAL OVERALL DIRECT NET DEBT	\$156,039,940

¹ Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF EAST HARTFORD

As of June 30, 2015

Population ¹	51,211
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,736,032,759
Estimated Full Value	\$3,908,618,227
Equalized Net Taxable Grand List - 2013 ²	\$3,829,879,530
Money Income per Capita - 2014 ³	\$25,509

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$44,910,000	\$44,910,000	\$156,039,940
Per Capita.....	\$876.96	\$876.96	\$3,047.00
Ratio to Net Taxable Grand List.....	1.64%	1.64%	5.70%
Ratio to Estimated Full Value.....	1.64%	1.64%	3.99%
Ratio to Equalized Grand List.....	1.17%	1.17%	4.07%
Debt per Capita to Money Income per Capita...	3.44%	3.44%	11.94%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of East Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of East Hartford.

DEBT STATEMENT – CITY OF HARTFORD³

As of June 30, 2015

LONG TERM DEBT	\$512,888,970
CWF - PLO	1,232,000
SHORT TERM DEBT	50,000,000
TOTAL DIRECT DEBT	\$564,120,970
Less:	
School Construction Grants - State of Conn. ¹	5,644,550
TOTAL NET DIRECT INDEBTEDNESS	\$558,476,420
NET OVERLAPPING DEBT - MDC 12/1/16²	237,434,615
TOTAL OVERALL DIRECT NET DEBT	\$795,911,036

¹ Represents School Construction Grants payable to the City over the life of certain School Bond issues.

² Please refer to page 75 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

³ **Other Long-Term Commitment:** Excludes a Lease Agreement (the "Lease Agreement") with the Hartford Stadium Authority (the "Authority") dated as of February 1, 2015, by which the City is obligated to make certain lease payments to the Authority. The Authority issued \$62.45 of lease revenue bonds in February 2015 for the construction of a minor league baseball ballpark. Under the Lease Agreement, the City is required to make semiannual deposits to secure performance of its obligations to pay rent to the Authority which is due on each February 1 and August 1 during the lease term. Each payment of rent is to be an amount sufficient, together with other money on deposit with the trustee in the bond fund to be credited as rent, to pay the principal and interest due on the bonds issued by the Authority on each principal payment date and interest payment date. The obligation to make these payments pursuant to the Lease Agreement is an absolute and unconditional obligation of the City, subject to annual appropriation by the City. In March 2016 the Authority issued \$6.195 of lease revenue bonds. In connection with the issuance of the Series 2016 Bonds, the Authority and the City entered into a First Amendment to Lease Agreement, dated as of March 1, 2016 (the "First Amendment to Lease Agreement"), which increased the lease payments required pursuant to the Lease Agreement to pay the principal and interest due on the Series 2016 Bonds. The schedule of lease payments due under the Lease Agreement, as amended by the First Amendment to Lease Agreement are \$2.836 million in Fiscal Year 2016, and approximately \$4.64 million annually in Fiscal Year 2017 through 2042 inclusively. (Source: March 2016 Official Statement, Hartford Stadium Authority).

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – CITY OF HARTFORD

As of June 30, 2015

Population ¹	125,211
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$3,701,904,978
Estimated Full Value	\$5,288,435,683
Equalized Net Taxable Grand List - 2013 ²	\$6,877,950,983
Money Income per Capita - 2014 ³	\$16,813

	Total Direct Debt \$564,120,970	Total Net Direct Debt \$558,476,420	Total Overall Net Debt \$795,911,036
Per Capita.....	\$4,505.36	\$4,460.28	\$6,356.56
Ratio to Net Taxable Grand List.....	15.24%	15.09%	21.50%
Ratio to Estimated Full Value.....	10.67%	10.56%	15.05%
Ratio to Equalized Grand List.....	8.20%	8.12%	11.57%
Debt per Capita to Money Income per Capita...	26.80%	26.53%	37.81%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for the City of Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for City of Hartford.

DEBT STATEMENT – TOWN OF NEWINGTON

As of June 30, 2015

LONG TERM DEBT	\$7,295,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT ¹	\$7,295,000
TOTAL NET DIRECT INDEBTEDNESS	\$7,295,000
NET OVERLAPPING DEBT - MDC 12/1/16 ²	81,780,005
TOTAL OVERALL DIRECT NET DEBT	\$89,075,005

¹ Does not include a mortgage loan payable August 2012 through August 2017. The amount outstanding as of June 30, 2015 is \$530,000.

² Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF NEWINGTON

As of June 30, 2015

Population ¹	30,652
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,615,695,201
Estimated Full Value	\$3,736,707,430
Equalized Net Taxable Grand List - 2013 ²	\$3,834,827,702
Money Income per Capita - 2014 ³	\$37,061

	Total Direct Debt \$7,295,000	Total Net Direct Debt \$7,295,000	Total Overall Net Debt \$89,075,005
Per Capita.....	\$237.99	\$237.99	\$2,906.01
Ratio to Net Taxable Grand List.....	0.28%	0.28%	3.41%
Ratio to Estimated Full Value.....	0.20%	0.20%	2.38%
Ratio to Equalized Grand List.....	0.19%	0.19%	2.32%
Debt per Capita to Money Income per Capita...	0.64%	0.64%	7.84%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Newington.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Newington.

DEBT STATEMENT – TOWN OF ROCKY HILL

As of June 30, 2015

LONG TERM DEBT	\$28,190,000
SHORT TERM DEBT	14,500,000
TOTAL DIRECT DEBT	\$42,690,000
TOTAL NET DIRECT INDEBTEDNESS	\$42,690,000
NET OVERLAPPING DEBT - MDC 12/1/16 ¹	52,248,337
TOTAL OVERALL DIRECT NET DEBT	\$94,938,337

¹ Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF ROCKY HILL

As of June 30, 2015

Population ¹	19,838
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,033,673,437
Estimated Full Value	\$2,905,247,767
Equalized Net Taxable Grand List - 2013 ²	\$2,841,314,800
Money Income per Capita - 2014 ³	\$43,207

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$42,690,000	\$42,690,000	\$94,938,337
Per Capita.....	\$2,151.93	\$2,151.93	\$4,785.68
Ratio to Net Taxable Grand List.....	2.10%	2.10%	4.67%
Ratio to Estimated Full Value.....	1.47%	1.47%	3.27%
Ratio to Equalized Grand List.....	1.50%	1.50%	3.34%
Debt per Capita to Money Income per Capita...	4.98%	4.98%	11.08%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Rocky Hill.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Rocky Hill.

DEBT STATEMENT – TOWN OF WEST HARTFORD

As of June 30, 2015

LONG TERM DEBT	\$149,280,000
SHORT TERM DEBT	0
TOTAL DIRECT DEBT	\$149,280,000
Less:	
School Construction Grants - State of Conn. ¹	494,374
TOTAL NET DIRECT INDEBTEDNESS	\$148,785,626
NET OVERLAPPING DEBT - MDC 12/1/16 ²	203,268,746
TOTAL OVERALL DIRECT NET DEBT	\$352,054,372

¹ Represents School Construction Grants payable to the Town over the life of certain School Bond issues.

² Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WEST HARTFORD

As of June 30, 2015

Population ¹	63,396
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$5,981,347,789
Estimated Full Value	\$8,544,782,556
Equalized Net Taxable Grand List - 2013 ²	\$9,156,172,567
Money Income per Capita - 2014 ³	\$48,808

	Total Direct Debt \$149,280,000	Total Net Direct Debt \$148,785,626	Total Overall Net Debt \$352,054,372
Per Capita.....	\$2,354.72	\$2,346.92	\$5,553.26
Ratio to Net Taxable Grand List.....	2.50%	2.49%	5.89%
Ratio to Estimated Full Value.....	1.75%	1.74%	4.12%
Ratio to Equalized Grand List.....	1.63%	1.62%	3.84%
Debt per Capita to Money Income per Capita...	4.82%	4.81%	11.38%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of West Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of West Hartford.

DEBT STATEMENT – TOWN OF WETHERSFIELD

As of June 30, 2015

LONG TERM DEBT	\$41,790,000
SERIAL NOTE	580,000
TOTAL DIRECT DEBT	\$42,370,000
TOTAL NET DIRECT INDEBTEDNESS	\$42,370,000
NET OVERLAPPING DEBT - MDC 12/1/16 ¹	74,874,138
TOTAL OVERALL DIRECT NET DEBT	\$117,244,138

¹ Please refer to page 75 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WETHERSFIELD

As of June 30, 2015

Population ¹	26,579
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,214,180,160
Estimated Full Value	\$3,163,114,514
Equalized Net Taxable Grand List - 2013 ²	\$3,153,114,691
Money Income per Capita - 2014 ³	\$38,685

	Total Direct Debt \$42,370,000	Total Net Direct Debt \$42,370,000	Total Overall Net Debt \$117,244,138
Per Capita.....	\$1,594.12	\$1,594.12	\$4,411.16
Ratio to Net Taxable Grand List.....	1.91%	1.91%	5.30%
Ratio to Estimated Full Value.....	1.34%	1.34%	3.71%
Ratio to Equalized Grand List.....	1.34%	1.34%	3.72%
Debt per Capita to Money Income per Capita...	4.12%	4.12%	11.40%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Wethersfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Wethersfield.

DEBT STATEMENT – TOWN OF WINDSOR

As of June 30, 2015

LONG TERM DEBT	\$39,765,000
SHORT TERM DEBT	420,000
TOTAL DIRECT DEBT	\$40,185,000
TOTAL NET DIRECT INDEBTEDNESS	\$40,185,000
NET OVERLAPPING DEBT - MDC 12/1/16 ¹	79,417,472
TOTAL OVERALL DIRECT NET DEBT	\$119,602,472

¹ Please refer to page 75 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.
 Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WINDSOR

As of June 30, 2015

Population ¹	29,130
Net Taxable Grand List - 10/1/15 @ 70% of full value	\$2,924,503,409
Estimated Full Value	\$4,177,862,013
Equalized Net Taxable Grand List - 2013 ²	\$4,047,961,669
Money Income per Capita - 2014 ³	\$36,048

	Total Direct Debt \$40,185,000	Total Net Direct Debt \$40,185,000	Total Overall Net Debt \$119,602,472
Per Capita.....	\$1,379.51	\$1,379.51	\$4,105.82
Ratio to Net Taxable Grand List.....	1.37%	1.37%	4.09%
Ratio to Estimated Full Value.....	0.96%	0.96%	2.86%
Ratio to Equalized Grand List.....	0.99%	0.99%	2.95%
Debt per Capita to Money Income per Capita...	3.83%	3.83%	11.39%

¹ U.S. Census Bureau, 2010-2014 American Community Survey, Town of Windsor.
² Office of Policy and Management, State of Connecticut.
³ U.S. Census Bureau, 2010-2014 American Community Survey, for Town of Windsor.

BOND AUTHORIZATION

The District has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State subject to applicable debt limitations and the procedural requirements of the District Charter.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued with maturity dates not exceeding two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue if the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded 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 notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewerage system (CGS Sec. 7-264a). In the first year following the

completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION ON INDEBTEDNESS

The District Charter provides that the total outstanding indebtedness of the District, for non-water purposes, shall not exceed:

5.00% of the combined Grand Lists of its Member Municipalities.

In accordance with the District's Charter Section 4-3, no bonds, notes or other certificates of debt, except such as are to mature in six months or less and to be paid from current taxes shall be issued if such issue shall bring the total outstanding indebtedness of the District to an amount in excess of five per centum of the combined grand lists of said District unless otherwise provided by special act. The grand lists for the purpose of this section shall be deemed to include the assessed value of all shares of capital stock the taxes on which are required by section 1205 of the Connecticut General Statutes, revision of 1918, as amended, to be remitted annually to the municipalities by the State. In computing the total outstanding indebtedness of the District there shall be deducted the amount of the District's sinking fund, the amount of bonds issued for the supply of water or for the construction of subways or underground conduits for cables, wires or pipes and of such other bonds of the District as may be issued under any act of the legislature, especially providing that the bonds issued thereunder shall be deducted in computing the total outstanding indebtedness of the District. Bonds and notes issued for a sewerage system, and secured solely by a pledge of sewerage system use charges, are not included in computing the aggregate indebtedness of the District for this purpose.

The Charter also provides for exclusion from the debt limitation of any debt to be paid from a funded sinking fund. The District's Clean Water Project Revenue Bonds are also excluded from the debt limitation. Special Act 14-21 also excludes other revenue bonds issued under the District's Charter from the debt limitation.

STATEMENT OF STATUTORY DEBT LIMITATION ³
THE DISTRICT
As of December 1, 2016
(Pro Forma)

COMBINED 2015 NET TAXABLE GRAND LISTS	
OF MEMBER MUNICIPALITIES	\$24,245,533,613
DEBT LIMIT - 5% of combined Grand Lists ¹	<u>\$1,212,276,681</u>
INDEBTEDNESS:	
Water General Obligation Bonds.....	\$142,625,776
DWSRF Project Loan Obligations.....	39,275,975
Sewer General Obligation Bonds.....	112,386,382
CWF Project Loan Obligations.....	28,853,549
Clean Water Project General Obligation Bonds ²	61,860,000
Clean Water Project Revenue Bonds ²	216,810,000
Clean Water Project CWF Project Loan Obligations ²	243,883,288
Combined General Obligation Bonds.....	78,052,844
Bonds of this Issue.....	<u>108,315,000</u>
TOTAL DIRECT LONG-TERM INDEBTEDNESS	\$1,032,062,814
CWF Interim Funding Obligations.....	355,537,277
DWSRF Interim Funding Obligations.....	<u>16,641,374</u>
TOTAL DIRECT SHORT-TERM INDEBTEDNESS	\$372,178,651
TOTAL DIRECT INDEBTEDNESS	\$1,404,241,465
Less Outstanding Debt Not Subject to Debt Limitation	
Water Bonds.....	\$142,625,776
DWSRF Project Loan Obligations.....	39,275,975
DWSRF Interim Funding Obligations.....	16,641,374
Clean Water Project Revenue Bonds ²	216,810,000
Water's Share of Combined General Obligation Bonds.....	39,806,950
Water bonds of this Issue.....	<u>40,414,665</u>
TOTAL DEBT NOT SUBJECT TO DEBT LIMITATION	\$495,574,740
TOTAL NET DIRECT INDEBTEDNESS	\$908,666,725
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS	<u>\$303,609,956</u>

¹ The District's Charter does not limit its borrowing capacity for water purposes, but limits its capacity for nonwater purposes to 5% of the combined Grand Lists of its Member Municipalities. The nature of this limitation requires the aggregation of obligations which normally appear in separate account groups.

² It is expected that these obligations issued pursuant to authorizations totaling \$1.6 billion for the District's Clean Water Project will be supported by a Clean Water Project Charge (previously the Special Sewer Service Surcharge) levied annually and added to customers' water bills. See pages 27, 75, and 85 herein for further details.

³ Excludes the refunded bonds.

Note: **The District has issued \$225.0 million in Clean Water Project Revenue Bonds. The bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.**

*Preliminary, subject to change.

Source: Audited Financial Statements; District Officials.

AUTHORIZED BUT UNISSUED DEBT - THE DISTRICT ¹

As of December 1, 2016

(Pro Forma)

Project	Authorized	Previously Funded	Bonds/Premium Applied This Issue	Debt Authorized but Unissued			Total
				General Purpose	Water	Sewers	
Water Capital Improvements.....	\$412,420,550	\$145,835,162	\$19,537,000		\$247,048,388		\$247,048,388 ²
Sewer Capital Improvements.....	1,933,347,561	876,914,432	49,233,000			1,007,200,129	1,007,200,129 ^{1,2}
Combined Funding Capital Improvements....	143,567,000	45,491,838	44,730,000	53,345,162			53,345,162
Total.....	\$2,489,335,111	\$1,068,241,432	\$113,500,000	\$53,345,162	\$247,048,388	\$1,007,200,129	\$1,307,593,679

¹ Includes an authorization of \$800 million approved by the Member Municipalities in November 2006 and a further \$800 million authorization for Phase II of the Clean Water Project; the overall cost was originally estimated at approximately \$2.1 billion. The Clean Water Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The Clean Water Project is in response to a federal consent decree and a Connecticut DEEP consent order to achieve the Federal Clean Water Act goals by 2020. A Clean Water Project Charge (previously the Special Sewer Service Surcharge) adopted in October 2007 and implemented in January 2008 will be used exclusively for the payment of debt service on bonds and loans to be issued to finance the Clean Water Project and for capital expenditures for the Clean Water Project. The District's goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Clean Water Project Charge will not be included in the calculation of overlapping debt of the Member Municipalities. As of April 28, 2016 the District has issued \$658,924,953 as IFO's, and PLO's, under the State's Clean Water Fund Program. The District has issued \$225.0 million in Clean Water Project Revenue Bonds. The bonds are being repaid from a portion of the Clean Water Project Charge and are not general obligations of the District.

² Includes projects which qualify for the State of Connecticut Clean Water Fund and Drinking Water Revolving Fund Program (See "Clean Water Project" herein.)

*Preliminary, subject to change.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – THE DISTRICT¹

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$836,831,502	\$693,018,553	\$507,128,635	\$312,348,699	\$296,252,648
Short-Term Debt					
Bond Anticipation Notes.....	106,500,000 ⁵	163,459,000 ⁴	254,721,000 ³	246,690,000 ²	102,134,000
Total.....	\$943,331,502 ⁵	\$856,477,553 ⁴	\$761,849,635 ³	\$559,038,699 ²	\$398,386,648

¹ Does not include underlying debt and capital lease obligations.

² Excludes \$150,144,193 for Clean Water Fund and Drinking Water State Revolving Fund, Interim Funding Obligations ("IFO's"), a portion of which has been drawn against.

³ Excludes \$109,075,682 for Clean Water Fund and Drinking Water State Revolving Fund, IFO's, a portion of which has been drawn against.

⁴ Excludes \$101,042,380 for Clean Water Fund and Drinking Water State Revolving Fund, IFO's, a portion of which has been drawn against.

⁵ Excludes \$267,757,010 for Clean Water Fund and Drinking Water State Revolving Fund, IFO's, a portion of which has been drawn against.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF BLOOMFIELD¹

General Obligation Rating (Moody's/S&P)

Aa2/AA+²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$56,695,000	\$55,625,000	\$59,215,000	\$63,316,024	\$50,993,624
Short-Term Debt					
BANs/State DECD Note	0	5,000,000	5,000,000	0	0
Total.....	\$56,695,000	\$60,625,000	\$64,215,000	\$63,316,024	\$50,993,624

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF EAST HARTFORD¹

General Obligation Rating (Moody's/S&P)

Aa2²/Not Rated

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$44,910,000	\$51,580,000	\$38,990,000	\$45,865,000	\$41,225,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$44,910,000	\$51,580,000	\$38,990,000	\$45,865,000	\$41,225,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – CITY OF HARTFORD¹

General Obligation Rating (Moody's/S&P)

Ba2/BBB²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds/CWF.....	\$514,120,970	\$461,187,000	\$496,227,000	\$349,922,000	\$323,367,000
Short-Term Debt					
Bond Anticipation Notes.....	50,000,000	56,000,000	64,650,000	52,500,000	45,350,000
Total	\$564,120,970	\$517,187,000	\$560,877,000	\$402,422,000	\$368,717,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF NEWINGTON¹

General Obligation Rating (Moody's/S&P)

Not Rated/AA+²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$7,295,000	\$8,740,000	\$9,960,000	\$11,690,000	\$13,515,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$7,295,000	\$8,740,000	\$9,960,000	\$11,690,000	\$13,515,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF ROCKY HILL¹

General Obligation Rating (Moody's/S&P)

Aa2/AA+²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$28,190,000	\$11,660,000	\$12,905,000	\$14,750,000	\$16,515,000
Short-Term Debt					
Bond Anticipation Notes.....	14,500,000	8,100,000	2,000,000	0	0
Total	\$42,690,000	\$19,760,000	\$14,905,000	\$14,750,000	\$16,515,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WEST HARTFORD¹

General Obligation Rating (Moody's/S&P)

Aaa/AAA ²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$149,280,000	\$140,830,000	\$133,085,000	\$145,620,000	\$145,095,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Total	\$149,280,000	\$140,830,000	\$133,085,000	\$145,620,000	\$145,095,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WETHERSFIELD¹

General Obligation Rating (Moody's/S&P)

Aa2/AA+ ²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$41,790,000	\$22,035,000	\$24,290,000	\$26,850,000	\$29,400,000
Short-Term Debt					
Bond Anticipation Notes.....	580,000	655,000	725,000	795,000	795,000
Total	\$42,370,000	\$22,690,000	\$25,015,000	\$27,645,000	\$30,195,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WINDSOR¹

General Obligation Rating (Moody's/S&P)

Not Rated/AAA ²

Long-Term Debt	2015	2014	2013	2012	2011
Bonds.....	\$39,765,000	\$39,390,000	\$39,140,000	\$38,470,000	\$38,485,000
Short-Term Debt					
Bond Anticipation Notes.....	420,000	0	1,670,000	800,000	1,010,000
Total	\$40,185,000	\$39,390,000	\$40,810,000	\$39,270,000	\$39,495,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2011-2015.

RATIO OF DIRECT DEBT TO VALUATION AND POPULATION - THE DISTRICT

Fiscal Year Ended 12/31	Net Assessed Value¹	Estimated Full Value²	Direct Debt³	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population⁴	Direct Debt per Capita
2015	\$23,784,560,956	\$33,977,944,223	\$943,331,502	3.97%	2.78%	366,330	\$2,575.09
2014	24,160,166,427	34,514,523,467	856,477,553	3.54%	2.48%	366,266	2,338.40
2013	23,933,581,683	34,190,830,976	761,849,635	3.18%	2.23%	366,019	2,081.45
2012	23,778,059,666	33,968,656,666	559,038,699	2.35%	1.65%	366,257	1,526.36
2011	23,594,896,860	33,706,995,514	398,386,648	1.69%	1.18%	365,806	1,089.07

¹ Represents the Net Taxable Grant Lists of the Member Towns.

² Represents the estimated full value of the Member Towns' Net Taxable Grand Lists.

³ Does not include underlying debt and capital lease obligations.

⁴ Represents the total population of the Member Towns.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF BLOOMFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2015	\$2,067,157,242	\$2,953,081,774	\$56,695,000	2.74%	1.92%	20,626	\$2,748.72	6.76%
2014	2,032,528,017	2,903,611,453	60,625,000	2.98%	2.09%	20,626	2,939.25	7.23%
2013	1,981,916,344	2,831,309,063	64,215,000	3.24%	2.27%	20,562	3,122.99	7.68%
2012	1,948,057,019	2,782,938,599	63,316,024	3.25%	2.28%	20,470	3,093.11	7.61%
2011	1,990,439,045	2,843,484,350	50,993,624	2.56%	1.79%	20,406	2,498.95	6.15%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$40,664 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF EAST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2015	\$2,687,876,591	\$3,839,823,701	\$44,910,000	1.67%	1.17%	51,211	\$876.96	3.44%
2014	2,691,709,967	3,845,299,953	51,580,000	1.92%	1.34%	51,211	1,007.21	3.95%
2013	2,695,242,754	3,850,346,791	38,990,000	1.45%	1.01%	51,241	760.91	2.98%
2012	3,095,300,382	4,421,857,689	45,865,000	1.48%	1.04%	51,171	896.31	3.51%
2011	3,092,179,605	4,417,399,436	41,225,000	1.33%	0.93%	51,091	806.89	3.16%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$25,509 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - CITY OF HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2015	\$3,531,344,777	\$5,044,778,253	\$564,120,970	15.97%	11.18%	125,211	\$4,505.36	26.80%
2014	3,487,781,236	4,982,544,623	517,187,000	14.83%	10.38%	125,211	4,130.52	24.57%
2013	3,417,940,335	4,882,771,907	560,877,000	16.41%	11.49%	125,130	4,482.35	26.66%
2012	3,738,377,678	5,340,539,540	402,422,000	10.76%	7.54%	124,879	3,222.50	19.17%
2011	3,604,167,480	5,148,810,686	368,717,000	10.23%	7.16%	124,817	2,954.06	17.57%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$16,813 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF NEWINGTON

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2015	\$2,548,042,597	\$3,640,060,853	\$7,295,000	0.29%	0.20%	30,652	\$237.99	0.64%
2014	2,536,619,686	3,623,742,409	8,740,000	0.34%	0.24%	30,652	285.14	0.77%
2013	2,564,276,354	3,663,251,934	9,960,000	0.39%	0.27%	30,606	325.43	0.88%
2012	2,679,238,211	3,827,483,159	11,690,000	0.44%	0.31%	30,520	383.03	1.03%
2011	2,667,951,078	3,811,358,683	13,515,000	0.51%	0.35%	30,441	443.97	1.20%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$37,061 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF ROCKY HILL

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2015	\$1,988,502,360	\$2,840,717,657	\$42,690,000	2.15%	1.50%	19,838	\$2,151.93	4.98%
2014	2,164,593,839	3,092,276,913	19,760,000	0.91%	0.64%	19,838	996.07	2.31%
2013	2,156,334,575	3,080,477,964	14,905,000	0.69%	0.48%	19,743	754.95	1.75%
2012	2,155,935,688	3,079,908,126	14,750,000	0.68%	0.48%	19,631	751.36	1.74%
2011	2,200,202,480	3,143,146,400	16,515,000	0.75%	0.53%	19,533	845.49	1.96%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$43,207 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WEST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2015	\$5,924,661,849	\$8,463,802,641	\$149,280,000	2.52%	1.76%	63,396	\$2,354.72	4.82%
2014	5,893,896,106	8,419,851,580	140,830,000	2.39%	1.67%	63,396	2,221.43	4.55%
2013	5,880,331,173	8,400,473,104	133,085,000	2.26%	1.58%	63,340	2,101.12	4.30%
2012	5,034,401,821	7,192,002,601	145,620,000	2.89%	2.02%	63,157	2,305.68	4.72%
2011	4,999,850,000	7,142,642,857	145,095,000	2.90%	2.03%	63,066	2,300.68	4.71%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Surveys.

³ Income per Capita: \$48,808 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WETHERSFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2015	\$2,205,813,324	\$3,151,161,891	\$42,370,000	1.92%	1.34%	26,579	\$1,594.12	4.12%
2014	2,338,758,240	3,341,083,200	22,690,000	0.97%	0.68%	26,579	853.68	2.21%
2013	2,329,648,250	3,328,068,929	25,015,000	1.07%	0.75%	26,590	940.77	2.43%
2012	2,314,769,170	3,306,813,100	27,645,000	1.19%	0.84%	26,670	1,036.56	2.68%
2011	2,315,493,100	3,307,847,286	30,195,000	1.30%	0.91%	26,641	1,133.40	2.93%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Survey.

³ Income per Capita: \$38,685 U.S. Census Bureau, 2010-2014 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WINDSOR

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2015	\$2,831,162,216	\$4,044,517,451	\$40,185,000	1.42%	0.99%	29,130	\$1,379.51	3.83%
2014	3,014,279,336	4,306,113,337	39,390,000	1.31%	0.91%	29,130	1,352.21	3.75%
2013	2,907,891,898	4,154,131,283	40,810,000	1.40%	0.98%	29,100	1,402.41	3.89%
2012	2,811,979,697	4,017,113,853	39,270,000	1.40%	0.98%	29,067	1,351.02	3.75%
2011	2,724,614,072	3,892,305,817	39,495,000	1.45%	1.01%	28,962	1,363.68	3.78%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2010-2014 American Community Survey.

³ Income per Capita: \$36,048 U.S. Census Bureau, 2010-2014 American Community Survey.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF BLOOMFIELD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$6,087,159	\$86,455,317	7.04%
2014	5,955,928	84,685,486	7.03%
2013	6,509,608	92,116,750	7.07%
2012	5,486,120	80,638,489	6.80%
2011	3,142,441	88,633,716	3.55%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF EAST HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$9,437,000	\$196,091,000	4.81%
2014	9,215,000	192,436,000	4.79%
2013	9,357,000	199,249,000	4.70%
2012	9,758,000	182,904,000	5.34%
2011	9,160,000	164,026,000	5.58%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES – CITY OF HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$46,114,000	\$582,711,000	7.91%
2014	49,618,000	581,286,000	8.54%
2013	45,869,000	561,817,000	8.16%
2012	39,315,000	571,547,000	6.88%
2011	37,796,000	561,395,000	6.73%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF NEWINGTON**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$1,677,000	\$115,086,000	1.46%
2014	1,476,000	113,260,000	1.30%
2013	2,353,000	119,252,000	1.97%
2012	2,312,000	108,494,000	2.13%
2011	2,158,000	101,966,000	2.12%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF ROCKY HILL**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$1,962,439	\$71,869,171	2.73%
2014	1,671,560	70,159,832	2.38%
2013	2,235,379	74,102,850	3.02%
2012	2,385,319	63,773,143	3.74%
2011	2,363,467	61,174,647	3.86%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL BONDED DEBT SERVICE
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WEST HARTFORD¹**

Fiscal Year Ended 6/30	Annual Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures %
2015	\$17,972,000	\$252,551,000	7.12%
2014	17,365,000	247,243,000	7.02%
2013	17,952,000	239,506,000	7.50%
2012	19,933,000	240,694,000	8.28%
2011	19,877,000	257,064,000	7.73%

¹ Includes All Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis.
Source: Annual Audited Financial Statement 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF WETHERSFIELD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2015	\$3,367,577	\$99,366,023	3.39%
2014	3,236,244	96,633,894	3.35%
2013	3,807,461	99,635,539	3.82%
2012	3,569,423	91,362,238	3.91%
2011	3,775,508	87,884,374	4.30%

Source: Annual Audited Financial Statements 2011-2015.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WINDSOR¹**

Fiscal Year Ended 6/30	Annual Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures %
2015	\$7,307,067	\$125,456,704	5.82%
2014	6,135,301	110,038,240	5.58%
2013	5,726,409	106,031,658	5.40%
2012	5,925,093	105,110,030	5.64%
2011	6,020,144	101,246,939	5.95%

¹ Includes all Governmental Funds, excluding Capital Expenditures.

Source: Annual Audited Financial Statements 2011-2015.

CAPITAL IMPROVEMENT PROGRAMS AND FUTURE BORROWINGS

Each year the District adopts a Capital Improvement Program (“CIP”) for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District’s continued positive financing standing in the bond market. For 2016, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

<u>Capital Projects</u>	<u>Estimated Costs</u>
Wastewater Programs	\$260,145,000
Water Programs	199,400,000
Combined.....	105,700,000
Total.....	\$565,245,000

The adopted 2016 Capital Improvement Program (“CIP”) Budget is \$63,750,000. The CIP Budget will be funded with approximately \$63,750,000 of General Obligation Bonds and \$0 of Assessable Fund Contributions.

The District has also initiated a comprehensive Clean Water Project. The Clean Water Project combines the elimination of sanitary sewer overflows, the design and construction of a combined sewer overflow Long-Term Plan and the treatment and reduction of nitrogen from the water pollution control facilities. The Clean Water Project was originally estimated to cost \$2.1 billion and have a 15 year implementation requirement. An appropriation of \$800 million was authorized by the Member Municipalities at a referendum in November 2006. Approval for an additional \$800 million was authorized by the Member Municipalities at a referendum on November 6, 2012. Approval for an additional grant of \$140 million was authorized by the District Board on October 5, 2016. The Clean Water Project will require submission of a further appropriation for approval by voters. A Clean Water Project Charge (previously the Special Sewer Service Surcharge), adopted in October 2007 and implemented in January 2008, will be used exclusively for the payment of debt service on bonds and loans issued to finance the Clean Water Project. The District’s goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Clean Water Project Charge will not be included in the calculation of overlapping debt of the Member Municipalities. See “Clean Water Project” herein on page 27.

**THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT HAS NEVER
DEFAULTED IN THE PAYMENT OF PRINCIPAL OF OR INTEREST ON ITS BONDS OR NOTES.**

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APPENDIX A - BASIC FINANCIAL STATEMENTS

THE METROPOLITAN DISTRICT

DECEMBER 31, 2015

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Independent Auditors' Report

To the Board of Finance
The Metropolitan District
Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan District as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Metropolitan District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund and the aggregate remaining fund information of the Metropolitan District as of December 31, 2015 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 7 to the financial statements, during the fiscal year ended December 31, 2015, the Metropolitan District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the District has been restated to recognize the net pension liability. 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 4 through 13, the budgetary comparison information on pages 63 through 68, and the pension and OPEB schedules on pages 69 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the Metropolitan District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Metropolitan District's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut

June 28, 2016

**The Metropolitan District
Management's Discussion and Analysis
December 31, 2015**

The management of the Metropolitan District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the current year by \$613,571,771 and \$220,670,449 for the Governmental Activities and the Business-Type Activities, respectively.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$57,161,665, an increase of \$1,687,837 in comparison with the prior year, which is primarily due to the timing of reimbursements and significant permanent financing.
- On a government-wide basis, the District's total net position increased by \$69,019,217 and decreased by \$4,400,075 for the Governmental Activities and Business-Type Activities, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's 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 in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes, charges for services, operating grants and contributions, capital grants and contributions (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges and capital grants and contributions (business-type activities). The governmental activities of the District include general government, operations, plants and maintenance, and Interest on long-term debt. The business-type activities of the District include Water and Hydroelectricity facilities as well as the Mid-Connecticut Project.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 4 individual funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund and the Capital Project Funds, of which the General Fund, Debt Service Fund, Clean Water Project Fund, and Capital Project Fund are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund and Water Utility Fund. Budgetary comparison schedules have been provided for the General Fund and Water Utility Fund to demonstrate compliance with this budget. These can be found on pages 63-68 of this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary Funds - The District maintains three enterprise type funds. Enterprise funds report the same functions as presented by the business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and hydroelectricity operations and Mid-Connecticut Project.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water operations and the Mid-Connecticut Project, which are considered to be major funds of the District, and hydroelectricity operations, which is nonmajor.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-62 of this report.

The notes to this report also contain certain supplementary information concerning the District’s progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$613,571,771 and \$220,670,449 for the governmental activities and business-type activities, respectively, at the close of the most recent fiscal year.

By far, the largest portion of the District’s assets is its investment in capital assets (e.g., infrastructure, plants, machinery and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Metropolitan District Commission
NET POSITION
December 31, 2015 and 2014**

	2015			2014		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 206,092,855	\$ 129,140,413	\$ 335,233,268	\$ 238,345,028	\$ 94,848,184	\$ 333,193,212
Capital assets, net of accumulated depreciation	1,335,235,414	485,183,567	1,820,418,981	1,186,720,266	454,425,868	1,641,146,134
Total assets	<u>1,541,328,269</u>	<u>614,323,980</u>	<u>2,155,652,249</u>	<u>1,425,065,294</u>	<u>549,274,052</u>	<u>1,974,339,346</u>
Deferred outflows of resources	<u>12,946,772</u>	<u>3,464,844</u>	<u>16,411,616</u>	<u>906,068</u>	<u>213,542</u>	<u>1,119,610</u>
Current liabilities	153,113,311	87,706,601	240,819,912	187,615,824	98,849,104	286,464,928
Long-term liabilities outstanding	787,362,734	309,350,646	1,096,713,380	693,802,984	225,567,966	919,370,950
Total liabilities	<u>940,476,045</u>	<u>397,057,247</u>	<u>1,337,533,292</u>	<u>881,418,808</u>	<u>324,417,070</u>	<u>1,205,835,878</u>
Deferred outflows of resources	<u>227,225</u>	<u>61,128</u>	<u>288,353</u>			<u>-</u>
Net Position:						
Net investment in capital assets	516,258,842	237,693,703	753,952,545	455,295,358	256,080,877	711,376,235
Restricted	-	-	-	56,291,586	114,520	56,406,106
Unrestricted	<u>97,312,929</u>	<u>(17,023,254)</u>	<u>80,289,675</u>	<u>32,965,610</u>	<u>(31,124,873)</u>	<u>1,840,737</u>
Total Net Position	<u>\$ 613,571,771</u>	<u>\$ 220,670,449</u>	<u>\$ 834,242,220</u>	<u>\$ 544,552,554</u>	<u>\$ 225,070,524</u>	<u>\$ 769,623,078</u>

The District’s total net position increased by \$ 64,619,142 during the current year.

Metropolitan District Commission
CHANGES IN NET POSITION
For the Years Ended December 31, 2015 and 2014

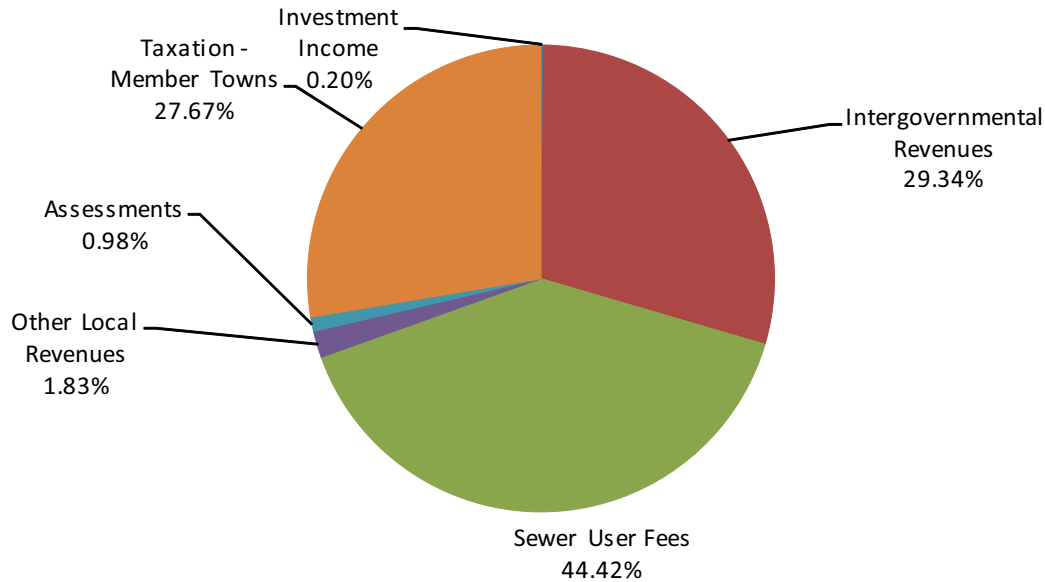
	2015			2014		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 61,592,665	\$ 76,711,434	\$ 138,304,099	\$ 63,885,662	\$ 77,748,234	\$ 141,633,896
Operating grants and contributions	3,992,310		3,992,310	1,039,223		1,039,223
Capital grants and contributions	32,768,216	4,827,274	37,595,490	26,927,807	5,227,745	32,155,552
General revenues:						
Sewer taxation - member municipalities	37,446,400		37,446,400	36,156,600		36,156,600
Unrestricted investment earnings	272,361	15,338	287,699	207,637	138,537	346,174
Miscellaneous income	116,577	2,204,726	2,321,303	1,540,335	5,661,124	7,201,459
Total revenues	<u>136,188,529</u>	<u>83,758,772</u>	<u>219,947,301</u>	<u>129,757,264</u>	<u>88,775,640</u>	<u>218,532,904</u>
Expenses:						
General government	12,337,881		12,337,881	12,784,187		12,784,187
Operations	6,151,830		6,151,830	9,492,160		9,492,160
Plants and maintenance	29,189,681		29,189,681	34,067,360		34,067,360
Interest on long-term debt	19,489,920		19,489,920	16,263,466		16,263,466
Water		86,918,210	86,918,210		79,597,522	79,597,522
Hydroelectricity		479,326	479,326		394,359	394,359
Mid-Connecticut Project		761,311	761,311		2,166,557	2,166,557
Total expenses	<u>67,169,312</u>	<u>88,158,847</u>	<u>155,328,159</u>	<u>72,607,173</u>	<u>82,158,438</u>	<u>154,765,611</u>
Excess of Revenues over Expenditures before Transfers	69,019,217	(4,400,075)	64,619,142	57,150,091	6,617,202	63,767,293
Transfers	-	-	-	1,556,735	(1,556,735)	-
Net Change in Net Position	69,019,217	(4,400,075)	64,619,142	58,706,826	5,060,467	63,767,293
Net Position at Beginning of Year, as restated	<u>544,552,554</u>	<u>225,070,524</u>	<u>769,623,078</u>	<u>485,845,728</u>	<u>220,010,057</u>	<u>705,855,785</u>
Net Position at End of Year	<u>\$ 613,571,771</u>	<u>\$ 220,670,449</u>	<u>\$ 834,242,220</u>	<u>\$ 544,552,554</u>	<u>\$ 225,070,524</u>	<u>\$ 769,623,078</u>

The District's net position increased by \$ 64,619,142 overall during the fiscal year with ending net position of Governmental Activities and Business-Type Activities of \$613,571,771 and \$220,670,449, respectively.

Governmental Activities

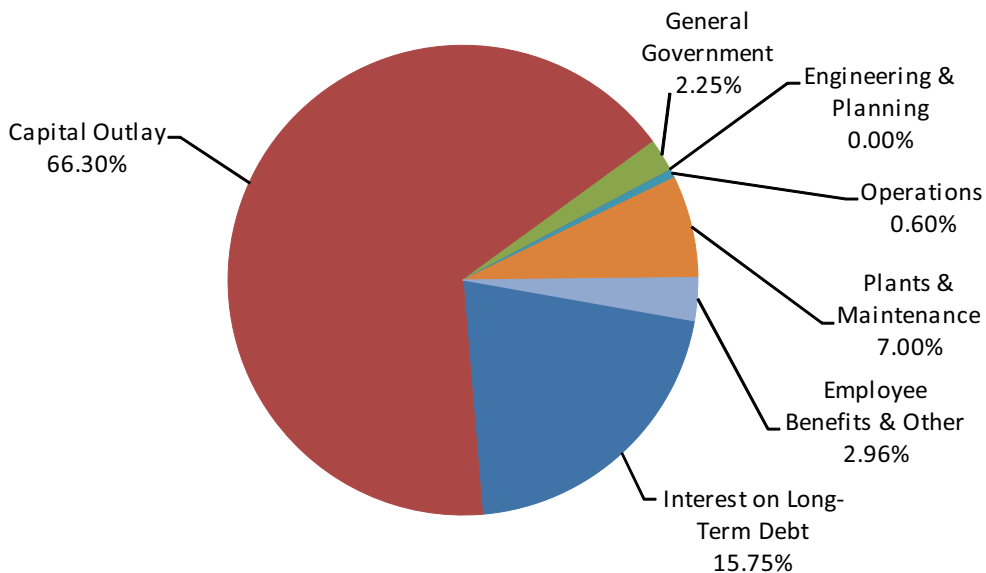
Net position of governmental activities increased by \$69,019,217 in 2015.

Major Revenue Factors Include:



- Approximately 28% of the governmental activity revenues were derived from taxes levied on our member towns. These taxes increased from the prior year.
- The primary component of charges for services consists of sewer user fees of \$54,093,916, which decreased by \$3,132,474 due to decreased consumption.
- The primary component of capital grants and contributions consists of intergovernmental revenues of \$39,706,369, which increased by \$10,095,992 from the prior year. The intergovernmental revenue increase is due to increased project activity receiving The State of Connecticut Clean Water Fund grants to fund the MDC's Clean Water Project.

Major Expenditure Factors Include:

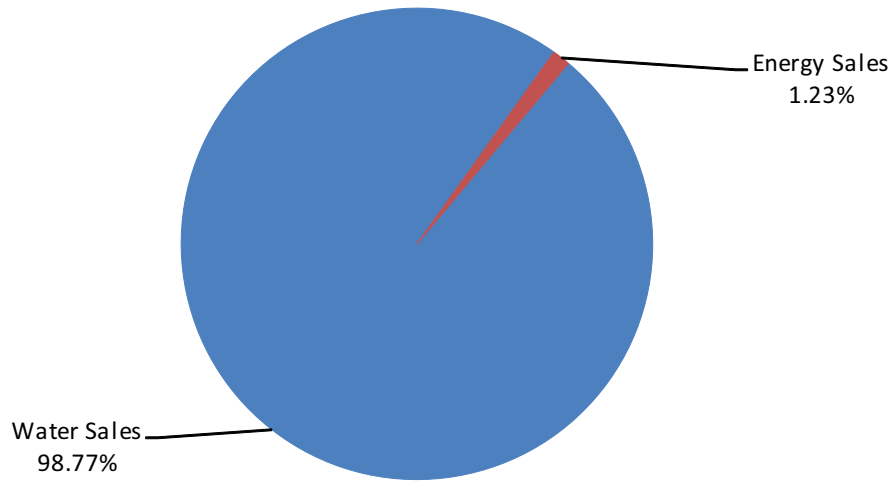


During 2015, expenses decreased by \$5,437,861 with the largest decrease occurring in plants and maintenance (almost \$5 million) due to a decrease in capital assets related to plants and maintenance and the application of the new GASB 68 pension standard related to deferred outflows on investments and assumptions.

Business-Type Activities

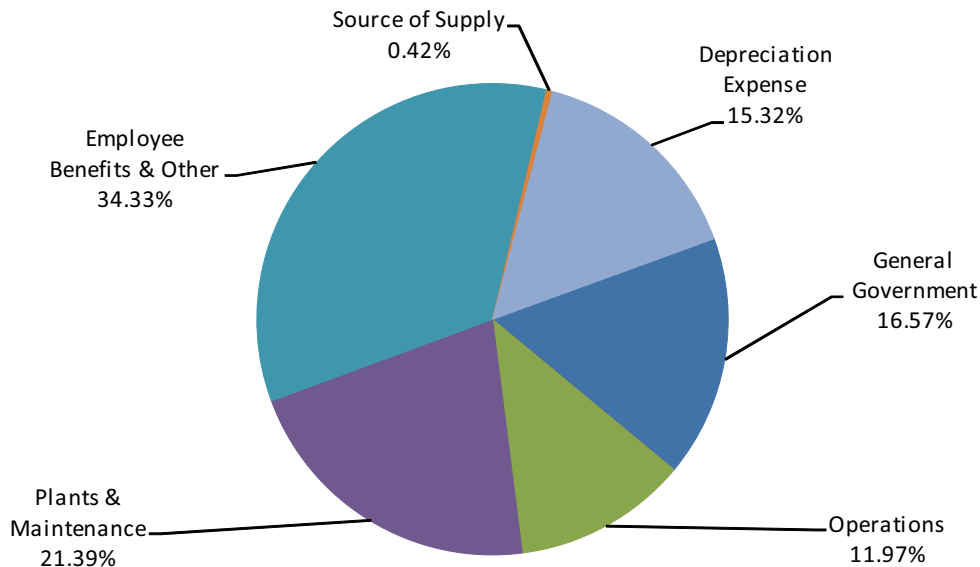
Net position of business-type activities decreased by \$4,400,075 in 2015.

Major Revenue Factors Include:



- Water sales revenue decreased by \$48,185 or .07% due to decreased water consumption. During 2015, there were \$0 charges for services due to a contract termination affecting the operation of the Mid-Connecticut Project. Energy sales decreased by \$151,263 due to lower precipitation resulting in a lower production of electricity as a result of reduced stream flow.

Major Expense Factors Include:



- Expenses increased by \$6,000,409 or more than 7.30% with most of the increase attributable to employee benefits and other (over \$15 million) due to an increase in the net pension liability and OPEB obligation.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund balance of \$57,161,665, an increase of \$1,687,837 in comparison with the prior year. Of the fund balances, \$155,110,707 is restricted for debt service, \$3,307,432 is nonspendable and reserved for inventory and prepaid assets, and \$2,637,663 is committed for other capital improvements. The remaining capital projects show a deficit unassigned balance of \$103,894,137.

The General Fund is the chief operating fund of the District. At the end of the current year, the General Fund total fund balance was \$17,489,167, of which \$2,987,472 is nonspendable and reserved for inventory and prepaid assets. The remaining balance is an unassigned fund balance of \$14,501,695. The \$794,269 fund balance increase in the General Fund is attributable to both an increase in revenues and a decrease in spending.

The Debt Service fund increase of \$2,790,798 in fund balance is a result of closing capital project funds and due to premium received on bond issuances.

The Clean Water Project Fund has an increase in fund balance of \$6,822,691, which is a result of the issuance of Clean Water Fund loans.

The Capital Project Fund has a decrease in fund balance of \$8,719,921, which is a result of capital expenditures for capital projects prior to receiving the bond funding.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall proprietary funds net position total \$220,670,449 at the end of the year.

Unrestricted net position of the Water Utility Fund at the end of the year amounted to \$19,602,032, or 7.84% of total net position of the fund. Net investment in capital assets amounted to \$230,397,952, or 92.16% of the total net position of the fund. The Hydroelectricity Fund has unrestricted net position of \$1,433,313, or 16.42% of total net position. Net investment in capital assets amounted to \$7,295,751, or 83.58% of total net position of the fund.

General Fund Budgetary Highlights

During the 2015 budget year, total revenues and other financing sources were below the budget by \$2,124,886 or 3.42%, and expenditures and other financing uses were less than budget by \$2,919,155 or 4.69%.

Some of the major highlights are as follows:

- Revenues were unfavorable to budget due to lower than expected use of contributions from other funds because revenues from sludge and septage handling as well as sewer user charge revenue were favorable to budget.
- Lower expenditures were attributable to favorable debt service and lower payroll expenditures associated with vacancy levels versus budgeted amounts.

Water Utility Fund Budgetary Highlights

During the 2015 budget year, total revenues were below the budget by \$1,700,875 or 2.11%, and expenses were less than budget by \$6,020,266 or 7.45%.

Some of the major highlights are as follows:

- Revenues were unfavorable due to lower than expected water consumption versus budgeted assumptions.
- Lower expenses were attributable to favorable debt service and lower payroll expenses associated with vacancy levels versus budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2015 amounted to \$1,335,235,414 and \$485,183,567, respectively. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and sewer and water pipes.

Major capital asset additions in 2015 consisted of infrastructure improvements, contributions of capital assets by developers and continued construction in progress, including the continuation of the Clean Water Project.

**Metropolitan District Commission
CAPITAL ASSETS (net of depreciation)
December 31, 2015 and 2014**

	2015			2014		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 643,754	\$ 10,181,885	\$ 10,825,639	\$ 643,754	\$ 9,656,099	\$ 10,299,853
Buildings	374,876,982	294,194,545	669,071,527	361,944,409	266,715,742	628,660,151
Machinery and equipment	22,782,482	11,259,217	34,041,699	22,958,660	11,224,835	34,183,495
Construction in progress	936,932,196	169,547,920	1,106,480,116	801,173,443	166,829,192	968,002,635
Total	\$ <u>1,335,235,414</u>	\$ <u>485,183,567</u>	\$ <u>1,820,418,981</u>	\$ <u>1,186,720,266</u>	\$ <u>454,425,868</u>	\$ <u>1,641,146,134</u>

Additional information on the District's capital assets can be found in Note 3D on pages 35-42 of this report.

Long-Term Debt

At the end of the current year, the District had total bonded debt outstanding of \$659,526,514. All of the Governmental Activities debt, \$787,362,734, is backed by the full faith and credit of the District's member towns.

**Metropolitan District Commission
OUTSTANDING DEBT
December 31, 2015 and 2014**

	2015			2014		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation/Revenue bonds	\$ 468,476,973	\$ 191,049,541	\$ 659,526,514	\$ 441,435,503	\$ 129,789,914	\$ 571,225,417
Clean/drinking water loans	274,299,755	40,354,348	314,654,103	222,701,991	28,789,597	251,491,588
Compensated absences	2,430,440	2,656,548	5,086,988	2,980,521	2,911,156	5,891,677
Net pension liability	15,428,353	36,486,376	51,914,729	6,499,823	28,420,853	34,920,676
OPEB obligation	26,727,213	38,803,833	65,531,046	20,185,146	35,656,446	55,841,592
Total	\$ <u>787,362,734</u>	\$ <u>309,350,646</u>	\$ <u>1,096,713,380</u>	\$ <u>693,802,984</u>	\$ <u>225,567,966</u>	\$ <u>919,370,950</u>

The District enjoys a strong financial position from an AA+ rating from Standard & Poor's to an Aa1 rating from Moody's for general obligation debt.

The District's Charter limits the amount of general obligation debt it may issue up to 5% of the combined Grand List of its member towns. The current debt limitation for the District is \$1,211,556,756, which is significantly more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 3G on pages 44-47 of this report.

Economic Factors

- The District strives to minimize the tax impact to its member municipalities by limiting increases in General Fund expenditures.
- Inflationary trends in the region are consistent with budgeted General Fund expenditure increases.
- Water consumption continues to decline due to weather patterns and poor economic conditions in the greater Hartford area.

All of these factors were considered in preparing the District's 2015 year budget.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan District Commission.

BASIC FINANCIAL STATEMENTS

**THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 153,306,351	\$ 65,051,345	\$ 218,357,696
Receivables, net of allowance for uncollectibles	41,706,638	67,568,925	109,275,563
Internal balances	7,772,434	(7,772,434)	-
Inventory	2,584,687	3,337,777	5,922,464
Prepaid items	722,745	909,800	1,632,545
Capital assets, nondepreciable	937,575,950	179,729,805	1,117,305,755
Capital assets, net of accumulated depreciation	397,659,464	305,453,762	703,113,226
Other assets		45,000	45,000
Total assets	<u>1,541,328,269</u>	<u>614,323,980</u>	<u>2,155,652,249</u>
Deferred Outflows of Resources:			
Difference between projected and actual earnings on pension plan investments	6,967,355	1,874,374	8,841,729
Change in pension assumptions	5,212,233	1,402,208	6,614,441
Deferred charge on refunding	767,184	188,262	955,446
Total deferred outflows of resources	<u>12,946,772</u>	<u>3,464,844</u>	<u>16,411,616</u>
Liabilities:			
Accounts payable and accrued items	72,663,736	49,899,810	122,563,546
Unearned revenues	600,286		600,286
Bonds anticipation notes payable	77,019,000	29,481,000	106,500,000
Other current liabilities		336,130	336,130
Customer advances for construction	2,830,289	2,495,282	5,325,571
Claims incurred but not reported		5,494,379	5,494,379
Noncurrent liabilities:			
Due within one year	81,798,303	35,245,839	117,044,142
Due in more than one year	705,564,431	274,104,807	979,669,238
Total liabilities	<u>940,476,045</u>	<u>397,057,247</u>	<u>1,337,533,292</u>
Deferred Inflows of Resources:			
Difference between expected and actual pension plan experience	227,225	61,128	288,353
Net Position:			
Net investment in capital assets	516,258,842	237,693,703	753,952,545
Unrestricted	97,312,929	(17,023,254)	80,289,675
Total Net Position	<u>\$ 613,571,771</u>	<u>\$ 220,670,449</u>	<u>\$ 834,242,220</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Function/Program Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 12,337,881	\$	\$	73,236	\$ (12,264,645)	\$	\$ (12,264,645)
Operations	6,151,830	11,675,819		483,721	6,007,710		6,007,710
Plants and maintenance	29,189,681	49,916,846	3,992,310	32,211,259	56,930,734		56,930,734
Interest on long-term debt	19,489,920				(19,489,920)		(19,489,920)
Total governmental activities	<u>67,169,312</u>	<u>61,592,665</u>	<u>3,992,310</u>	<u>32,768,216</u>	<u>31,183,879</u>	<u>-</u>	<u>31,183,879</u>
Business-type activities:							
Water	86,918,210	75,799,272		4,827,274		(6,291,664)	(6,291,664)
Hydroelectricity	479,326	912,162				432,836	432,836
Mid-Connecticut Project	761,311					(761,311)	(761,311)
Total business-type activities	<u>88,158,847</u>	<u>76,711,434</u>	<u>-</u>	<u>4,827,274</u>	<u>-</u>	<u>(6,620,139)</u>	<u>(6,620,139)</u>
Total	<u>\$ 155,328,159</u>	<u>\$ 138,304,099</u>	<u>\$ 3,992,310</u>	<u>\$ 37,595,490</u>	<u>31,183,879</u>	<u>(6,620,139)</u>	<u>24,563,740</u>
General revenues:							
Sewer taxation - member municipalities					37,446,400		37,446,400
Miscellaneous					116,577	2,204,726	2,321,303
Unrestricted investment earnings					272,361	15,338	287,699
Total general revenues and transfers					<u>37,835,338</u>	<u>2,220,064</u>	<u>40,055,402</u>
Change in Net Position					69,019,217	(4,400,075)	64,619,142
Net Position at Beginning of Year, as Restated					544,552,554	225,070,524	769,623,078
Net Position at End of Year					<u>\$ 613,571,771</u>	<u>\$ 220,670,449</u>	<u>\$ 834,242,220</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 9,848,384	\$ 4,823,781	\$ 138,634,186	\$	\$ 153,306,351
Receivables, net of allowance for uncollectibles	1,676,744		38,435,558	1,594,336	41,706,638
Due from other funds	7,772,434				7,772,434
Inventory	2,584,687				2,584,687
Prepaid items	402,785		319,960		722,745
Total Assets	<u>\$ 22,285,034</u>	<u>\$ 4,823,781</u>	<u>\$ 177,389,704</u>	<u>\$ 1,594,336</u>	<u>\$ 206,092,855</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued items	\$ 1,965,578		\$ 26,181,532	\$ 38,843,448	\$ 66,990,558
Unearned revenues		600,286			600,286
Bond anticipation notes payable		1,000		77,018,000	77,019,000
Customer advances for construction	2,830,289				2,830,289
Total liabilities	<u>4,795,867</u>	<u>601,286</u>	<u>26,181,532</u>	<u>115,861,448</u>	<u>147,440,133</u>
Deferred inflows of resources:					
Unavailable revenue - special assessments				1,491,057	1,491,057
Fund balances:					
Nonspendable	2,987,472		319,960		3,307,432
Restricted		4,222,495	150,888,212		155,110,707
Committed				2,637,663	2,637,663
Unassigned	14,501,695			(118,395,832)	(103,894,137)
Total fund balances	<u>17,489,167</u>	<u>4,222,495</u>	<u>151,208,172</u>	<u>(115,758,169)</u>	<u>57,161,665</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,285,034</u>	<u>\$ 4,823,781</u>	<u>\$ 177,389,704</u>	<u>\$ 1,594,336</u>	<u>\$ 206,092,855</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Amounts reported for governmental activities in the statement of net position (page 14) are different because of the following:

Fund balances - total governmental funds (page 16) \$ 57,161,665

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

Governmental capital assets	\$ 1,638,785,178	
Less accumulated depreciation	<u>(303,549,764)</u>	
Net capital assets		1,335,235,414

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Sewer assessment receivables		1,491,057
Deferred charge on refunding		767,184
Deferred outflows related to pension investment experience		6,967,355
Deferred outflows related to changes in pension assumptions		5,212,233

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

Bonds payable		(428,649,423)
Premiums		(39,827,550)
Notes payable		(274,299,755)
Interest payable on long-term debt		(5,673,178)
Compensated absences		(2,430,440)
Net pension liability		(15,428,353)
Deferred inflows related to difference between expected and actual pension plan experience		(227,225)
OPEB obligation		<u>(26,727,213)</u>

Net Position of Governmental Activities (page 14) \$ 613,571,771

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxation - member towns	\$ 37,446,400	\$	\$	\$	\$ 37,446,400
Assessments				1,332,938	1,332,938
Sewer user fees	6,513,558		47,580,358		54,093,916
Intergovernmental revenues	4,028,474		35,677,895		39,706,369
Investment income	36,202	4,688	231,471		272,361
Other local revenues	1,735,684			738,105	2,473,789
Total revenues	<u>49,760,318</u>	<u>4,688</u>	<u>83,489,724</u>	<u>2,071,043</u>	<u>135,325,773</u>
Expenditures:					
Current:					
General government	5,471,054				5,471,054
Operations	1,447,931				1,447,931
Plants and maintenance	17,002,752				17,002,752
Employee benefits and other	7,196,385				7,196,385
Debt service:					
Principal retirement		28,706,882			28,706,882
Interest		21,893,843	117,982		22,011,825
Capital outlay			110,562,382	50,429,035	160,991,417
Total expenditures	<u>31,118,122</u>	<u>50,600,725</u>	<u>110,680,364</u>	<u>50,429,035</u>	<u>242,828,246</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,642,196</u>	<u>(50,596,037)</u>	<u>(27,190,640)</u>	<u>(48,357,992)</u>	<u>(107,502,473)</u>
Other Financing Sources (Uses):					
Issuance of bonds		567,000		38,503,781	39,070,781
Premium on issuance of bonds		317,310		3,035,594	3,352,904
Clean Water Fund loans issued			66,766,625		66,766,625
Transfers in		52,502,525			52,502,525
Transfers out	(17,847,927)		(32,753,294)	(1,901,304)	(52,502,525)
Total other financing sources (uses)	<u>(17,847,927)</u>	<u>53,386,835</u>	<u>34,013,331</u>	<u>39,638,071</u>	<u>109,190,310</u>
Net Change in Fund Balances	794,269	2,790,798	6,822,691	(8,719,921)	1,687,837
Fund Balances at Beginning of Year, as Restated	<u>16,694,898</u>	<u>1,431,697</u>	<u>144,385,481</u>	<u>(107,038,248)</u>	<u>55,473,828</u>
Fund Balances at End of Year	<u>\$ 17,489,167</u>	<u>\$ 4,222,495</u>	<u>\$ 151,208,172</u>	<u>\$ (115,758,169)</u>	<u>\$ 57,161,665</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Amounts reported for governmental activities in the statement of activities (page 15) are different because of the following:

Net change in fund balances - total governmental funds (page 18) \$ 1,687,837

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays, net	162,349,655
Depreciation expense	(13,797,662)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (36,845)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Sewer assessment revenue	(219,874)
Change in deferred outflow related to pension investment experience	6,967,355
Change in deferred outflow related to changes in pension assumptions	5,212,233

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

Proceeds from Clean Water Fund loan obligations	(66,766,625)
Proceeds from issuance of bonds	(39,070,781)
Premiums on issuance of bonds	(3,352,904)
Bond payments	13,538,021
Amortization of bond premium and deferred charge on refunding	1,705,310
Clean Water Fund loan payments	15,168,861
Change in accrued interest	782,377

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

Change in compensated absences	550,081
Change in net pension liability	(8,928,530)
Change in deferred inflows related to difference between expected and actual pension plan experience	(227,225)
Change in OPEB obligation	<u>(6,542,067)</u>

Change in Net Position of Governmental Activities (page 15) \$ 69,019,217

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Fund
	Major		Nonmajor	Total	
	Water Utility	Mid-Connecticut Project	Hydroelectric Development Project		
Assets:					
Current assets:					
Cash and cash equivalents	\$ 63,953,704	\$	\$ 1,097,641	\$ 65,051,345	\$
Accounts receivable, net of allowance for uncollectibles	22,744,388	44,714,684	86,860	67,545,932	22,993
Due from other funds	936,923			936,923	
Inventory	3,092,340		245,437	3,337,777	
Prepaid items	899,612		10,188	909,800	
Total current assets	91,626,967	44,714,684	1,440,126	137,781,777	22,993
Noncurrent assets:					
Capital assets, nondepreciable	179,729,805			179,729,805	
Capital assets, net of accumulated depreciation	298,158,011		7,295,751	305,453,762	
Other assets				-	45,000
Total noncurrent assets	477,887,816	-	7,295,751	485,183,567	45,000
Total assets	569,514,783	44,714,684	8,735,877	622,965,344	67,993
Deferred outflows of resources:					
Difference between projected and actual earnings on pension plan investments	1,874,374			1,874,374	
Change in pension assumptions	1,402,208			1,402,208	
Deferred charge on refunding	188,262			188,262	
Total deferred outflows of resources	3,464,844	-	-	3,464,844	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	12,669,464	35,607,547	6,813	48,283,824	1,615,986
Due to other funds		8,709,357		8,709,357	
Bond anticipation notes payable	29,481,000			29,481,000	
Other current liabilities	336,130			336,130	
Customer advances for construction	2,495,282			2,495,282	
Current portion of compensated absences	2,479,812			2,479,812	
Current portion of bonds and loans payable	32,766,027			32,766,027	
Total current liabilities	80,227,715	44,316,904	6,813	124,551,432	1,615,986
Noncurrent liabilities:					
Compensated absences	176,736			176,736	
Bonds and loans payable after one year	198,637,862			198,637,862	
Claims incurred but not reported				-	5,494,379
Net pension liability	16,058,081	20,428,295		36,486,376	
OPEB obligation	27,818,121	10,985,712		38,803,833	
Total noncurrent liabilities	242,690,800	31,414,007	-	274,104,807	5,494,379
Total liabilities	322,918,515	75,730,911	6,813	398,656,239	7,110,365
Deferred inflows of resources:					
Difference between expected and actual pension plan experience	61,128			61,128	
Net Position:					
Net investment in capital assets	230,397,952		7,295,751	237,693,703	
Unrestricted	19,602,032	(31,016,227)	1,433,313	(9,980,882)	(7,042,372)
Total Net Position	\$ 249,999,984	\$ (31,016,227)	\$ 8,729,064	227,712,821	\$ (7,042,372)
				Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	(7,042,372)
				Net Position of Business-Type Activities	\$ 220,670,449

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Fund
	Major		Nonmajor	Total	
	Water Utility	Mid-Connecticut Project	Hydroelectric Development Project		
Operating Revenues:					
Water sales	\$ 73,285,849	\$	\$ 912,162	\$ 73,285,849	\$
Energy sales			912,162	912,162	
Reimbursement				-	2,513,423
Miscellaneous		230,093		230,093	
Total operating revenues	<u>73,285,849</u>	<u>230,093</u>	<u>912,162</u>	<u>74,428,104</u>	<u>2,513,423</u>
Operating Expenses:					
General government	12,064,946	761,311		12,826,257	
Operations	9,266,453			9,266,453	4,035,961
Plants and maintenance	16,557,938			16,557,938	
Employee benefits and other	26,574,279			26,574,279	
Source of supply			325,251	325,251	
Depreciation expense	11,707,653		154,075	11,861,728	
Total operating expenses	<u>76,171,269</u>	<u>761,311</u>	<u>479,326</u>	<u>77,411,906</u>	<u>4,035,961</u>
Operating Income (Loss)	<u>(2,885,420)</u>	<u>(531,218)</u>	<u>432,836</u>	<u>(2,983,802)</u>	<u>(1,522,538)</u>
Nonoperating Revenues (Expenses):					
Investment income	15,233		105	15,338	
Miscellaneous nonoperating revenue	1,974,633			1,974,633	
Interest and fiscal charges	(6,710,980)			(6,710,980)	
Net nonoperating revenues (expenses)	<u>(4,721,114)</u>	<u>-</u>	<u>105</u>	<u>(4,721,009)</u>	<u>-</u>
Income (Loss) Before Transfers, Grants and Contributions	<u>(7,606,534)</u>	<u>(531,218)</u>	<u>432,941</u>	<u>(7,704,811)</u>	<u>(1,522,538)</u>
Grants and Contributions:					
Capital grants	1,010,364			1,010,364	
Capital contributions	3,816,910			3,816,910	
Total grants and contributions	<u>4,827,274</u>	<u>-</u>	<u>-</u>	<u>4,827,274</u>	<u>-</u>
Change in Net Position	(2,779,260)	(531,218)	432,941	(2,877,537)	(1,522,538)
Net Position at Beginning of Year, as Restated	<u>252,779,244</u>	<u>(30,485,009)</u>	<u>8,296,123</u>		<u>(5,519,834)</u>
Net Position at End of Year	<u>\$ 249,999,984</u>	<u>\$ (31,016,227)</u>	<u>\$ 8,729,064</u>		<u>\$ (7,042,372)</u>
				Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>(1,522,538)</u>
				Change in Net Position of Business-Type Activities	<u>\$ (4,400,075)</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Fund
	Major		Nonmajor	Total	
	Water Utility	Mid-Connecticut Project	Hydroelectric Development Project		
Cash Flows from Operating Activities:					
Receipts from customers, users and others	\$ 75,720,057	\$ (16,108)	\$ 992,681	\$ 76,696,630	\$ 3,228,370
Payments for interfund services provided	(489,217)			(489,217)	
Payments to suppliers	(22,056,588)	(994,802)	(338,118)	(23,389,508)	(3,228,370)
Payments to employees	(36,874,154)			(36,874,154)	
Receipts from interfund services used		1,010,910		1,010,910	
Net cash provided by (used in) operating activities	<u>16,300,098</u>	<u>-</u>	<u>654,563</u>	<u>16,954,661</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets/utility plant	(42,788,049)			(42,788,049)	
Proceeds from bonds	63,884,220			63,884,220	
Proceeds from bond premiums	5,659,153			5,659,153	
Proceeds from drinking water loans	12,874,492			12,874,492	
Proceeds from capital grant	4,827,274			4,827,274	
Proceeds from bond anticipation notes	29,590,181			29,590,181	
Principal payments on bonds	(7,766,994)			(7,766,994)	
Principal payments on bond anticipation notes	(39,880,000)			(39,880,000)	
Principal payments on drinking water loans	(1,309,741)			(1,309,741)	
Interest payments on bonds and notes	(6,685,700)			(6,685,700)	
Net cash provided by (used in) capital and related financing activities	<u>18,404,836</u>	<u>-</u>	<u>-</u>	<u>18,404,836</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	15,233		105	15,338	
Net Increase (Decrease) in Cash and Cash Equivalents	<u>34,720,167</u>	<u>-</u>	<u>654,668</u>	<u>35,374,835</u>	<u>-</u>
Cash and Cash Equivalents at Beginning of Year	<u>29,233,537</u>	<u>-</u>	<u>442,973</u>	<u>29,676,510</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 63,953,704</u>	<u>\$ -</u>	<u>\$ 1,097,641</u>	<u>\$ 65,051,345</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (2,885,420)	\$ (531,218)	\$ 432,836	\$ (2,983,802)	\$ (1,522,538)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	11,190,901		154,075	11,344,976	
Miscellaneous nonoperating revenue	1,974,633			1,974,633	
Loss on disposal of capital assets	168,616			168,616	
Change in assets, deferred outflows of resources and liabilities:					
(Increase) decrease in accounts receivable	508,021	(246,201)	80,519	342,339	714,947
(Increase) decrease in due from other funds	(489,217)			(489,217)	
(Increase) decrease in inventory	(320,556)		(1,637)	(322,193)	
(Increase) decrease in prepaid items	(176,476)		297	(176,179)	
(Increase) decrease in other assets			2,005	2,005	
(Increase) decrease in deferred outflows of resources related to pensions	(3,276,582)			(3,276,582)	
Increase (decrease) in accounts payable and accrued expenses	(1,364,806)	(233,491)	(13,532)	(1,611,829)	229,390
Increase (decrease) in due to other funds		1,010,910		1,010,910	
Increase (decrease) in customer advances for construction	(48,446)			(48,446)	
Increase (decrease) in compensated absences	(254,608)			(254,608)	
Increase (decrease) in OPEB obligation	3,147,387			3,147,387	
Increase (decrease) in net pension liability	8,065,523			8,065,523	
Increase (decrease) in claims incurred but not reported				-	578,201
Increase (decrease) in deferred inflows of resources related to pensions	61,128			61,128	
Total adjustments	<u>19,185,518</u>	<u>531,218</u>	<u>221,727</u>	<u>19,938,463</u>	<u>1,522,538</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 16,300,098</u>	<u>\$ -</u>	<u>\$ 654,563</u>	<u>\$ 16,954,661</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2015**

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and cash equivalents	\$ 4,454,080
Accounts receivable	35,904,286
Investments, at fair value:	
Stocks	120,318,682
Fixed income	51,206,847
Real estate	10,232,232
Total assets	<u>222,116,127</u>
LIABILITIES	
Retiree expense reimbursement payable	<u>602,109</u>
NET POSITION	
Held in Trust for Pension and OPEB Benefits	<u>\$ 221,514,018</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 11,000,000
Plan members	2,889,217
Reimbursements	244,002
Total contributions	<u>14,133,219</u>
Investment earnings:	
Net change in fair value of investments	1,209,123
Interest and dividends	3,987,640
Total investment earnings	<u>5,196,763</u>
Less investment expenses:	
Investment management fees	<u>1,559,271</u>
Net investment earnings	<u>3,637,492</u>
Total additions	<u>17,770,711</u>
Deductions:	
Benefits	21,275,361
Administrative expense	35,213
Total deductions	<u>21,310,574</u>
Change in Net Position	(3,539,863)
Net Position at Beginning of Year	<u>225,053,881</u>
Net Position at End of Year	<u>\$ 221,514,018</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Metropolitan District (the District) was empowered in 1929 by the General Assembly of Connecticut. The District provides the following services as authorized by its Charter: design, construction and maintenance of sewage, hydroelectric and water systems and plants, stream and watercourse controls, the sale and delivery of water and hydroelectric power, and resources recovery.

The financial statements include all of the funds of the District that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable and other organizations, which by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with the requirements of statements issued by the Governmental Accounting Standards Board. The more significant of the District's accounting policies are described below.

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 District's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally 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 expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or benefit directly from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sewer 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 District considers revenues, including sewer assessments, to be available if they are collected within 60 days after the end of the current fiscal period.

Taxes on member municipalities, sewer assessments 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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Clean Water Project Fund* accounts for financial resources to be used for the Clean Water Project, which was first authorized on November 7, 2006. The first phase of the Clean Water Project includes programs to limit inflow and infiltration, separating certain existing combined sewer systems, construction of larger interceptor pipes and certain upgrades to the two large water pollution control facilities. The second phase of the Clean Water Project includes programs that continue the work of the first phase by upgrading and expanding the capacity of the Hartford water pollution control facility and includes the construction of a large storage tunnel to hold waste water for ultimate release and treatment at the Hartford water pollution control facility.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

The *Capital Project Fund* is used for projects of greater than one year's duration. Most of the capital outlays are financed by the issuance of general obligation bonds and current tax revenues.

The District reports the following major proprietary funds:

The *Water Utility Fund* and the *Mid-Connecticut Project Fund* are the District's funds used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund types:

The *Internal Service Fund* is used to account for the District's self-insurance program for accident and health insurance coverage of employees as well as natural disaster and liability claims for the District.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the District's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees, and to account for the activities of the District's postemployment welfare benefits (including retiree medical, dental and life insurance benefits) to the current and former eligible employees of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. 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 revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds 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 government'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.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days from the date of acquisition are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

E. Inventories and Prepaid Items

All inventories are valued at the lower of cost (average cost) or market method. Inventory in the governmental and enterprise funds is recorded as an expenditure 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.

F. 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 “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 receivables are presented net of an allowance for uncollectibles.

G. Compensated Absences

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets such as water and sewer mains, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recognized 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 assets or materially extend their lives are expensed currently.

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 included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Machinery and equipment	6-20
Infrastructure	50-150

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may 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 expenditure until then. The District reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position and statement of net position - proprietary funds. 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 or contributions made to the plan after the measurement date. 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 may 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 until that time. The District reports deferred inflows of resources related to pensions in the government-wide statement of net position and statement of net position - proprietary funds. A deferred inflow of resources related to pension results from differences between expected and actual experience. 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). The District reports unavailable revenue for governmental funds which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. 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, discounts and losses on bond refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and unamortized losses on bond refundings. Bond issuance costs are expensed as incurred.

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.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

K. 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.

L. Fund Equity

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

Nonspendable Fund Balance

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

Restricted Fund Balance

This balance 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 balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (District Board). Amounts remain committed until action is taken by the District Board (resolution) to remove or revise the limitations.

Assigned Fund Balance

This balance includes amounts constrained for the intent to be used for a specific purpose by the District Board that has been delegated authority to assign amounts by the Charter.

Unassigned Fund Balance

This balance 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.

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category represents all capital assets, net of accumulated depreciation and related debt.

Restricted Net Position

This category represents amounts restricted to use by outside parties. The District has no assets under restrictions as of December 31, 2015.

Unrestricted Net Position

This category represents the net position of the District not restricted for use.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

During the last quarter of the year, the ensuing year’s proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1 of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data in this report have been presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above. There were no amendments or supplemental appropriations made during the year.

Budgetary integration is employed on a continuing (project length) basis for capital projects funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond and note indenture provisions.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

B. Deficit Fund Equity

Certain individual funds had fund balance deficits at December 31, 2015 as follows:

Capital Projects	\$ 115,758,169
Mid-Connecticut Project	31,016,227
Internal Service	7,042,372

The Capital Projects Funds’ deficits have arisen because bonds and loans authorized for these projects have not yet been issued. When the bonds and loans are issued, or the General Fund appropriates and transfers amounts to these funds, the deficits will be eliminated.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

Deposits

Deposit Custodial Credit Risk

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

THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$12,956,852 of the District's bank balance of \$13,206,852 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,636,167
Uninsured and collateral held by the pledging bank's trust department, not in the District's name	<u>1,320,685</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 12,956,852</u>

Cash Equivalents

At December 31, 2015, the District's cash equivalents amounted to \$176,020,728. The following table provides a summary of the District's cash equivalents as rated by nationally recognized statistical rating organizations. The pool has maturities of less than one year.

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

Investments

As of December 31, 2015, the District's Pension Trust Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Fiduciary Type:	
CIF International Research Equity Fund	\$ 19,788,277
CIF Research Equity Fund	80,461,721
CIF Small Cap 2000	20,035,854
CIF Global Bond	25,273,128
Aetna Pooled Portfolio	25,933,719
Real Estate	<u>10,265,062</u>
Total	<u>\$ 181,757,761</u>

The above investments have no rating or maturity.

Interest Rate Risk

The District 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. To the extent possible, the District attempts to match its investments with anticipated cash flow requirements.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of the District. The District has no investment policy that would limit its investment choices due to credit risk.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Concentration of Credit Risk

The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2015, the District did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

B. Receivables

Receivables as of year end for the District's individual major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	<u>General</u>	<u>Clean Water Project</u>	<u>Capital Projects Funds</u>	<u>Water Utility</u>	<u>Mid-Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Internal Service Fund</u>	<u>Trust Funds</u>	<u>Total</u>
Sewer use charges	\$ 1,467,933	\$ 14,176,637		\$	\$	\$	\$	\$	\$ 15,644,570
Customers and employees	2,030,005			24,488,259		87,296			26,605,560
Assessments			2,151,659	1,017,737					3,169,396
Accrued interest			425,197	179,051					604,248
Intergovernmental		24,950,506						244,002	25,194,508
Other	220,189		21,592		54,579,096		48,236	35,660,284	90,529,397
Gross receivables	<u>3,718,127</u>	<u>39,127,143</u>	<u>2,598,448</u>	<u>25,685,047</u>	<u>54,579,096</u>	<u>87,296</u>	<u>48,236</u>	<u>35,904,286</u>	<u>161,747,679</u>
Less allowance for uncollectibles	<u>2,041,383</u>	<u>691,585</u>	<u>1,004,112</u>	<u>2,940,659</u>	<u>9,864,412</u>	<u>436</u>	<u>25,243</u>		<u>16,567,830</u>
Net Total Receivables	<u>\$ 1,676,744</u>	<u>\$ 38,435,558</u>	<u>\$ 1,594,336</u>	<u>\$ 22,744,388</u>	<u>\$ 44,714,684</u>	<u>\$ 86,860</u>	<u>\$ 22,993</u>	<u>\$ 35,904,286</u>	<u>\$ 145,179,849</u>

C. Interfund Receivables, Payables and Transfers

Interfund loans are generally used to transfer monies as a result of cash flow. Interfund receivables and payables balances at December 31, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Mid-Connecticut Project Fund	\$ 7,772,434
Water Utility Fund	Mid-Connecticut Project Fund	<u>936,923</u>
Total		<u>\$ 8,709,357</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Interfund transfers are generally used to supplement revenues of other funds. Interfund transfers for the year ended December 31, 2015 were as follows:

	<u>Transfers In</u> <u>Debt Service</u> <u>Fund</u>
Transfers out:	
General Fund	\$ 17,847,927
Clean Water Project Referendum Fund	32,753,294
Capital Projects Fund	<u>1,901,304</u>
Total Transfers In	<u>\$ 52,502,525</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 643,754	\$	\$	\$	\$ 643,754
Construction in progress	801,173,443	162,528,666	26,769,913		936,932,196
Total capital assets not being depreciated	<u>801,817,197</u>	<u>162,528,666</u>	<u>26,769,913</u>	<u>-</u>	<u>937,575,950</u>
Capital assets being depreciated:					
Buildings	244,284,564	6,599,349		(21,859)	250,862,054
Machinery and equipment	37,869,094	2,054,267	219,442	(1,500)	39,702,419
Infrastructure	392,792,804	17,960,645	108,694		410,644,755
Total capital assets being depreciated	<u>674,946,462</u>	<u>26,614,261</u>	<u>328,136</u>	<u>(23,359)</u>	<u>701,209,228</u>
Less accumulated depreciation for:					
Buildings	117,329,508	6,712,984			124,042,492
Machinery and equipment	14,910,434	2,204,520	195,017		16,919,937
Infrastructure	157,803,451	4,880,158	96,274		162,587,335
Total accumulated depreciation	<u>290,043,393</u>	<u>13,797,662</u>	<u>291,291</u>	<u>-</u>	<u>303,549,764</u>
Total capital assets being depreciated, net	<u>384,903,069</u>	<u>12,816,599</u>	<u>36,845</u>	<u>(23,359)</u>	<u>397,659,464</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,186,720,266</u>	<u>\$ 175,345,265</u>	<u>\$ 26,806,758</u>	<u>\$ (23,359)</u>	<u>\$ 1,335,235,414</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 9,656,099	\$ 525,786	\$	\$	\$ 10,181,885
Construction in progress	166,829,192	37,755,651	35,036,923		169,547,920
Total capital assets not being depreciated	<u>176,485,291</u>	<u>38,281,437</u>	<u>35,036,923</u>	<u>-</u>	<u>179,729,805</u>
Capital assets being depreciated:					
Buildings	109,720,415	18,329,424			128,049,839
Machinery and equipment	27,308,075	2,002,902	318,470		28,992,507
Infrastructure	321,722,680	19,211,203	227,615		340,706,268
Total capital assets being depreciated	<u>458,751,170</u>	<u>39,543,529</u>	<u>546,085</u>	<u>-</u>	<u>497,748,614</u>
Less accumulated depreciation for:					
Buildings	47,375,692	2,957,994			50,333,686
Machinery and equipment	16,083,240	1,940,371	290,321		17,733,290
Infrastructure	117,351,661	6,963,363	87,148		124,227,876
Total accumulated depreciation	<u>180,810,593</u>	<u>11,861,728</u>	<u>377,469</u>	<u>-</u>	<u>192,294,852</u>
Total capital assets being depreciated, net	<u>277,940,577</u>	<u>27,681,801</u>	<u>168,616</u>	<u>-</u>	<u>305,453,762</u>
Business-Type Activities Capital Assets, Net	<u>\$ 454,425,868</u>	<u>\$ 65,963,238</u>	<u>\$ 35,205,539</u>	<u>\$ -</u>	<u>\$ 485,183,567</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	\$ 933,367
Engineering	122,410
Operations	6,164,809
Plant and maintenance	<u>6,577,076</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>13,797,662</u>
 Business-type activities:	
Water	\$ 11,707,653
Hydroelectric	<u>154,075</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>11,861,728</u>

Construction Commitments

The government has active construction projects as of December 31, 2015. At year end, the District's commitments with contractors for governmental activities are as follows:

<u>Project Name</u>	<u>Remaining Commitment</u>
BNR Phase II Upgrade	\$ 253,287
08CMOM Goff Brook South Branch Relief S	6,435
2008 Security System Upgrades	2,028
2008 WPC Infrastructure Repl & Imps	48,440
2008-General Purpose Sewer Program	23,450
2009 CMOM Compliance	255,287
2009 CMOM Compliance - Equip & Staffing	2,396
2009 General Purpose Sewer	146,690
2009 Woodpond North Pump Station	48,061
2009 WPC INFRA REPLACE & IMPROVE	365,155
2009 Assessable SWR - Mountain Road, W.H.	77,912
2009 GPS Erosion Slope Repair, Rocky Hill	2,088
2009-Pierson Lane, Windsor Assessble Sew	1,191
2010 AS- 1037 Windsor Ave.	10,609
2010 Facility & Equipment Improvements	35,884
2010 CMMS Phase II	38,882
2010 Dividend Brook Drainage Area RH	705,354
2010 General Purpose Sewer	87,709
2010 GPS New Park Ave	12,978
2010 Headquarters Renovation(3rd Floor)	1,815
2010 Huyshope Street Sewer Rehab, Hartfd	26,841
2010 Information System Improvements	463
2010 Information System Improvements #2	177,150
2010 Sewer Pump Station Improvement Prog	30,249
2010 WPC EHWPCF Screen & Grit Replacement	70,752
2010 WPC Electrical Systems Modernization	305,045
2010 WPC Renewal & Replacements Program	200,827

THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS

<u>Project Name</u>	<u>Remaining Commitment</u>
2011 WPC Electronic Development	\$ 296,159
2011 CMOM - Compliance	318,198
2011 CMOM Compliance - Staffing	1,068
2011 Facility & Equipment Improvements	111,617
2011 GENERAL PURPOSE SEWER	16,031
2011 GPS EH Main St - High St	27,354
2011 Headquarters Renovation	126,846
2011 Information System Improvements	57,857
2011 Pump Station Generators	4,494
2011 Security and SCADA	851
2011 Sewer Pump Station Replacements	622,161
2011 Solids Handling Improvements	1,327
2011 SSO Pilot-Wethersfield 2011-11	1,054,254
2011 Wet Weather Expansion	364,720
2011 WPC Equipment & Facility Refurbishm	167,866
2011 WPC Renewal & Replacements	428,726
2012 CWP Newington Cedar St	14,127
2012 CWP Newington Church St	2,000
2012 CWP WEST HARTFORD SSES	590,099
2012 EHWPC Wastewater Screening Install	3,661,417
2012 Facility Improvement Program	107,306
2012 Four Mile Road	5,764
2012 General Purpose Sewer	2,334,956
2012 Hqtrs Parking Garage Renovations	12,548
2012 HWPC Solids Handling & Processing	69,649
2012 Information Technology	238,173
2012 Information Technology Security Imp	254,166
2012 Mohawk WWPS - East Hartford	3,821
2012 Newington Lining & MH Rehab 2009-61	146,876
2012 RH/Weth. SSES Lining	6,125,282
2012 Ridge Street WWPS - Windsor	13,267
2012 Rocky Hill Interceptor Relief Sewer	688,656
2012 S Pump Sta Upgrades Fishfry St HA	5,641
2012 Sanitary Sewer Replacement Prg	203,078
2012 Sanitary Sewer Retreat Ave Htfd	176,634
2012 Sewer Gate Replacement Program	414,895
2012 Sewer Infrastructure Design	89,625
2012 Sewer Replacement Montclair Dr WH	14,305
2012 Sewer Woodland Ave Peters Rd BL	32,614
2012 SSO Pilot - Windsor 2011-09	1,197,971
2012 SSO Pilot D-Wethersfield 2011-48	717,542
2012 SSO Pilot E-West Hartford 2011-49	566,595
2012 SSO Pilot-Newington 2011-10	501,392
2012 W. Hartford Point Repair 2009-47	100,134
2012 WPC Equipment & Facilities Refurb	39,731
2012 WPC Renewal and Replacement	295,901
2013 388-390 Farmington Ave, Swr Repairs	128,285
2013 Brookside Street WWPS - Newington	260,850
2013 Chateau Woods/High Path Rd WWPS	11,271
2013 Curcombe Street WWPS - Hartford	11,870
2013 CWP PMC	62,236
2013 Facilities Improvement Program	379,433
2013 General Purpose Sewer - Various Swr	759,527
2013 Harvest Lane WWPS - Windsor	14,802
2013 Information Technology-Applications	104,243
2013 Information Technology-Hardware	245,336

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

<u>Project Name</u>	<u>Remaining Commitment</u>
2013 Information Technology-SAP/Oracle	\$ 315,078
2013 Land Improvements	61,869
2013 Meadow Street WWPS - Newington	26,088
2013 Mohawk WWPS - East Hartford	41,430
2013 Motts WWPS - Wethersfield	49,741
2013 Oakwood Sewer Improvements, W Hart.	36,035
2013 Pheasant Lane Swr Main Construction	43,431
2013 RHWPCF Capacity & Upgrades	38,370,092
2013 Ridge Street WWPS - Windsor	2,500
2013 Rocky Hill Interceptor	138,465
2013 SSO Elimination Plan Update	445,937
2013 Various Sewr Pipe Replacement/Rehab	130,421
2013 WPC Equipment & Facility Refurbish	69,362
2013 WPC HWPCF Cake Stg & Gravity Sys	5,350
2013 WPC Plant Infra. Renewal & Replace	162
2013 WWEP Contract #2012-20	55,481,986
2014 CWP PMC / CDM SMITH	312,681
2014 Equipment & Facilities Refurbishmnt	627,645
2014 Facilities Improvement Program	459,651
2014 General Purpose Sewer	1,444,642
2014 Greenhurst Project	-
2014 Gully Brook Conduit Connections	50,115
2014 Hartford WPCF DAFT Sludge Equ Dsgn	634,507
2014 Hartford WPCF West Primary Settling	34,123
2014 Hrtfrd WPCF Sludge Mixing Tank Upgd	562,966
2014 Information Technology	14,488
2014 Land Improvement	297,277
2014 Levee Protect System Imprv EH & Har	262,585
2014 PS Upgrade-Burnside E. Hartford	2,406,808
2014 Pump Station Rainbow Trunk, Windsor	413,485
2014 Rehab/Repl NM-14 Overflow Hartford	1,490
2014 Sewer Ext. - Marsh St, Wethersfield	137,958
2014 Sewer Rehabilitation Program	1,190,737
2014 Sewer Rehab-Madison Ave, Hartford	4,769
2014 Sewer Renewable Energy Projects	62,830
2014 SSES Rocky Hill - II	10,177,563
2014 Various Sewer Pipe Replace/Rehab DW	50,430
2014 WPC Renewal & Replacements	42,236
2014 WW Pump Station Improvment	5,095
2014 WWEP #2012-21 Clarifier	166,088,318
2015 CWP Admin	75,069
2015 CWP PMC / CDM	2,970,800
2015 EH WPCF Cmprssr, DO Control & SCADA	51,241
2015 General Purpose Sewer	2,617
2015 Greenhurst Rd Area Sanitary Swr Imp	5,559,125
2015 IS-Business Transform SAP Upgrade	110,870
2015 Kane Brook Design	1,231,908
2015 Member Towns New GIS Base Map Dtbse	244,360
2015 NM-1 Gate Structure	22,222
2015 NNBI Rel./Oxford Dsn.	1,715,923
2015 Poquonock WPCF Prmry & Scndry Tanks	2,627,680
2015 Sanitary Swr Easmnt Acquist & Imprv	656,911
2015 Sewer Paving Program	729,704
2015 Sewer Rehabilitation Program	2,484
2015 SHCST Construction	7,292,790
2015 SHCST Pump Station	1,925,000
2015 SHCST Utility Relocation	1,879,290
2015 WPC Equipment & Facilities Imprvmnt	552,412
2015/16 Vehicle & Equipment Replacement	285,169
ADA Handicapped Access Improvements	31,566

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NOTES TO FINANCIAL STATEMENTS

<u>Project Name</u>	<u>Remaining Commitment</u>
Airport Rd Htfd Pump Station Forced Main	\$ 594,511
Ash Handling & Mercury Control	4,594,911
Cedar St Htfd Sewer Main Replacement	65,473
Cedar Street Hartford Storm Drain Repl	64,900
CLSD-Long-Term Strategic Initiatives -	126,861
CMOM Compliance	221,518
CWP Retreat Avenue	481,939
Facility & Bldg. Imps. - Headquarters -	602
Farmington Project #6 - Farmington Ave	218,744
Franklin Proj #13-Package B Upper Frankl	7,924,174
Franklin Proj #5-Package D W. Preston St	985,558
Geotechnical Services - Consulting	78,043
Goff Brook - South Branch Phase II	55,425
Granby 2&5 (Cornwall Street Area) Design	(5,074)
Hartford Odor Control Constr.	78,749
Improvements to SCADA Systems	104,718
Orchard Road, West Hartford	6,499
Pump Station Radio/Antenna Upgrades	2,173
Risk Management Initiatives	(8)
South CSO Conveyance Tunnel/WH Intercept	2,396,882
SSO Pilot Study	4,466
Tower Avenue Area South	346,609
Upper Albany Proj#1-E. Side Swr Seperati	2,606,421
Wastewater Trt. Fac. Sec. & Comm. Imps	35,747
Other	360,610
	<hr/>
Total	\$ <u><u>356,956,463</u></u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

The District's commitments with contractors for construction in process for business-type activities are as follows:

<u>Project Name</u>	<u>Remaining Commitment</u>
10Watr Main Replace Farmington Av W Hrtfd	\$ 108,691
2008 Farmington Avenue Water Main Replac	42,978
2008 Transmission Valve Replacement	113,792
2008 Water Supply Facility Improvements	136,785
2008 Watershed Road Rehabilitation	29,754
2008 WH Access & Security Improvements	9,735
2009CSOFarmington1A Water Main Repl	41,264
2010 Dam Safety - Nepaug, Phelps, E Dike	7,739
2010 Dam Safety Res #1	3,046
2010 Dam Safety Res #3	123,469
2010 Dam Safety Reservoir #2	192,173
2010 General Purpose Water	1,175,704
2010 Hydraulic Computer Modeling	156,165
2010 Radio Frequency Auto Metr Reading	185,430
2010 Water Dist Facility Security	362,353
2010 Water Main Replacement - Bloomfield	16,488
2010 Water Main Replacement - Hartford	28,519
2010 Water Main Replacement - Windsor	4,025
2010 Water Main Replacement-Wethersfield	46,228
2010 Water Pump Station Replace/Upgrade	388,190
2010 Water Supply Facility Improvements	49,762
2010 Water Treatment Facility Upgrade	219,316
2010-Broad Street	6,141
2010 CWP Water Main Guilford Pliny Htfd	668,556
2010 CWP Watr Main Wethersfield #3 Hrtfd	89,595
2010 CWP Watr Main Cleveland/Main Htfd	92,892
2010 CWP Watr Main Repl Farmington A Htfd	496,476
2010 CWP Watr Main Repl Oxford St Htfd	610,000
2010 Water Main Replacement - W. Hartford	41,530
2010 Water Main Replacement-East Hartford	9,775
2011 ASSESSABLE WATER	279,153
2011 COLLINSVILLE WTPF	1,470
2011 CWP WATER MAIN REPLACEMENT	9,667
2011 CWP WM REPLACEMENT UPPER ALB	174,576
2011 CWP WMR FRANKLIN 13	5,076
2011 CWP WMR-ENFIELD ST. , HARTFORD	24,459
2011 CWP WMR-FENWAY ST., HARTFORD	59,436
2011 DAM SAFETY IMPROVEMENTS-RES #6	31,533
2011 DESIGN OF WMR OUTSIDE OF CWP	26
2011 GENERAL PURPOSE WATER	32,987
2011 GROUND WATER DEVELOPMENT	500
2011 Linden Place Water Main Replacement	89,898
2011 RADIO FREQUENCY AUTOMATED METER REA	8,786
2011 TMR HAMILTON ST&PARK TERR,HTFD,PHII	1,278,443
2011 Water Pump Station Improvements	106,365
2011 WATER STORAGE UPGRADES-PHASE I	10,622
2011 WATER SUPPLY & WATERSHED LAND IMP.	782,130
2011 WATER TREATMENT FACILITY UPGRADES	40,400
2011 WHWTF-North Storage Tank Inst.	698,469
2011 WMR EAST HARTFORD	3,519
2011 WMR HARTFORD	590,507
2011 WMR MOUNTAIN RD& CLIFFORD DR, WH	19,172
2011 WMR SIMMONS RD., EAST HARTFORD	99,640
2011 WMR-COLONY ROAD, WEST HARTFORD	51,262

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

<u>Project Name</u>	<u>Remaining Commitment</u>
2011 WMR-COTTAGE GROVE RD, BLOOMFIELD	\$ 3,635
2011 WMR-LONGVIEW DR, TALCOTT AND PHEAS.	18,092
2011 WMR-PINE ST & AUBURN RD, WH	123,396
2012 Asset Management Construct. Admin.	27,862
2012 CWP W/M Replace-South Maple West	194,430
2012 Dam Safety Improv-Goodwin & Saville	8,986
2012 Frmngtn Ave W/M Install TB to WH Ln	452,245
2012 General Purpose Water	1,197,585
2012 Newington Pump Station	74,663
2012 Paving Program	245,725
2012 Radio Frequency Automated Meter	102,188
2012 Standpipe & Above Grade Storage Tan	187,126
2012 W/M Replacement-Montclair Dr. WH	25,943
2012 Water Storage Basin Upgrades	162,883
2012 Water Treatment Facilities Upgrades	410,268
2012 WTR Infrstrctr Design-District Wide	27,546
2012 Wtr Main Replacement - Four Mile Rd	7,139
2012 Wtr Main Replacement - Retreat Ave	194,131
2012 Wtr Main Replacement-Farmington Ave	132,711
2013 ASSET MGMT WATER MAIN REHAB	108,435
2013 BL WTR Filtered Water Basin Improv.	2,127
2013 Buckingham WPS - Glastonbury	79,619
2013 Center St Wtr Main Replace, Hrtfrd	44,483
2013 CWP-Capital Ave WM Replace, Hrtfrd	1,336
2013 CWP-Church St-WM / Myrtle to High	168,318
2013 CWP-Church St-WM/Main St to High St	19,899
2013 General Purpose Water Program	240,025
2013 Jerome Ave Wtr Main Replace. Bloomf	50,847
2013 Newington PRV Service Area Upgrade	20,424
2013 Oakwood Wtr Main Replace, W. Hrtfrd	12,023
2013 Paving Program	981,578
2013 Pitkin St. Water Main Replace, EH	10,563
2013 Radio Frequency AMR	2,500
2013 Water Supply Generators	3,618,466
2013 Water Treatment Facilities Upgrades	580,005
2013 Wickham Hill Basins - East Hartford	62,772
2013 WMR-FRANKLIN #13, FRANKLIN AVE, HTF	399,427
2014 Collinsville WTP Emergency Gen Repl	56,048
2014 General Purpose Water	1,953,306
2014 Paving Program	10,820
2014 Phelps Brook Dam/ East Dike Rehab	197,624
2014 Various Trnsmsn Main Dsgn & Cnstrc	397,936
2014 Water Main Replacements W. Hartford	1,383,143
2014 Water Main Replacements Wethersfield	1,959,219
2014 Water Pump Station Improvements	21,954
2014 Water Renewable Energy Projects	15,134
2014 Water Treatment Facilities Upgrades	115,492
2014 Wethersfield Water Pump Station	1,423
2014 WH WTF 6 MG Filtered Wtr Basin Impr	24,244
2015 General Purpose Water Program	1,138,310
2015 Hydrant Replacement Program	13,642
2015 Paving Program	245,650
2015 Water Main Rplcmnt-Buckingham St	418,592
2015 Water Supply Improvements	1,966

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

<u>Project Name</u>	<u>Remaining Commitment</u>
2015 Water Treatment Facilities Upgrades	\$ 5
2015 WHWTF Water Storage Improvements	204,187
AW - Goodrich & South Rds. Farmington	43,752
Cedar Street Hartford Water Main Replace	51,919
Farmington Water Main Installation W.H.	149,293
General Purpose Water	41,645
General Purpose Water Program	291,120
Mansfield Street Hartford Water Main Rep	4,820
Non-Cso Related Assets 2009 Adopted Appr	6,018
Oak Street East Hartford Water	17,693
Radio Frequency Automated Meter Reading	20,132
Tower Avenue North Water Main Rep. 2007	567,372
Transmission Valve Replacements 2009	322,692
Water Main Gate Valve Replacements	490,415
Water Treatment Facility Improvements WH	1,298
Whiting Lane W.H. Water Main Replacement	<u>65,635</u>
Total	<u>\$ 30,086,567</u>

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

E. Bond Anticipation Notes

The District uses bond anticipation notes during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

The District issued the following bond anticipation notes during 2015:

<u>Issuance Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
March 19, 2015:			
A	\$ 81,500,000	\$ 1.25%	3/18/16
B	35,000,000	5.00%	11/4/15
July 28, 2015			
C	25,000,000	1.00%	3/18/16

Bond anticipation note transactions for the year ended December 31, 2015 were as follows:

Outstanding - December 31, 2014	\$ 163,459,000
New borrowings	141,500,000
Repayments	<u>(198,459,000)</u>
Outstanding - December 31, 2015	<u>\$ 106,500,000</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Subsequent Events

The District issued general obligation bond anticipation notes as follows:

<u>Date of issuance</u>	<u>Series</u>	<u>Amount</u>	<u>Premium</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
2/18/2016	A	\$ 113,500,000	\$ 1,419,885	2.00%	12/1/16

F. Operating Leases

Total operating lease payments for the year ended December 31, 2015 were \$391,623. Commitments under an operating lease agreement with the Army Corps of Engineers for water storage rights require minimum annual rental payments, including interest at 3.14% over 50 years. The total cost of this lease was \$204,222 for the year ended December 31, 2015. Other operating lease payments for office equipment totaled \$187,401 for the year ended December 31, 2015. Future operating lease commitments are as follows:

	<u>Amount</u>
2016	\$ 419,596
2017	406,145
2018	359,616
2019	<u>216,549</u>
Total	<u>\$ 1,401,906</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

G. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 179,116,663	\$ 39,070,781	\$ 10,028,021	\$ 208,159,423	\$ 11,876,950
Revenue bonds	224,000,000		3,510,000	220,490,000	3,680,000
Premiums	38,318,840	3,352,904	1,844,194	39,827,550	
Total bonds payable	441,435,503	42,423,685	15,382,215	468,476,973	15,556,950
Clean water fund loans	222,701,991	66,766,625	15,168,861	274,299,755	63,882,265
Compensated absences	2,980,521	1,936,875	2,486,956	2,430,440	2,359,088
Net pension liability	6,499,823	8,928,530		15,428,353	
OPEB obligation	20,185,146	6,542,067		26,727,213	
Total Governmental Activities Long-Term Liabilities	\$ 693,802,984	\$ 126,597,782	\$ 33,038,032	\$ 787,362,734	\$ 81,798,303
Business-Type Activities:					
General obligation bonds	\$ 123,398,337	\$ 63,884,220	\$ 7,766,994	\$ 179,515,563	\$ 10,683,049
Premiums	6,391,577	5,659,153	516,752	11,533,978	
Total bonds payable	129,789,914	69,543,373	8,283,746	191,049,541	10,683,049
Drinking water fund loans	28,789,597	12,874,492	1,309,741	40,354,348	22,082,978
Compensated absences	2,911,156	2,302,291	2,556,899	2,656,548	2,479,812
Net pension liability	28,420,853	8,065,523		36,486,376	
OPEB obligation	35,656,446	3,147,387		38,803,833	
Total Business-Type Activities Long-Term Liabilities	\$ 225,567,966	\$ 95,933,066	\$ 12,150,386	\$ 309,350,646	\$ 35,245,839

For the governmental activities, claims and judgments, pension obligation, OPEB obligation and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on member towns and other operating revenues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ 208,159,423
Business-type activities	Various	179,515,563
		\$ 387,674,986

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 11,876,950	\$ 8,387,468	\$ 10,683,049	\$ 7,182,078
2017	12,070,760	7,843,240	10,844,239	6,722,401
2018	12,049,494	7,283,803	10,820,506	6,229,339
2019	12,215,088	6,721,267	10,919,911	5,734,675
2020	11,995,035	6,165,551	10,859,964	5,228,541
2021-2025	54,119,570	23,546,911	52,485,428	19,028,946
2026-2030	48,220,768	13,684,970	44,874,228	8,891,978
2031-2035	33,456,758	6,129,347	28,028,238	2,490,537
2036-2040	<u>12,155,000</u>	<u>1,683,287</u>		
Total	\$ <u>208,159,423</u>	\$ <u>81,445,844</u>	\$ <u>179,515,563</u>	\$ <u>61,508,495</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds at December 31, 2015 is \$1,487,383,716. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Revenue Bonds

Revenue bonds are direct obligations of the District for which full faith and credit are pledged and are payable from the Special Sewer Service Surcharge. Revenue bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ <u>220,490,000</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Annual debt service requirements to maturity for revenue bonds are as follows:

	Governmental Activities	
	Principal	Interest
2016	\$ 3,680,000	\$ 10,516,850
2017	3,760,000	10,386,450
2018	3,870,000	10,239,800
2019	4,015,000	10,065,050
2020	4,075,000	9,959,750
2021-2025	22,690,000	46,723,250
2026-2030	28,055,000	40,783,000
2031-2035	63,250,000	30,311,125
2036-2040	69,710,000	12,782,150
2041-2042	<u>17,385,000</u>	<u>1,314,500</u>
Total	<u>\$ 220,490,000</u>	<u>\$ 183,081,925</u>

Clean Water Fund Loans

The District participates in the State of Connecticut's Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible waste water and 2% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time internal loan obligations are replaced by permanent loan obligations. In the case of certain large projects, permanent loan obligations may be issued annually.

Clean Water Fund loans finance the sewer infrastructure and facility improvements (governmental activities) and will be repaid from future taxation and user fees.

Drinking Water Fund loans finance the water infrastructure and facility improvements (business-type activities) and will be financed by user charges.

Permanent loan obligations mature as follows:

	Governmental Activities	
	Principal	Interest
2016	\$ 14,320,297	\$ 4,047,085
2017	13,630,791	3,765,816
2018	13,630,791	3,493,200
2019	13,450,904	3,221,756
2020	13,223,814	2,955,297
2021-2025	62,879,058	10,923,394
2026-2030	56,504,628	4,872,412
2031-2035	<u>21,218,248</u>	<u>642,627</u>
	<u>\$ 208,858,531</u>	<u>\$ 33,921,587</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

	Business-Type Activities	
	Principal	Interest
2016	\$ 1,536,611	\$ 406,996
2017	1,371,984	357,613
2018	1,371,984	328,482
2019	1,371,984	299,352
2020	1,349,397	270,294
2021-2025	5,174,228	1,011,972
2026-2030	4,790,416	520,794
2031-2035	<u>2,841,377</u>	<u>106,223</u>
	<u>\$ 19,807,981</u>	<u>\$ 3,301,726</u>

Interim loan obligations mature as follows:

	Governmental Activities	
	Principal	Interest
2016	\$ 49,561,968	\$ 366,239
2017	10,908,799	40,043
2018	<u>4,970,457</u>	
	<u>\$ 65,441,224</u>	<u>\$ 406,282</u>

	Business-Type Activities	
	Principal	Interest
2016	<u>\$ 20,546,367</u>	<u>\$ 440,101</u>
	<u>\$ 20,546,367</u>	<u>\$ 440,101</u>

Subsequent Events

In February 2016, the District issued \$33,025,000 of general obligation bonds with interest rates ranging from 2.00-5.00%, maturing serially through February 2036, and in April 2016, the District issued \$48,035,000 of Series B general obligation refunding bonds with interest rates ranging from 2.00-5.00%, maturing serially through June 2028.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Fund Balance

The components of fund balance for the governmental funds at December 31, 2015 are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Projects</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Prepays	\$ 2,584,687	\$	\$ 319,960		\$ 2,904,647
Inventory	402,785				402,785
Restricted for:					
Debt service		4,222,495	150,888,212		155,110,707
Committed to:					
General purpose sewer				567,412	567,412
Headquarters improvements				108,567	108,567
Pump station replacement				1,390	1,390
Inflow and infiltration master plan				16,328	16,328
Assessable sewer construction				1,903,966	1,903,966
Asset management wastewater admin				40,000	40,000
Unassigned	<u>14,501,695</u>			<u>(118,395,832)</u>	<u>(103,894,137)</u>
Total Fund Balances	<u>\$ 17,489,167</u>	<u>\$ 4,222,495</u>	<u>\$ 151,208,172</u>	<u>(115,758,169)</u>	<u>\$ 57,161,665</u>

There were no outstanding encumbrances at December 31, 2015.

4. EMPLOYEE RETIREMENT PLAN

A. Plan Description and Benefits Provided

The District has an employee retirement system with a pension plan adopted January 1, 1944 and amended April 1, 1989. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System (MDERS), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

Management of the plans rests with the Personnel, Pension and Insurance Committee (PPI), which consists of 11 members.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand-alone financial report.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

At January 1, 2015, which is the last date of actuarial valuation, membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	579
Terminated members entitled to but not yet receiving benefits	20
Current active members	516
Nonvested former participants	<u>21</u>
Total Members	<u><u>1,136</u></u>

Participation in the plan is immediate upon employment for all full-time employees. Vesting in benefits occurs after ten years of service. Termination of employment before that time results in forfeiture of the District's portion of the accrued benefit.

The District's Personnel, Pension and Insurance Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings subject to a maximum of 32 years.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Pension Trust Fund's financial statements are prepared on 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 plan provisions. Administrative costs of the plan are financed through investment earnings.

Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price.

C. Funding Policy

Employees hired prior to October 4, 2015 are required to contribute 5% of their annual covered salary and employees hired thereafter are required to contribute 7% of their annual covered salary.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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 Personnel, Pension and Insurance Committee by a majority vote of its members. It is the policy of the Personnel, Pension and Insurance Committee 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 December 31, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	15.00%
Global Funds	12.50%
Large Cap US Equities	30.00%
Mid Cap US Equities	10.00%
Small Cap US Equities	10.00%
Developed Foreign Equities	10.00%
Real Estate (REITS)	6.00%
Private Real Estate Property	1.50%
Commodities	5.00%

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables

The Pension Trust Fund has amounts owed from Mid-CT for amounts under contributed to fund the net pension obligation. Refer to Note 6C for additional information on this receivable.

E. Net Pension Liability of the District

The components of the net pension liability of the District at December 31, 2015 were as follows:

Total pension liability	\$ 246,828,827
Plan fiduciary net position	<u>194,914,098</u>
Net Pension Liability	<u>\$ 51,914,729</u>
Plan fiduciary net position as a percentage of the total pension liability	78.97%

The net pension liability is recorded in the Water Utility Fund, the Mid-Connecticut Project Fund (Major Proprietary Funds), and the Governmental Activities of the District. The Mid-Connecticut Project Fund net pension liability has remained static pending the outcome of ongoing litigation, and the District's governmental activities are accounting for the Mid-Connecticut Projects share of the additional liability.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Healthy Mortality tabled blended 75% Blue Collar, 25% White Collar, with generational projection per Scale AA.
Actuarial cost method	Entry Age Normal

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 December 31, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Core Fixed Income	2.57%
Global Funds	1.30%
Large Cap US Equities	5.38%
Mid Cap US Equities	6.01%
Small Cap US Equities	6.64%
Developed Foreign Equities	6.36%
Real Estate (REITS)	5.42%
Private Real Estate Property	3.79%
Commodities	3.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the District 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 discount rate was changed from 7.50% in the January 1, 2014 valuation to 7.25% in the January 1, 2015 valuation due to actuarial experience.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Changes in the Net Pension Liability

Metropolitan District Employees' Retirement System			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of December 31, 2014	\$ 233,821,211	\$ 198,900,535	\$ 34,920,676
Changes for the year:			
Service cost	3,977,923		3,977,923
Interest on total pension liability	17,230,210		17,230,210
Differences between expected and actual experience	(348,426)		(348,426)
Changes in assumptions	7,992,450		7,992,450
Employer contributions		6,000,000	(6,000,000)
Member contributions		2,255,825	(2,255,825)
Net investment income		3,637,492	(3,637,492)
Benefit payments, including refund to employee contributions	(15,844,541)	(15,844,541)	-
Administrative expenses		(35,213)	35,213
Net changes	<u>13,007,616</u>	<u>(3,986,437)</u>	<u>16,994,053</u>
Balances as of December 31, 2015	<u>\$ 246,828,827</u>	<u>\$ 194,914,098</u>	<u>\$ 51,914,729</u>

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

The following presents the net pension liability of the District, calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's Net Pension Liability \$	79,703,926	\$ 51,914,729	\$ 29,200,538

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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

For the year ended June 30, 2015, the District recognized pension expense of (\$2,319,426), which is recorded within the Water Utility fund, and the Governmental Activities of the District in the amounts of \$(5,121,763) and \$2,802,337, respectively. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Metropolitan District Employees' Retirement System	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (288,353)	\$
Changes of assumptions		6,614,441
Net difference between projected and actual earning on pension plan investments		<u>8,841,729</u>
Total	<u>\$ (288,353)</u>	<u>\$ 15,456,170</u>

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

Year Ended December 31,

2016	\$ 3,528,368
2017	3,528,368
2018	3,528,368
2019	3,528,369
2020	1,054,344

F. 457(f) Nonqualified Deferred Compensation Plan

The District has a 457(f) Nonqualified Deferred Compensation Plan for certain qualified key employees as deemed eligible by the Personnel, Pension and Insurance Committee. The District will make contributions to the plan as deemed necessary. The District contributed \$14,453 to the plan during 2015.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

5. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

The Retiree Health Plan (RHP) is provided through indemnity plans and health maintenance organizations. The RHP is a single-employer defined benefit healthcare plan and provides medical, dental and life insurance benefits to eligible retirees and their spouses. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

Expenses for postemployment benefits were paid out of the OPEB trust fund during fiscal year ended December 31, 2015. The plan does not issue a stand-alone financial report.

At January 1, 2014, plan membership consisted of the following:

	Retiree Health Plan
Retired members	428
Spouses of retired members	459
Active plan members	<u>510</u>
Total Participants	<u><u>1,397</u></u>

Funding Policy

The contribution requirements of plan members and the District are also negotiated with the various unions representing the employees. Active employees hired prior to October 4, 2015 are required to contribute 0.5% of regular earnings and active employees hired after October 4, 2015 are required to contribute 1.0% of regular earnings into the OPEB Trust Fund. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums.

The cost per month for District retiree spouse coverage under Connecticut Blue Cross/Blue Shield Century 94 plus Major Medical Blue Cross Basic Dental Plan is 5% of the difference in cost between the individual coverage and the cost of the coverage selected. There is no cost for retirees. Retirees are eligible to receive term life insurance in the amount equal to one half of their group life insurance.

Employer contributions to the plan of \$5,000,000 were made in accordance with actuarially determined requirements.

Annual OPEB Cost and Net OPEB Obligations

The District'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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

	Retiree Health Plan
Annual required contribution (ARC)	\$ 14,765,820
Interest on net OPEB obligation	2,792,080
Adjustment to annual required contribution	<u>(2,868,446)</u>
Annual OPEB cost	14,689,454
Contributions made	<u>5,000,000</u>
Increase in net OPEB obligation	9,689,454
Net OPEB obligation, beginning of year	<u>55,841,592</u>
Net OPEB Obligation, End of Year	<u>\$ 65,531,046</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended December 31, 2015, 2014 and 2013 are presented below:

Fiscal Year Ended	Annual OPEB Cost (AOC)			Actual Contribution			Percentage of AOC Contributed		
	District	Mid-Connecticut	Total	District	Mid-Connecticut	Total	District	Mid-Connecticut	Total
12/31/2013	\$ 12,807,000	\$ 2,355,000	\$ 15,162,000	\$ 6,512,592		\$ 6,512,592	50.9%	0.0%	43.0%
12/31/2014	13,327,151	2,355,000	15,682,151	5,588,854		5,588,854	41.9%	0.0%	35.6%
12/31/2015	12,334,454	2,355,000	14,689,454	5,000,000		5,000,000	40.5%	0.0%	34.0%

As of January 1, 2014, the most recent actuarial valuation date, the plan was 11.8% funded. The actuarial accrued liability for benefits was approximately \$203 million, and the actuarial value of assets was approximately \$26 million, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$177 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$41 million.

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

In the January 1, 2014 actuarial valuation, projected unit credit method was used. The annual medical cost trend rate is 7.1% initially, reduced by decrements to an ultimate rate of 4.7% for pre-65 and 4.8% for post-65. Years until ultimate medical inflation rate are 70 for pre-65 and 72 for post-65. The discount rate assumption is 5.0%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2014 was 25 years.

6. OTHER INFORMATION

A. Clean Water Project

The MDC has entered into a consent decree of the United States District Court of the District of Connecticut, with the United States Department of Justice and the U.S. Attorney's Office.

The Clean Water Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The project is in response to an EPA SSO federal consent decree and a Connecticut DEEP CSO consent order to achieve the federal Clean Water Act goals. The District's goal is to maximize the funding of the entire project with State and Federal grants; the use of State and Federal low-cost loans, and then fund the remainder with open market debt. Project financing is expected to be repaid with a Special Sewer Service Surcharge to customers' water bills. The Special Sewer Service Surcharge is expected to increase annually up to a maximum, currently estimated at less than \$5.00 per hundred cubic feet of usage by Fiscal Year 2021, and then decline.

Cost Estimates

The total cost of the Clean Water Project was originally estimated to be approximately \$2.1 billion, comprise three phases, and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design and construction and regulatory review and approval. Phase I features projects to control inflow and infiltration, sewer separation projects, projects to increase interceptors and upgrades to the two treatment plants; it is nearing completion. Phase II features wet weather capacity improvements at the District's treatment plants and a large storage and conveyance tunnel in the south of the District (the South Tunnel). Phase III currently features a large storage and conveyance tunnel in the north of the District running down to the South Tunnel (the North Tunnel). This tunnel has not yet been designed or definitively located.

Generally speaking, appropriations for the cost of the Clean Water Project must be approved by referendum vote of the voters of the member municipalities. Effective October 1, 2015, P.A. 15-114 will exclude from the referendum requirement appropriations funded by federal or state grants. An \$800 million appropriation was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million was approved at referendum on November 6, 2012. Completion of the Clean Water Project will require submission of one or more further appropriations for approval by voters. The District has made no determination as to when an additional referendum will be held. The District expects Phase I and Phase II will be completed within authorized appropriations, and to be placed in service without regard to the outcome of any additional referendum.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

As the Project has progressed, the District has revised the original design conception. The Long-Term Control Plan, which sets out the project, was resubmitted in 2012 and revised further in 2015. It incorporates longer underground storage tunnels with greater capacity, and less sewer separation work, than the original conception, and sets forth a completion of Phase II in 2024 and Phase III in 2029. The revised plan was approved in May 2015. The delays occasioned by the redesign and permitting process, in particular with respect to the South Tunnel, now lead the District to expect an increase in projected costs of the Clean Water Project as a whole, but the District has not re-estimated the overall cost, in part because design and siting work for Phase III has not yet been conducted in sufficient detail. For planning purposes, the District is currently projecting a total cost of the project of \$2.4 billion.

The District has recently received bids for the construction contract for the South Tunnel, which were favorable to engineering estimates. The District expects to award this contract by the end of the second quarter of 2016, and to enter into a funding agreement with the State of Connecticut for the bulk of the funding of the contract through grants and loans from the State's Clean Water Fund.

As actual design and construction of the Clean Water Project have progressed, the District has been able to refine certain design elements to achieve cost savings, has altered some aspects of the original design and continues to examine the Clean Water Project for efficiencies that can be achieved through value engineering. In addition, some elements of construction have been completed at lower than estimated costs. The District expects the design and siting of the North Tunnel to be informed by its experience with construction of the South Tunnel and is exploring opportunities that may exist (such as more aggressive cleaning of its existing system) that may allow for further savings.

The District cannot give any assurances as to when the Clean Water Project will be completed or its total cost.

The District has issued to date \$225.0 million in Clean Water Project Revenue Bonds. The revenue bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

Through December 31, 2015, the Clean Water Project has been funded through the issuance of long-term debt in the amount of \$499.4 million, which is comprised of \$203.2 million of Clean Water Fund Loans and \$71.2 million of General Obligation Bonds and \$225 million of Revenue Bonds.

B. Risk Management

The District is exposed to various risks of loss including torts; officers' and employees' liabilities; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except those risks described in the next paragraph. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

The District is self-insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location, and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The self-insurance fund is primarily supported by contributions from the General Fund and the Water Utility Enterprise Fund. Administration for workers' compensation and general and auto liability claims is performed in-house and through third-party administrators whose administrative fees are paid by the self-insurance fund. Blue Cross and Blue Shield administer the District's medical insurance plan for which the District pays a fee. The medical insurance plan provides coverage for most District employees. The District has purchased a stop loss policy for total medical claims in any one year exceeding an aggregate of 110% of expected claims. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in any coverage during the year from that of the prior year.

The claims liability of \$5,494,379 for the self-insurance fund reported at December 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. The District's policy is to have an actuarial study performed annually.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Claim Payments		Accrued Liability End of Fiscal Year
2014	\$	4,856,698	\$	2,326,727	\$	2,267,247	\$	4,916,178
2015		4,916,178		4,035,961		3,457,760		5,494,379

C. Contingent Liabilities

Environmental Matters

The Clean Water Project includes all the programs needed to comply with the Consent Decree from the United States Department of Justice, the EPA and CT DEEP to eliminate eight SSOs and the Consent Order from CT DEEP to implement the Long-Term Control Plan for Combined Sewer Overflow Abatement and to reduce nitrogen from the District's water pollution control facilities as required by CT DEEP general permit. The District is utilizing the State of Connecticut Clean Water Fund to finance the eligible portions of these projects to the extent funding is available. The Clean Water Fund provides a grant and loan combination for some of this work and a loan only for certain projects.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

The Consent Decree issued on August 23, 2006 by the U.S. Department of Justice, the EPA and CT DEEP for the elimination of SSOs requires the overflows to be eliminated within five years of the approval of an elimination plan by the EPA in Wethersfield, Rocky Hill and Windsor, and within ten years in West Hartford and Newington. The Consent Decree also carried an \$850,000 civil penalty that was paid in 2006. The Consent Decree requires many interim action reports and construction necessary to reduce the infiltration and inflow of clean water into the sewer systems in the towns outside Hartford including individual homeowner actions. The Clean Water Fund can supply loans at 2% interest for this design and construction.

A Consent Order issued on November 6, 2006 by CT DEEP establishes a compliance schedule for the full implementation of the Long-Term Control Plan for Combined Sewer Overflow Abatement by 2021. The work includes separation of sewers in portions of Hartford to eliminate certain overflows, construction of new conveyance sewers, treatment plant expansion for wet weather flows and a large storage tunnel for retention of flow for later treatment. Meeting the schedule will require extensive and timely capital expenditures, currently projected to be more than \$2 billion over the next 15 years. Construction costs for portions of the sewer separation projects and for construction of conveyance and storage tunnels are eligible for State Clean Water Fund financing with a 50% grant and loan at 2% for the balance to the extent funding is available. Funding for the treatment plant expansion work is eligible for State Clean Water Fund support with a 20% grant and a 2% loan for the balance. In the case that funding was unavailable through the Clean Water Fund, the District would be obligated to issue bonds for the construction, adding increased debt service to its budget.

The third component of the Clean Water Project includes the reduction of nitrogen in the treatment facilities' effluent to meet the state general permit to reduce nitrogen to Long Island Sound. The current permit, effective January 1, 2016, maintains 2014 nitrogen discharge limits through 2018. New facilities are eligible for financing by the Clean Water Fund with a 30% grant and loan at 2% for the balance.

Arbitrage

The District may be subject to rebate penalties to the federal government relating to various bond and note issues. The District expects such amounts, if any, to be immaterial.

Mid-Connecticut Project

The CRRA and the District entered into a contract dated December 31, 1984, which defined the responsibilities of both parties with respect to the Mid-Connecticut Resource Recovery Facility. The agreement detailed contractual obligations of the District with respect to the operation of the waste-processing facility, the transfer stations, the Hartford landfill and the waste processing facilities, as well as the contractual obligations of the CRRA to reimburse the Metropolitan District Commission (MDC) for direct and indirect costs incurred and indemnify the District for the services performed.

The term of the initial contract was for twenty-seven (27) years and the CRRA had the option to extend the contract for an additional twenty (20) years under the same terms and conditions. The contract terminated in December 31, 2011. The MDC has been displaced from the Mid-Connecticut Project and the CRRA has contracted with a private contractor.

As of December 30, 2011, there were 82 District employees directly assigned to manage, repair, maintain and/or operate the facilities and processes under the Mid-Connecticut Project. Through agreements with two of its three affiliated bargaining units, the District agreed to relocate vested employees (those over ten years of continuous service) into capital improvement projects. Between the two bargaining units, there were 37 employees with 10 years or more of continuous service. Of the 37 employees, 3 chose to retire with the remainder still actively employed.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

As of December 30, 2011, there were 28 employees assigned to the Mid-Connecticut Project with less than 10n years of service. These employees were either re-assigned to existing operational budgeted positions or were placed on lay-off status.

The District and CRRA entered into binding arbitration to resolve liability for a dispute related to costs concerning termination of the CRRA contract and other disputed issues. Arbitration proceedings commenced on March 31, 2014. A decision on liability was issued on August 23, 2015.

The arbitration panel found CRRA liable for unpaid termination costs, unpaid retiree medical costs, unpaid pension costs, and for future retiree medical and pension for those individuals who retired from the plant during the last years of the project, 2010-2011.

The parties have exchanged claims of damage calculations and cannot agree on damages. The panel has convened and scheduled the hearings for the determination of damages in November 2016.

A receivable from CRRA is recognized in the Mid-Connecticut Project as disclosed in Note 3B.

Other

There are other various suits and claims pending against the District, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the District’s financial position.

7. RESTATEMENT

The Debt Service Fund, Clean Water Project and Capital Projects Funds’ beginning net position were restated in order to record a reclassification of previously recorded bond premiums. The impact of this restatement on the Debt Service Fund, Clean Water Project and Capital Project funds’ beginning net position is as follows:

	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Projects Fund</u>
Beginning fund balance, as originally reported	\$ 7,107,697	\$ 142,725,481	\$ (111,054,248)
Reclassification of bond premiums	<u>(5,676,000)</u>	<u>1,660,000</u>	<u>4,016,000</u>
Beginning Fund Balance, as Restated	<u>\$ 1,431,697</u>	<u>\$ 144,385,481</u>	<u>\$ (107,038,248)</u>

THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS

The Water Utility Fund, Mid-Connecticut Project and Internal Service Funds' beginning net position were restated in order to record starting case reserves, record the impact of the pension changes as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and starting bonds payable and bond interest payable balances as a result of the District's re-assessment of their prior classification of these liabilities. The impact of this restatement on the Water Utility Fund, Mid-Connecticut Project and Internal Service Funds' beginning net position is as follows:

	<u>Water Utility Fund</u>	<u>Internal Service Fund</u>
Net position at December 31, 2014 as previously reported	\$ 276,387,063	\$ (3,674,334)
Adjustments:		
Record case reserves		(1,845,500)
Eliminate net pension asset reported per GASB No. 27	(6,913,855)	
Record net pension liability per GASB No. 68	(7,992,558)	
Record additional bonds payable from governmental activities	(9,128,062)	
Record additional capital assets from governmental activities	1,248,252	
Record accrued interest on IFO	(335,203)	
Record additional bond interest payable from governmental activities	<u>(486,393)</u>	
Net Position at January 1, 2015, as Restated	<u>\$ 252,779,244</u>	<u>\$ (5,519,834)</u>

THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS

The Governmental Activities and Business-Type Activities beginning net position were restated in order to record starting case reserves, record the impact of the pension changes as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and starting bonds payable and bond interest payable balances as a result of the District's re-assessment of their prior classification of these liabilities. The impact of this restatement on the Governmental Activities and Business-Type Activities beginning net position is as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net position at December 31, 2014 as previously reported	\$ 549,538,389	\$ 250,523,843
Adjustments:		
Record case reserves		(1,845,500)
Eliminate net pension asset reported per GASB No. 27	(5,656,791)	(6,913,855)
Record net pension liability per GASB No. 68	(6,499,823)	(7,992,558)
Record additional bonds payable from governmental activities	9,128,062	(9,128,062)
Record transfer of capital assets from governmental activities to business-type activities	(1,248,252)	1,248,252
Record accrued interest on IFO	(1,195,424)	(335,203)
Record transfer of bond interest payable from governmental activities to business-type activities	<u>486,393</u>	<u>(486,393)</u>
Net Position at January 1, 2015 as Restated	<u>\$ 544,552,554</u>	<u>\$ 225,070,524</u>

REQUIRED SUPPLEMENTARY INFORMATION

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxation:				
Hartford	\$ 10,298,600	\$ 10,298,600	\$ 10,298,600	\$ -
East Hartford	4,490,100	4,490,100	4,490,100	-
Newington	3,287,300	3,287,300	3,287,300	-
Wethersfield	3,022,000	3,022,000	3,022,000	-
Windsor	3,222,600	3,222,600	3,222,600	-
Bloomfield	2,752,400	2,752,400	2,752,400	-
Rocky Hill	2,153,700	2,153,700	2,153,700	-
West Hartford	8,219,700	8,219,700	8,219,700	-
Total taxation	<u>37,446,400</u>	<u>37,446,400</u>	<u>37,446,400</u>	<u>-</u>
Sewer user fees:				
Bradley Airport - Hamilton - East Granby	375,000	375,000	154,891	(220,109)
Nonmunicipal - tax exempt	3,133,800	3,133,800	3,754,848	621,048
Hi-flow charges	1,200,000	1,200,000	2,110,015	910,015
Hi-strength	964,200	964,200	622,539	(341,661)
Penalties	5,000	15,000	16,617	1,617
Manchester	108,400	108,400	83,769	(24,631)
South Windsor	14,300	14,300	17,530	3,230
Farmington	76,700	76,700		(76,700)
Cromwell	4,700	4,700	4,848	148
CRRRA	120,000	120,000	121,008	1,008
Total	<u>6,002,100</u>	<u>6,012,100</u>	<u>6,886,065</u>	<u>873,965</u>
Sewer user rebates			<u>(372,507)</u>	<u>(372,507)</u>
Total sewer user fees	<u>6,002,100</u>	<u>6,012,100</u>	<u>6,513,558</u>	<u>501,458</u>
Intergovernmental:				
Sludge handling	3,000,000	3,000,000	3,977,489	977,489
Household hazardous waste	63,400	63,400	50,985	(12,415)
Total intergovernmental	<u>3,063,400</u>	<u>3,063,400</u>	<u>4,028,474</u>	<u>965,074</u>
Investment income	<u>30,000</u>	<u>30,000</u>	<u>36,202</u>	<u>6,202</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other revenues:				
Rental fees	\$ 5,000	\$ 5,000	\$ 6,726	\$ 1,726
Bill jobs	5,000	5,000		(5,000)
Developers	20,000	20,000	190,070	170,070
Payroll additives and indirect costs	5,000	5,000		(5,000)
Property rents	160,000	160,000	121,406	(38,594)
Septage/glycol discharge fees	800,000	800,000	1,021,054	221,054
Miscellaneous	10,757,200	10,859,400	10,687,424	(171,976)
Total other revenues	<u>11,752,200</u>	<u>11,854,400</u>	<u>12,026,680</u>	<u>172,280</u>
Total revenues	<u>58,294,100</u>	<u>58,406,300</u>	<u>60,051,314</u>	<u>1,645,014</u>
Other financing sources:				
Transfers in	<u>3,882,100</u>	<u>3,769,900</u>		<u>(3,769,900)</u>
Total Revenues and Other Financing Sources	<u>62,176,200</u>	<u>62,176,200</u>	<u>60,051,314</u>	<u>(2,124,886)</u>
Expenditures:				
General government:				
District Board	117,800	117,800	108,202	9,598
Executive office	345,100	345,100	281,098	64,002
Administrative services	162,800	162,800	68,352	94,448
Legal	899,000	1,036,100	1,019,838	16,262
Human resources	714,600	754,000	676,111	77,889
Information systems	1,987,800	1,987,600	1,898,079	89,521
Finance	2,617,100	2,617,200	2,168,482	448,718
Environmental health and safety	514,400	514,300	459,227	55,073
Customer service	1,708,800	1,708,700	1,640,700	68,000
Bond and note issuance expense	1,270,773	1,270,773	382,337	888,436
Total general government	<u>10,338,173</u>	<u>10,514,373</u>	<u>8,702,426</u>	<u>1,811,947</u>
Engineering and planning	<u>694,700</u>	<u>694,500</u>	<u>608,125</u>	<u>86,375</u>
Chief Operating office	<u>511,000</u>	<u>511,100</u>	<u>382,290</u>	<u>128,810</u>
Operations	<u>2,545,500</u>	<u>2,551,700</u>	<u>2,094,814</u>	<u>456,886</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Plants and maintenance:				
Water Pollution Control	\$ 17,286,700	\$ 17,290,502	\$ 16,205,164	\$ 1,085,338
Maintenance	5,561,800	5,485,800	6,219,914	(734,114)
Total plants and maintenance	<u>22,848,500</u>	<u>22,776,302</u>	<u>22,425,078</u>	<u>351,224</u>
Employee benefits and other:				
Employee benefits	4,872,300	5,231,898	5,171,981	59,917
General insurance	1,225,100	1,224,900	1,224,630	270
Special agreements and programs	671,000	823,500	799,774	23,726
Contingencies	622,000			-
Total employee benefits and other	<u>7,390,400</u>	<u>7,280,298</u>	<u>7,196,385</u>	<u>83,913</u>
Total expenditures	44,328,273	44,328,273	41,409,118	2,919,155
Other financing uses:				
Transfers out	<u>17,847,927</u>	<u>17,847,927</u>	<u>17,847,927</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>62,176,200</u>	<u>62,176,200</u>	<u>59,257,045</u>	<u>2,919,155</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>794,269</u>	\$ <u>794,269</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Sale of Water:				
Water Use Charges:				
Domestic	\$ 34,347,300	\$ 34,347,300	\$ 32,742,301	\$ (1,604,999)
Commercial	11,605,200	11,605,200	10,749,827	(855,373)
Industrial	1,702,700	1,702,700	1,260,801	(441,899)
Public Authorities	3,276,000	3,276,000	2,900,634	(375,366)
Other Water Companies	1,282,700	1,282,700	1,496,654	213,954
Total water use charges	<u>52,213,900</u>	<u>52,213,900</u>	<u>49,150,217</u>	<u>(3,063,683)</u>
Service Charges:				
Domestic	17,368,100	17,368,100	17,511,250	143,150
Commercial	1,863,900	1,863,900	1,621,707	(242,193)
Industrial	344,400	344,400	255,696	(88,704)
Public Authorities	677,800	677,800	587,086	(90,714)
Other Water Companies	14,400	14,400	16,735	2,335
Total service charges	<u>20,268,600</u>	<u>20,268,600</u>	<u>19,992,474</u>	<u>(276,126)</u>
Total sale of water	<u>72,482,500</u>	<u>72,482,500</u>	<u>69,142,691</u>	<u>(3,339,809)</u>
Other Operating Revenues:				
Hydrant Maintenance	1,135,700	1,135,700	1,152,722	17,022
Fire Protection Services	1,739,000	1,739,000	1,756,661	17,661
Water Billing Penalties	630,000	630,000	1,097,686	467,686
Rental of Water Property	105,000	105,000	136,089	31,089
Total other operating revenues	<u>3,609,700</u>	<u>3,609,700</u>	<u>4,143,158</u>	<u>533,458</u>
Nonoperating Revenues:				
Other revenues:				
Forestry	200,000	200,000	308,527	108,527
Bill Job P/R & Materials	75,000	75,000	11,288	(63,712)
Developers P/R Material	65,000	65,000	189,113	124,113
Bill Job & Dev P/R Additives	30,000	30,000	4,822	(25,178)
Sale of Mat'l Equip	40,000	40,000	63,997	23,997
Main Pipe Assessments	80,000	80,000	79,734	(266)
Short Term Bill Jobs	75,000	75,000	50,154	(24,846)
Long Term Bill Jobs	250,000	250,000	620,755	370,755
Recreation Income	75,000	75,000	82,177	7,177
Collections & Liens	180,000	180,000	411,166	231,166
Contributed Capital Mains	2,000,000	2,000,000	3,816,910	1,816,910
CAC-Hydrant	15,000	15,000	10,730	(4,270)
CAC-High Pressure	1,000	1,000	4,050	3,050
NOR Other Misc	420,000	420,000	119,442	(300,558)
NOR Other Misc-Non budget			18,678	18,678
Total other revenues	<u>3,506,000</u>	<u>3,506,000</u>	<u>5,791,543</u>	<u>2,285,543</u>
Interest	<u>10,000</u>	<u>10,000</u>	<u>15,233</u>	<u>5,233</u>
Total nonoperating revenues	<u>3,516,000</u>	<u>3,516,000</u>	<u>5,806,776</u>	<u>2,290,776</u>
Contribution from fund balance	<u>1,185,300</u>	<u>1,185,300</u>		<u>(1,185,300)</u>
Total revenues	<u>80,793,500</u>	<u>80,793,500</u>	<u>79,092,625</u>	<u>(1,700,875)</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER UTILITY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenses:				
General government:				
District Board	\$ 122,700	\$ 122,700	\$ 112,619	\$ 10,081
Executive Office	359,200	359,200	292,573	66,627
Administrative Services	169,500	169,500	71,140	98,360
Legal	935,600	1,078,500	1,061,463	17,037
Human Resources	743,800	784,600	703,706	80,894
Information Systems	4,035,900	4,036,100	3,855,647	180,453
Finance	2,724,100	2,724,000	2,304,946	419,054
Environmental Health and Safety	535,200	535,300	477,966	57,334
Customer Service	3,317,300	3,317,400	3,184,886	132,514
Total general government	<u>12,943,300</u>	<u>13,127,300</u>	<u>12,064,946</u>	<u>1,062,354</u>
Engineering & Planning	<u>722,900</u>	<u>723,100</u>	<u>629,464</u>	<u>93,636</u>
Chief Operating office	<u>359,300</u>	<u>352,600</u>	<u>241,095</u>	<u>111,505</u>
Operations	<u>9,259,200</u>	<u>9,259,500</u>	<u>8,820,868</u>	<u>438,632</u>
Plants and maintenance:				
Water treatment and supply	9,051,800	9,051,800	7,994,649	1,057,151
Laboratory services	906,400	906,400	869,928	36,472
Water pollution control	222,800	229,400	186,513	42,887
Maintenance	9,021,300	9,022,100	8,506,665	515,435
Riverfront park system	1,072,900	1,072,900	1,053,742	19,158
Total plant and maintenance	<u>20,275,200</u>	<u>20,282,600</u>	<u>18,611,497</u>	<u>1,671,103</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER UTILITY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Employee benefits and other:				
Employee benefits	\$ 13,166,500	\$ 14,181,321	\$ 14,113,800	\$ 67,521
General insurance	2,858,600	2,858,801	2,858,278	523
Special agreements and programs	3,155,800	2,786,778	1,645,570	1,411,208
Bond and note issue expense	17,221,500	17,221,500	15,787,716	1,433,784
Contingencies	831,200			-
Total employee benefits and other	<u>37,233,600</u>	<u>37,048,400</u>	<u>34,405,364</u>	<u>2,643,036</u>
Total expenses	<u>80,793,500</u>	<u>80,793,500</u>	<u>74,773,234</u>	<u>6,020,266</u>
Net Change in Net Position	\$ <u>-</u>	\$ <u>-</u>	<u>4,319,391</u>	\$ <u>4,319,391</u>

Budgetary expenses are different than GAAP expenses because:

Depreciation expenses are not recorded for budgetary basis, but are for GAAP	(11,707,653)
The District budgets for debt service principal payments	9,076,736
The District does not budget for changes in employee benefit liabilities	(7,956,631)
The District does not budget for capital grants and expenses	<u>3,488,897</u>

Net Change in Net Position as Reported on the Statement of Revenues,
Expenses and Changes in Net Position - Proprietary Funds \$ (2,779,260)

**THE METROPOLITAN DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 3,977,923	\$ 3,534,272
Interest	17,230,210	16,861,364
Differences between expected and actual experience	(348,426)	
Changes of assumptions	7,992,450	
Benefit payments, including refunds of member contributions	<u>(15,844,541)</u>	<u>(15,437,612)</u>
Net change in total pension liability	13,007,616	4,958,024
Total pension liability - beginning	<u>233,821,211</u>	<u>228,863,187</u>
Total pension liability - ending	<u>246,828,827</u>	<u>233,821,211</u>
Plan fiduciary net position:		
Contributions - employer	6,000,000	5,918,000
Contributions - member	2,255,825	2,160,885
Net investment income	3,637,492	13,864,280
Other income		102,351
Benefit payments, including refunds of member contributions	(15,844,541)	(15,448,154)
Administrative expense	<u>(35,213)</u>	<u>(46,896)</u>
Net change in plan fiduciary net position	(3,986,437)	6,550,466
Plan fiduciary net position - beginning	<u>198,900,535</u>	<u>192,350,069</u>
Plan fiduciary net position - ending	<u>194,914,098</u>	<u>198,900,535</u>
District's Net Pension Liability - Ending	<u>\$ 51,914,729</u>	<u>\$ 34,920,676</u>
Plan fiduciary net position as a percentage of the total pension liability	78.97%	85.07%
Covered-employee payroll	\$ 42,655,811	\$ 41,460,234
Net pension liability as a percentage of covered-employee payroll	121.71%	84.23%

**THE METROPOLITAN DISTRICT
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 3,283,457	\$ 3,710,728	\$ 3,784,198	\$ 7,066,074	\$ 8,809,272	\$ 15,050,472	\$ 5,347,556	\$ 5,804,428	\$ 5,857,601	\$ 5,805,223
Contributions in relation to the actuarially determined contribution	3,595,859	3,778,044	3,784,198	7,676,453	2,863,964	4,633,200	5,822,098	5,881,000	5,918,000	6,000,000
Contribution Deficiency (Excess)	<u>\$ (312,402)</u>	<u>\$ (67,316)</u>	<u>\$ -</u>	<u>\$ (610,379)</u>	<u>\$ 5,945,308</u>	<u>\$ 10,417,272</u>	<u>\$ (474,542)</u>	<u>\$ (76,572)</u>	<u>\$ (60,399)</u>	<u>\$ (194,777)</u>
Covered-employee payroll	\$ 33,494,108	\$ 36,862,131	\$ 37,960,169	\$ 42,052,737	\$ 45,271,276	\$ 43,872,205	\$ 41,341,171	\$ 38,773,923	\$ 41,460,234	\$ 42,655,811
Contributions as a percentage of covered-employee payroll	10.74%	10.25%	9.97%	18.25%	6.33%	10.56%	14.08%	15.17%	14.27%	14.07%

Notes to Schedule

Valuation date: January 1, 2015
 Measurement date: December 31, 2015
 Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age Normal
- Amortization method: Level percent, closed
- Remaining amortization period: 18 years
- Asset valuation method: 5-year asset average, spreading investment gains and losses
- Inflation: 2.75%
- Salary increases: 3.50%
- Investment rate of return: 7.25%
- Retirement age: Aged based rates
- Turnover: Aged based rates
- Mortality: RP-2000 Combined Mortality table blended 75% Blue Collar, 25% White Collar with generational projection per Scale AA

**THE METROPOLITAN DISTRICT
SCHEDULE OF INVESTMENT RETURNS
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.58%	7.42%

**THE METROPOLITAN DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION -
 OTHER POST-EMPLOYMENT BENEFITS TRUST FUND**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	
1/1/2009	\$	\$	160,119,431	\$ 160,119,431	0.0 %	n/a	n/a
1/1/2010			167,502,977	167,502,977	0.0	n/a	n/a
1/1/2011			218,824,953	218,824,953	0.0	n/a	n/a
1/1/2012	26,346,000	221,243,000	194,897,000	0.1	\$40,364,000	482.85%	
1/1/2014	26,429,875	203,045,491	176,615,616	13.0	\$41,092,089	429.80%	

Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Required Contribution</u>	<u>Annual Percentage Contributed</u>
2010	\$ 16,271,928	31.7 %
2011	19,989,745	135.0
2012	14,301,000	55.5
2013	15,162,000	43.0
2014	15,755,000	41.3
2015	14,765,820	33.9

n/a - The covered payroll is not available.

APPENDIX B – FORMS OF OPINION OF BOND COUNSEL

FORM OF OPINION OF HINCKLEY, ALLEN & SNYDER LLP, BOND COUNSEL TO THE DISTRICT

December 1, 2016

The Metropolitan District
555 Main Street
P.O. Box 800
Hartford, Connecticut 06142-0800

Ladies and Gentlemen:

In connection with our representation of The Metropolitan District, Hartford County, Connecticut (the “District”) as bond counsel, we have examined certified copies of the proceedings of the District, a Tax Regulatory Agreement of the District dated December 1, 2016 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$108,315,000 Metropolitan District, Hartford County, Connecticut General Obligation Bonds, Issue of 2016, Series C, dated December 1, 2016 and maturing serially on November 1, 2018-2031 and November 1, 2034 (the “Bonds”). The Bonds are subject to redemption prior to maturity.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid and binding general obligations of the District for the payment of the principal of and interest on which the full faith and credit of the District are pledged, that the District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor comprising the District, proportionately as provided in the District’s Charter to pay the principal of the Bonds and interest thereon, and that such city and towns are authorized to levy ad valorem taxes on all taxable

property within their respective limits to pay such District taxes without limitation as to rate or amount except as to property classified under the general statutes, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the District.

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

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

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

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

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

December 1, 2016

Page 3

State or local tax consequences caused by ownership or disposition of, or receipt of interest on, 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,

HINCKLEY, ALLEN & SNYDER LLP

FORM OF OPINION OF SOEDER & ASSOCIATES, LLC, BOND COUNSEL TO THE
DISTRICT

December 1, 2016

The Metropolitan District
555 Main Street
P.O. Box 800
Hartford, Connecticut 06142-0800

Ladies and Gentlemen:

In connection with our representation of The Metropolitan District, Hartford County, Connecticut (the “District”) as bond counsel, we have examined certified copies of the proceedings of the District, a Tax Regulatory Agreement of the District dated December 1, 2016 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$108,315,000 Metropolitan District, Hartford County, Connecticut General Obligation Bonds, Series C, dated December 1, 2016 and maturing serially on November 1, 2018-2031 and November 1, 2034 (the “Bonds”). The Bonds are subject to redemption prior to maturity.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid and binding general obligations of the District for the payment of the principal of and interest on which the full faith and credit of the District are pledged, that the District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor comprising the District, proportionately as provided in the District’s Charter to pay the principal of the Bonds and interest thereon,

and that such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to property classified under the general statutes, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the District.

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

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

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

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

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

December 1, 2016

Page 3

State or local tax consequences caused by ownership or disposition of, or receipt of interest on, 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,

SOEDER & ASSOCIATES, LLC

APPENDIX C- CONTINUING DISCLOSURE AGREEMENT

The Metropolitan District, Hartford County, Connecticut
\$108,315,000 General Obligation Bonds, Issue of 2016, Series C
Dated December 1, 2016

WHEREAS, The Metropolitan District, Hartford County, Connecticut (the “District”) has authorized the issuance of \$108,315,000 General Obligation Bonds, Issue of 2016, Series C, dated December 1, 2016 (the “Bonds”), to mature on the dates and in the amounts set forth in the District’s Official Statement dated November 23, 2016 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold pursuant to a Bond Purchase Agreement dated November 23, 2016 (the “Purchase Contract”); and

WHEREAS, in the Purchase Contract, the District acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the District has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure as required by the Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the District desires to assist the underwriter of the Bonds to meet the requirements of the Rule; and

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

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

NOW, THEREFORE, the District hereby represents, covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions above, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the District pursuant to and as described in and consistent with Sections 2 and 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Section 2(a) by which the Annual Report is to be filed with the Repository.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the District and/or its members for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

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

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

"Repository" shall mean the Electronic Municipal Market Access system of the MSRB as described in 1934 Act Release No. 57577 for purposes of the Rule or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for the purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

SECTION 2. Provision of Annual Reports.

(a) The District shall provide, annually, an electronic copy of the Annual Report to the Repository not later than eight (8) months after the end of each fiscal year of the District, commencing with the fiscal year ending December 31, 2016. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If Audited Financial Statements of the District are prepared but not available prior to the Annual Filing Date, the District shall submit unaudited financial statements by the Annual Filing Date and, when the Audited Financial Statements are available, shall file the Audited Financial Statements in a timely manner with the Repository.

(c) If the District is unable to provide an Annual Report to the Repository by the Annual Filing Date, it shall send a notice in electronic format to the Repository of its failure to provide such Annual Report.

SECTION 3. Content of Annual Reports.

(i) (a) Each Annual Report shall contain Annual Financial Information with respect to the District as follows: (i) commencing with information and data for the fiscal year ending December 31, 2016, the Audited Financial Statements of the District, which statements shall be prepared in accordance with generally accepted accounting principles accepted in the United States, as promulgated by the Government Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and (ii) to the extent not included in the financial statements described in (i) above:

(1) under the heading "WATER POLLUTION CONTROL", information concerning the District's facilities for sewer service and the sewer user charges;

(2) under the heading "WATER OPERATIONS", information concerning the District's facilities for water service, water consumption and water utility unit charges;

(3) under the heading "ECONOMIC AND DEMOGRAPHIC INFORMATION - MEMBER MUNICIPALITIES", information concerning income levels, labor force data and major employers of each member municipality;

(4) under the heading "DEBT SUMMARY", the computation of the District's debt limits and net direct indebtedness, outstanding indebtedness, debt ratios, and debt service requirements, all as of the close of the District's prior fiscal year;

(5) under the heading "DEBT SUMMARY", information concerning the member municipalities' net direct debt and underlying net debt, and debt summary, all as of the close of such municipalities' prior fiscal year;

(6) under the heading "FINANCIAL INFORMATION", summaries of the general fund revenues and expenditures for each member municipality.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. If the District is no longer required by applicable law, regulations or other legally binding obligation to prepare such audited financial statements, the District reserves the right to provide only financial statements which are not audited. Audited Financial Statements (if any) will be provided pursuant to Section 2.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the District is an “obligated person” (as defined by the Rule), which have been previously filed with the Repository or the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Listed Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Receipt of an adverse tax opinion; 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 Bonds, or other material events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or other similar event of any obligated person;
13. The consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement related to such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of a name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, provide or cause to be provided a notice of such occurrence to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB.

SECTION 5. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The District may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement and may discharge any such agent with or without appointing a successor agent.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the District may amend this Agreement (and any provision of this Agreement may be waived), provided that the following conditions are satisfied:

(a) It may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or of the type of business conducted by the District;

(b) This Agreement, as so amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The District receives an opinion of counsel expert in federal securities laws to the effect that the amendment or waiver does not materially impair the interests of the holders of the Bonds.

A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following the adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

SECTION 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Enforceability. The District agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event of a failure of the District to comply with any provision of this Agreement, the District shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the District does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to specific performance to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default of the District with respect to the Bonds. No person or entity shall have any right to any monetary damages for any default under this Agreement.

SECTION 10. Indemnification. The District agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding loss, expense or liability due any such person's willful misconduct. The obligations of the District under this Section shall survive payment of the Bonds.

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

**THE METROPOLITAN DISTRICT,
HARTFORD COUNTY, CONNECTICUT**

By: _____
William A. DiBella
Chairman

By: _____
John M. Zinzarella
Deputy Chief Executive Officer
Business Services/Treasurer

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APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY



**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)



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