

**TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



For the Fiscal Year Ended June 30, 2017

The Town of Westport, Connecticut

Comprehensive Annual Financial Report

For

The Fiscal Year Ended June 30, 2017

Prepared By:

**Town of Westport
Finance Department**

**Gary G. Conrad
Finance Director**

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Introductory Section

WESTPORT CONNECTICUT



FINANCE DEPARTMENT

110 MYRTLE AVENUE
WESTPORT, CT 06880

December 22, 2017

Honorable James Marpe, First Selectman
Avi Kaner, Selectman
Helen Garten, Selectman
Members of the Representative Town Meeting
Members of the Board of Finance
Citizens of the Town of Westport, Connecticut

State law requires that all general purpose local governments publish at the end of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Westport, Connecticut's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter and should be read in conjunction with it.

Profile of the Government

The Town, incorporated in 1835, located in southwestern Connecticut, is annexed from Fairfield on the east, Weston on the north, and Norwalk on the west. The Town of Westport occupies approximately 20 square miles, located in Fairfield County, with a 2010 Census population of 26,391. The Town is empowered to levy a property tax on both real and personal properties located within its boundaries.

The Town operates under and is governed by the laws of the State of Connecticut and its own charter which was adopted by the State Legislature in 1957. The Charter provides for a Board of Selectmen - Representative Town Meeting form of government. The First Selectman, elected to a four-year term, is the chief executive officer of the Town. The First Selectman is responsible for carrying out the policies and ordinances of the Representative Town Meeting (RTM), for overseeing the day-to-day operations of the Town and appointing the heads of various departments and commissions. The RTM, which acts as the Town's policy making and legislative body, consists of thirty six (36) members elected to two-year terms. The RTM is responsible for passing ordinances, adopting the budget, ratifying labor agreements, bonding authorizations and supplemental appropriations. The last election in the Town occurred in November 2017. A major revision to the Town's Charter was presented and approved by the voters in November 2000.

The Town provides a full range of services to its citizens. These include: police and fire protection; construction and maintenance of streets and other infrastructure; sewer and sanitation; education; library; public works (highways, streets, waste disposal, engineering and infrastructure maintenance); parks and recreation (parks, beaches, golf course and tennis courts); cultural events, senior services and organizations; health and welfare; and general administrative services.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit revenue estimates and requests for appropriations to the Finance Director. The Finance Director, First Selectman, and budget requesting departments review these requests and develop a budget which, along with the Board of Education budget, will be presented to the Board of Finance. The Board of Finance, with at least one public hearing, will review the requested budgets and make any reductions they deem advisable. The Board of Finance will hold at least one public meeting prior to adopting a recommended budget which will be submitted to the RTM. On the first Tuesday in May, the RTM adopts the budget for the fiscal year beginning July 1.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). All budgetary transfers are submitted to the Board of Finance for approval. The Board of Finance may grant additional appropriations to departments up to an accumulated total of \$20,000 per fiscal year; RTM approval is required for departmental appropriations in excess of \$20,000. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 78 of the required supplementary information and pages 83-87 of the supplementary information. For the sewer operating fund, a major fund with an appropriated annual budget, this comparison is included on pages 79 and 97.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local Economy. Westport was once an artist colony. Now it has among its residents many in other fields of the arts as well – theater, publishing, television. Although it is a community with almost no industry, there are several corporate headquarters, many consulting, marketing, promotional, investment firms, commercial designers and graphic artists. While Westport is often thought of as a commuter community, increasingly its residents work in the area as corporations have moved into Fairfield County. The Town's unemployment rate, based on the Connecticut Department of Labor, as of June 30, 2017 was 4.5% compared to Fairfield county and the State respectively of 5.0% and 5.1%. Bureau of Census data estimates Median Family Income in Westport as \$162,907.

Long-Term Financial Planning and Bond Issues. As a part of the annual budget process, the First Selectman prepares and presents a five year capital plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next five years. The current five year capital plan projects goes through fiscal year 2021. The plan provides for the needs not only of the general government but also the Board of Education and addresses such issues as infrastructure, major equipment replacement, educational facilities, public safety, recreation and open space. This plan projects total project costs over the five year period of approximately \$92,035,114. Financing, net of state and federal project grants, for these projects will be provided through debt proceeds of approximately \$57,048,721, while an additional \$14,308,500 is scheduled to be funded through annual appropriation in the General Fund, Sewer Fund and/or Capital and Non-Recurring Fund and \$6,715,000 will be funded through an energy lease (net of rebates).

Relevant Financial Policies.

Fund Balance Policy – In 2011, the Town of Westport’s Board of Finance adopted a GASB 54 Fund Balance Policy that addresses how funds are to be classified and, in particular, a commitment to maintaining a targeted minimum level of undesignated funds, based on the recommendation of the Town’s Finance Director. In practice, that targeted minimum amount at fiscal year-end is between 9-11% of the Town’s operating budget.

Investment Policy – The Town of Westport has adopted an Investment Policy for the management of operating and working capital funds in accordance with Connecticut General Statutes. The Town has an appointed Pension Investment Committee that oversees the investments within the Town’s pension plans.

Procurement Policy – The Town of Westport and Westport Public Schools each have procurement policies and procedures in place which prescribe the levels of administrative approvals required for budgeted expenditures and the manner in which these goods and services are to be procured.

Major Initiatives.

Energy Performance Contract – Following the completion of a full Investment Grade Energy Audit (IGEA) by NORESO, the Town entered into a contract covering thirteen specific energy conservation measures (ECMs) across twelve Westport public buildings that will be financed using guaranteed savings over a 10-year term and create an annual net excess cash flow with a net present value of \$911,000 over that period. The estimated total project cost of \$8.3 million will be reduced by estimated Eversource incentive payments of \$1.5 million, for a net price at completion of \$6.8 million. After the 10-year financing term, all savings will continue to accrue to the benefit of the Town, which will result in a net present value of \$4.9 million over a conservative 15-year functional life.

Regionalization of Police and Fire Dispatch – The Town has recently combined its Police and Fire dispatch functions and provides fire dispatch services to the Town of New Canaan. The Town is now looking to further regionalize by also partnering with the Town of Fairfield and relocate the combined dispatch center to a specially equipped building at the former General Electric Headquarters (now owned by Sacred Heart University) in Fairfield.

Library Transformation Project – The Town has begun a Library Transformation project as a public/private partnership, with a targeted completion of Spring 2019. The cost of the project is estimated at \$19.5 million, with the Town investing \$5 million in the project.

Senior Center Renovation – The Town has approved an expansion of its existing Westport Center for Senior Activities. The renovation is expected to be complete in Spring 2019.

Awards and Acknowledgements

CIRMA Risk Management Award.

The Town of Westport Police Department was a 2017 recipient of Excellence in Risk Management from CIRMA (Connecticut Interlocal Risk Management Association) for its innovative wellness and readiness program designed to promote wellness and physical fitness. The department has seen significant reductions in injury-related costs as a result of this initiative.

Financial Reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westport for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the sixteenth consecutive year that the government has received this prestigious award. In order to be awarded a

Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. I would like to express my appreciation to all the members of the Department who assisted and contributed to its preparation and our auditors RSM US LLP. I would also like to thank the Board of Selectmen, Board of Finance, Board of Education and the RTM for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Conrad", written in a cursive style.

Gary Conrad
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Westport
Connecticut**

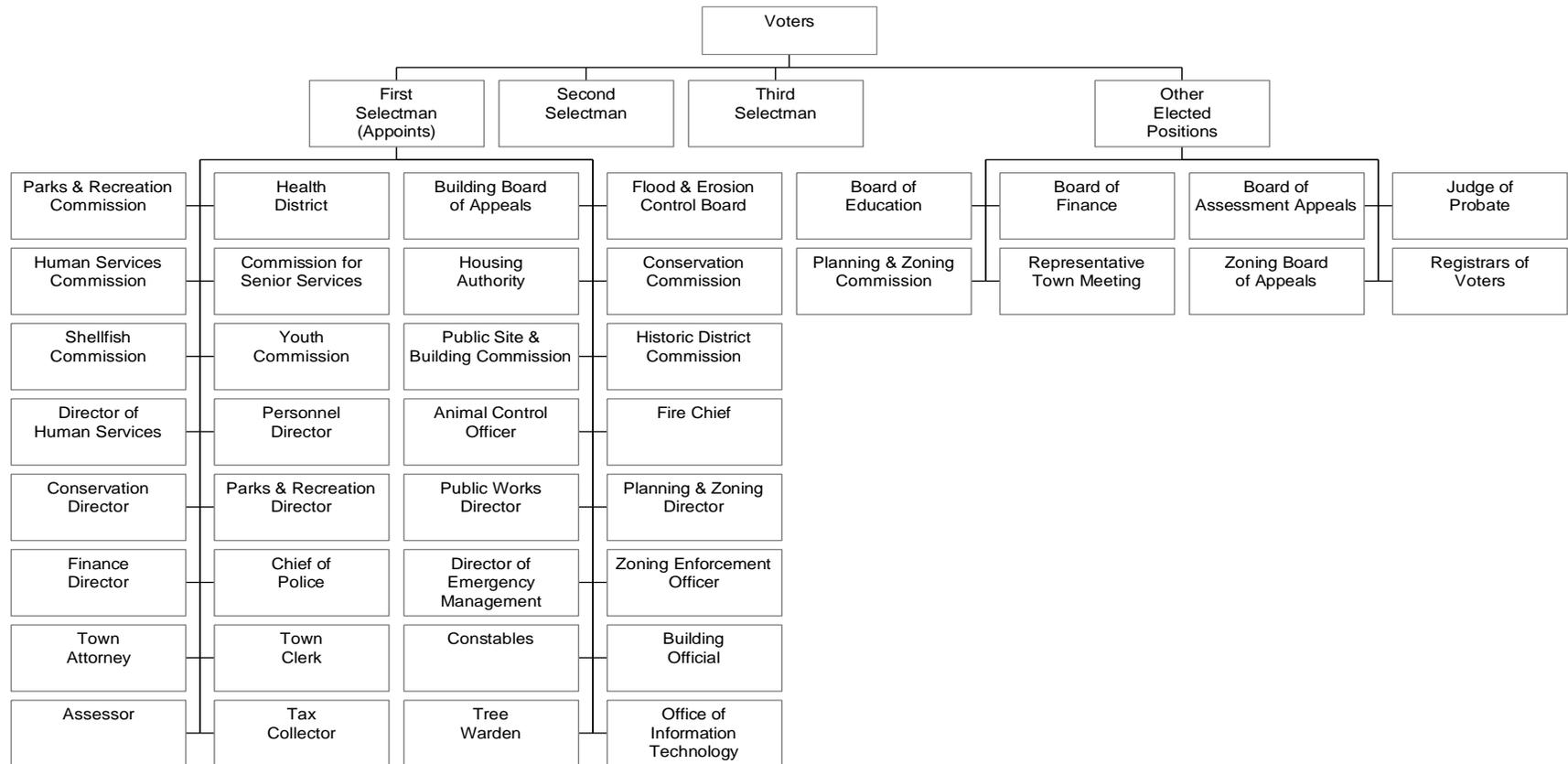
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

Town of Westport, Connecticut



Town of Westport, Connecticut

**Principal Town Officials
As of June 30, 2017**

First Selectman	James S. Marpe
Selectman	Avi Kaner
Selectwoman.....	Helen Garten
Chair, Board of Finance	Brian Stern
Finance Director	Gary G. Conrad
Superintendent of Schools	Colleen Palmer
Director of Public Works.....	Stephen Edwards
Fire Chief.....	Robert Yost
Police Chief	Fotios Koskinas
Director of Parks & Recreation.....	Jennifer Fava
Town Attorney	Ira W. Bloom

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Financial Section



Independent Auditor's Report

RSM US LLP

To the Honorable First Selectman and
Members of the Board of Finance
Town of Westport, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Westport, Connecticut (the Town) as of and for the fiscal year ended June 30, 2017, and the related notes thereto which collectively comprise the Town'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.

Auditor's 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 auditor's 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 auditor considers 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, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut as of June 30, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the pension and OPEB related schedules as listed in the table of contents, and the budgetary comparison information 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and other schedules and the introductory and statistical sections 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 other 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 other 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 December 22, 2017 on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 22, 2017

TOWN OF WESTPORT, CONNECTICUT
Management's Discussion and Analysis - *unaudited*
June 30, 2017
(In Thousands)

As management of the Town of Westport, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report as well as the Town's basic financial statements that follow this section.

As we move into fiscal year 2018, the Town has continued to enjoy growth in the housing and commercial markets. The net 2016 Grand list has increased by 1.4% over net 2015 Grand list, which will result in a larger tax base for fiscal year 2018. Some challenges the Town may face include declining non-tax revenue sources, significant reduction of state grant monies due to Connecticut's financial crisis and increasing cost of employee benefits.

Financial Highlights – Primary Government

The Town's net position increased as a result of this year's operations. The assets and deferred outflows of the Town of Westport exceeded its liabilities and deferred inflows at the close of fiscal year 2017 by \$ 229,776 (net position). Of this amount, \$ 28,349 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the end of the current fiscal year, the Town of Westport's governmental funds reported combined ending fund balances of \$ 54,790. The Board of Finance has recommended the maintenance of a General Fund unassigned fund balance range of 9.00-11.00% of the annual General Fund expenditures.

As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,062, a decrease of \$1,456 from the prior year. The major reason for this decrease is that grant monies were drastically reduced due to the state's financial crisis. In addition, the planned use of \$ 4,250 has been classified as assigned fund balance for use in the 2017/2018 General Fund Budget to reduce taxes. This unassigned general fund balance at June 30, 2017 is 11.4% of general fund expenditures and operating transfers out.

The Town's long-term obligations experienced a net decrease of approximately \$24,350 during the fiscal year. The Town's net pension liability decreased by \$22,927. General obligation bonds payable decreased by \$6,805.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to 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 Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town'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 Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, solid waste disposal, human services, cultural and recreation activities. Although the Town maintains no business-type activities, the Town does maintain three internal service funds which consist of the Town Health Insurance Fund, the Board of Education Health Insurance Fund and the Town Worker's Compensation Fund.

The government-wide financial statements can be found on pages 13-14 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 Town of Westport, 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 Town can be divided into four categories: governmental funds, proprietary funds, internal service 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 fiscal 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 Town of Westport maintains twenty-two (22) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Operating Fund and the Capital Nonrecurring Fund. Eleven (11) special revenue funds, five (5) capital project funds, two (2) permanent funds and one (1) debt service fund are combined into aggregate nonmajor funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund, the sewer operating fund, railroad parking fund and Wakeman farm fund. A budgetary comparison statement has been provided for the general fund and the sewer operating fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-17 of this report.

Proprietary funds. The Town maintains three (3) proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its Town Health Insurance and Workers' Compensation claims, and Board of Education Medical Insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 the Town Health Insurance and Worker's Compensation Funds, and the Board of Education Health Insurance Fund. Conversely, these internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Westport's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains three different types of fiduciary funds. The pension trust funds and OPEB trust fund are used to report resources held in trust for retirees and beneficiaries covered by the Town's five pension plans and OPEB plan. The agency funds report resources held by the Town in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary fund financial statements can be found on pages 21-22 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 23-66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees, and General Fund and Sewer Operating Fund Budget information. This information can be found on pages 67-81 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension trust funds are presented immediately following the notes to basic financial statements and the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Westport, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$229,776 at the close of the most recent fiscal year. This is an increase of \$1,719 from the previous year net position.

TOWN OF WESTPORT, CONNECTICUT SUMMARY STATEMENT OF NET POSITION June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Current and other assets	\$ 99,218	\$ 95,030
Capital assets	292,478	295,054
Total assets	391,696	390,084
Deferred pension expense	3,368	19,688
Deferred charge on refunding	2,369	2,807
Total deferred outflows of resources	5,737	22,495
Long-term liabilities	147,613	171,962
Other liabilities	12,224	9,880
Total liabilities	159,837	181,842
Advance tax collections	203	941
Deferred pension credit	7,617	1,739
Total deferred inflows of resources	7,820	2,680
Net position:		
Net Investment in capital assets	194,977	191,337
Restricted	6,450	1,448
Unrestricted	28,349	35,272
Total net position	\$ 229,776	\$ 228,057

The largest portion of the Town's net position (85%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding and related deferred inflows and outflows. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town investment in its capital assets 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. The decrease in capital assets is primarily related to accumulated depreciation for buildings and machinery and equipment.

The Town also has \$6,450 of restricted net position. The largest portion of restricted net position relates to the net pension asset in the Municipal Pension Plan of \$3,686 and the net pension asset of \$1,521 in the Public Works plan. The balance of \$1,243 represents amounts restricted for debt service and the permanent trust funds.

The Town's unrestricted net position of \$28,349 may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town's net position by \$1,719, thereby accounting for a 0.75% growth. The increase of \$1,719 of net position is due to better than expected revenues in the property taxes, and income from financing activities, offset by significant reductions in grant monies from the state.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES
Years Ended June 30, 2017 and 2016**

	2017	2016
Revenues:		
Charges for services	\$ 25,018	\$ 26,331
State on-behalf pension revenue	20,752	11,880
Operating grants and contributions	3,678	7,635
Capital grants and contributions	1,282	1,455
General Revenues:		
Property taxes	185,801	183,053
Grants and contributions not restricted to specific programs	298	83
Unrestricted investment earnings	280	275
Total revenues	237,109	230,712
Expenses:		
General government	11,280	11,228
Public safety	37,099	38,054
Public works	22,646	20,053
Health and human services	2,856	2,866
Library	5,258	4,797
Education	124,082	123,692
State on-behalf pension expense	20,752	11,880
Parks and recreation	8,598	8,025
Debt service	2,819	3,085
Total expenses	235,390	223,680
Increase in net position	1,719	7,032
Net Position, beginning	228,057	221,025
Net Position, ending	\$ 229,776	\$ 228,057

Key elements of this increase are as follows:

Seventy-eight percent (78%) of the revenues of the Town were derived from property taxes, followed by nineteen percent (19%) from program revenues, then three percent (3%) from grants and contributions, investment earnings and other sources. The decrease in grant monies compared to last year shows how revenue was negatively impacted by the state's fiscal crisis.

Expenses and Program Revenues – Government-Wide Activities

Major revenue factors included:

Property taxes collected increased by \$ 2,748 (1.5%) in comparison to the prior fiscal year. Property tax revenues recorded for the fiscal year 2017 were impacted by an increase in the Town's net taxable grand of 7.8% due to a revaluation in 2015. The tax rate decreased to a mill rate of 16.86 mills. Total collections

for the year exceeded budgetary expectations by 0.85%. Similarly interest and liens increased by 21% in the Tax Collections Office.

Intergovernmental revenues were down 49% mainly due to State of CT budget cuts. Building permit revenues decreased by 43% due to a decrease in construction projects. Similarly, Planning and Zoning experienced a 20% decrease.

Investment earnings increased to \$280 in the fiscal year from \$275 in the prior fiscal year due to positive economic conditions.

Major expense factors include:

For Governmental Activities, 64% of the Town's expenses relate to education and library, 16% relate to public safety, 1% to health and welfare, 10% relate to public works/operations, 4% to Parks and Recreation activities, 1% to principal and interest payments on the Town's long-term debt, and the remaining 4% relates to government and community services, administration and other areas.

Pension funding decreased due to a decrease in the actuarial required contribution.

Education expenses increased by \$390 for fiscal year salaries and benefits.

Debt service decreased by \$266 due to refunding and a new debt issue with favorable interest rates.

Insurance costs increased by approximately \$31 due to increased claims and higher workers compensation costs.

Business-type activities. The Town does not maintain any business- type activities at the present time.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$54,791, a decrease of \$595 as of June 30, 2017. This decrease is due to the timing of spending on bond proceeds received in the prior fiscal year for certain Capital Project Funds expended in the current fiscal year and the planned use of General Fund balance in the fiscal year.

General fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$26,062 (compared to \$27,518 in the prior year), while total fund balance reached \$37,349. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.4% of total general fund expenditures and operating transfers out, while total fund balance represents 16.4% of that same amount. The unassigned fund balance of the Town's general fund decreased by \$1,456 during the current fiscal year. The Board of Finance has recommend a target unassigned General Fund Balance of approximately 9-11% of General Fund expenditures.

Sewer operating fund. The fund balance has increased by \$198.

Internal service funds. The Town maintains three Internal Service funds with a net position of \$4,764.

Fiduciary funds. The Net Pension liability/ (asset) for all five of the plans approximates \$18,974.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$752 and can be summarized as follows:

\$426 for various union contract settlements;

\$141 increase allocated to Board of Education for capital;

\$88 for various capital projects;

\$87 to the Westport Transit District;

\$10 for Historic District, Bridge Street National Register District nomination.

Revenue	Estimated Revenue	Actual Revenue	Increase/(Decrease)
Property Taxes	\$ 181,870,719	\$ 183,408,351	\$ 1,537,632
Licenses, Permits, Fees & Other	\$ 8,575,677	\$ 9,852,680	\$ 1,277,003
Education	\$ 2,423,133	\$ 852,893	\$ (1,570,240)

Property Tax revenue exceeded expectations due a recent revaluation. Licenses and Permit revenue were less than forecasted due to changes in the real estate market. Recent debt financing resulted in a premium of approximately \$500.

Some of the major savings on the expense side are personnel related, with several departments experiencing vacancies and personnel changes during the year. The Police Department was under budget by \$123 in overtime accounts. Fire exceeded its budget by \$137 due to extra overtime resulting from nine retirements in June. Public Works experienced savings of \$309 due to locked in fuel costs at lower rates and savings on electricity, lower storm related costs and savings from single-stream recycling. The Board of Education had a budget surplus of \$600 due to savings in salary and purchased service accounts, \$327 of the BOE budget surplus was transferred to BOE carryover account. Parks and Recreation had \$300 in savings with lower than expected spending in guest services, beach and pool and miscellaneous programs, along with reduced gasoline costs in boating. Pension costs were \$534 less than budgeted due to a reduced estimate from the actuaries, as well as pension-related fees being absorbed by the trust. Insurance expenses were down \$1,100 due to reduced medical and workers compensation insurance costs.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$292,478 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and infrastructure.

TOWN OF WESTPORT, CONNECTICUT CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2017	2016
Land	\$ 33,817	\$ 33,817
Buildings and system	182,505	189,753
Improvements other than buildings	9,045	8,382
Machinery and equipment	9,924	8,859
Infrastructure	52,783	53,652
Construction in Progress	4,404	591
Total	\$ 292,478	\$ 295,054

Major Capital Asset events during the current fiscal year included the following:

Noresco Energy Initiative project construction in progress of \$1,282.

Wakeman Town Farm Renovation construction in progress of \$782.

Saugatuck Island Bridge project construction in progress of \$710.

Joanne Circle Sewer project construction in progress of \$700.

Additional information on the Town's capital assets can be found in Note 6 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$94,137, a decrease of \$7,904 from the prior year. Of this amount, \$76,935 comprises debt backed by the full faith and credit of the government, and \$17,202 is public improvement debt for which the government is liable in the event of default by the property owners subject to the assessment.

	Outstanding Debt, at Year-End	
	Governmental Activities	
	2017	2016
General obligation bonds	\$ 76,935	\$ 76,202
Public improvement bonds with government commitment	17,202	24,740
Total	\$ 94,137	\$ 100,942

The Town's total outstanding debt decreased by \$6,805 in the current year due to regularly scheduled principal reductions on existing outstanding debt. The Town issued general obligation refunding bonds in the amount of \$11,875 in fiscal year 2017 replacing series 2006. This resulted in a net present value savings of \$601. The Town also issued general obligation bonds of \$6,900 representing various public improvement, school and sewer projects with maturities through 2037.

The Town maintains an "AAA" rating from Moody's Investors Service. State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$1,293,507 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town as of June 30, 2017 is 4.5 percent and compares favorably to the State's average unemployment rate of 5.1 percent and the Fairfield County Labor Market of 5.0 percent.

For the FY 17-18 budget, we have significantly reduced the revenue budget for State grants. With uncertainty at the State level, the Town has budgeted approximately \$314,000 in State grant monies for FY17-18 versus the latest State budgeted revenue estimates of \$940,000.

All of these factors were considered in preparing the Town of Westport's annual budget. In January 2012, the Board of Finance recommended a target unassigned General Fund Balance approximating 9-11% of General Fund Expenditures.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Finance Department, 110 Myrtle Avenue, Westport, CT 06880.

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Basic Financial Statements

Town of Westport, Connecticut

**Statement of Net Position
June 30, 2017**

	Primary Government <u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 55,315,359
Investments	12,314,030
Prepaid expenses	606,686
Receivables (net of allowance for collection losses):	
Property taxes	15,188,127
Sewer	8,409,642
Intergovernmental and other	1,667,436
Pension asset	5,208,242
Restricted cash	15,359
Long-term intergovernmental receivable	493,336
Capital assets, non-depreciable	38,221,640
Capital assets, net of accumulated depreciation	254,256,756
Total assets	<u>391,696,613</u>
Deferred Outflows of Resources	
Deferred pension expense	3,367,887
Deferred charge on bond refunding	2,369,275
Total deferred outflows of resources	<u>5,737,162</u>
Liabilities	
Accounts payable and accruals	9,192,907
Accrued interest payable	1,032,697
Unearned revenues	1,998,466
Long-term liabilities:	
Due within one year	15,959,918
Due in more than one year	131,653,473
Total liabilities	<u>159,837,461</u>
Deferred Inflows of Resources	
Advanced tax collections	203,177
Deferred pension credit	7,616,700
	<u>7,819,877</u>
Net Position	
Net investment in capital assets	194,977,352
Restricted for:	
Debt Service	1,225,189
Board of Education	14,717
Human Services and Pensions	5,210,422
Unrestricted	28,348,757
Total net position	<u>\$ 229,776,437</u>

See notes to financial statements.

Town of Westport, Connecticut

Balance Sheet - Governmental Funds
June 30, 2017

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 38,037,114	\$ 250	\$ 4,230,371	\$ 8,774,165	\$ 51,041,900
Investments	4,719,396	-	6,369,445	1,225,189	12,314,030
Prepaid expenses	606,686	-	-	-	606,686
Receivables (net of allowances for collection losses):					
Property taxes	15,188,127	-	-	-	15,188,127
Sewer	-	8,409,642	-	-	8,409,642
Intergovernmental and other	907,641	-	291,371	415,406	1,614,418
Restricted cash	-	-	-	15,359	15,359
Due from other funds	228,649	1,783,272	374,365	2,395,500	4,781,786
Total assets	\$ 59,687,613	\$ 10,193,164	\$ 11,265,552	\$ 12,825,619	\$ 93,971,948
Liabilities					
Accounts payable and accruals	\$ 3,947,620	\$ 40,643	\$ 109,176	\$ 2,226,686	\$ 6,324,125
Due to other funds	2,739,388	16,775	4,435,570	402,629	7,594,362
Unearned revenues	797,156	50,149	-	1,151,161	1,998,466
Total liabilities	7,484,164	107,567	4,544,746	3,780,476	15,916,953
Deferred Inflows of Resources					
Unavailable revenues - property taxes	14,077,019	-	-	-	14,077,019
Unavailable revenues - advanced tax collections	203,177	-	-	-	203,177
Unavailable revenues - sewer assessments	-	8,409,642	-	-	8,409,642
Unavailable revenues - school construction grant	493,336	-	-	-	493,336
Unavailable revenues - other	80,981	-	-	-	80,981
Total deferred inflows of resources	14,854,513	8,409,642	-	-	23,264,155
Fund Balances					
Nonspendable	606,686	-	-	16,897	623,583
Restricted	487,965	-	-	1,935,903	2,423,868
Committed	573,081	1,675,955	6,720,806	8,781,986	17,751,828
Assigned	9,619,196	-	-	-	9,619,196
Unassigned	26,062,008	-	-	(1,689,643)	24,372,365
Total fund balances	37,348,936	1,675,955	6,720,806	9,045,143	54,790,840
Total liabilities, deferred inflows of resources and fund balances	\$ 59,687,613	\$ 10,193,164	\$ 11,265,552	\$ 12,825,619	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation of \$230,660,095 purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	292,478,396
Other long-term assets are not available, and therefore are not recognized in the funds.	23,060,978
Deferred charge on bond refundings	2,369,275
Net deferred inflows/outflows due to pension liabilities	(4,248,813)
Pension asset	5,208,242
Internal service funds are used by management to charge the costs of Risk Management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,763,607
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(147,613,391)
Accrued interest payable is not reported in the funds.	(1,032,697)

Net position of governmental activities \$ 229,776,437

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2017**

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 184,527,068	\$ -	\$ -	\$ -	\$ 184,527,068
Sewer assessments and usage	-	4,321,715	-	-	4,321,715
Intergovernmental	2,007,352	148,417	1,030,223	2,447,362	5,633,354
Permits, fees and other	5,924,507	17,331	51,577	3,650,858	9,644,273
State on-behalf payments	20,752,000	-	-	-	20,752,000
Income from investments	91,829	-	77,869	110,704	280,402
Charges for services	7,222,352	-	-	1,045	7,223,397
Parks and recreation fees	5,090,521	-	-	-	5,090,521
Total revenues	225,615,629	4,487,463	1,159,669	6,209,969	237,472,730
Expenditures:					
Current:					
General government	5,737,735	-	-	174,352	5,912,087
Public safety	20,469,110	-	-	2,412,464	22,881,574
Public works	10,130,727	2,161,363	-	-	12,292,090
Public health	547,789	-	-	-	547,789
Human services	1,156,060	-	-	27,786	1,183,846
Library	4,755,561	-	-	-	4,755,561
Parks and recreation	5,171,485	-	-	111,885	5,283,370
Education	137,433,650	-	-	1,827,389	139,261,039
Benefits and other	25,216,164	-	-	-	25,216,164
Debt service:					
Principal	11,439,918	1,935,193	-	-	13,375,111
Interest and other charges	2,838,412	544,132	-	-	3,382,544
Capital outlay	1,092,560	31,508	2,753,303	7,640,366	11,517,737
Total expenditures	225,989,171	4,672,196	2,753,303	12,194,242	245,608,912
Excess (deficiency) of revenue over (under) expenditures	(373,542)	(184,733)	(1,593,634)	(5,984,273)	(8,136,182)
Other financing sources (uses):					
Payment to escrow	(12,467,357)	-	-	-	(12,467,357)
Issuance of debt	11,875,000	-	785,000	6,115,000	18,775,000
Bond premium	1,233,252	-	-	-	1,233,252
Transfers in	437,056	383,136	1,652,075	221,017	2,693,284
Transfers out	(2,256,228)	-	-	(437,056)	(2,693,284)
Total other financing sources (uses)	(1,178,277)	383,136	2,437,075	5,898,961	7,540,895
Net change in fund balances	(1,551,819)	198,403	843,441	(85,312)	(595,287)
Fund balances, beginning	38,900,755	1,477,552	5,877,365	9,130,455	55,386,127
Fund balances, ending	\$ 37,348,936	\$ 1,675,955	\$ 6,720,806	\$ 9,045,143	\$ 54,790,840

See notes to financial statements.

Town of Westport, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (595,287)
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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. This is the amount by which capital outlays exceeded depreciation and losses on asset disposals in the current period.	(2,575,453)
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Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(362,833)
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Changes in pension asset	5,121,999
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Change in net deferred inflows/outflows due to pension liabilities	(22,198,682)
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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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,216,197
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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.	17,876,117
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The change in net position in governmental activities of internal service funds is reported with governmental activities.	<u>(1,762,887)</u>
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Change in net position of governmental activities.	<u><u>\$ 1,719,171</u></u>
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See notes to financial statements.

Town of Westport, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2017

	Governmental Activities
	<u>Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,273,459
Accounts receivable	546,354
Due from other funds	<u>2,812,465</u>
Total assets	<u><u>7,632,278</u></u>
Liabilities	
Current liabilities:	
Accounts payable	97,147
Claims incurred but not reported	2,769,676
Due to other funds	<u>1,848</u>
Total liabilities	<u><u>2,868,671</u></u>
Net Position	
Unrestricted	<u>4,763,607</u>
Total net position	<u><u>\$ 4,763,607</u></u>

See notes to financial statements.

Town of Westport, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2017

	Governmental Activities
	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 28,121,202
Total operating revenues	<u>28,121,202</u>
Operating expenses:	
Claims incurred	28,163,025
Administration	1,833,317
Total operating expenses	<u>29,996,342</u>
Operating loss	<u>(1,875,140)</u>
Nonoperating revenues:	
Interest income	112,253
Total nonoperating revenues	<u>112,253</u>
Change in net position	(1,762,887)
Net position, beginning	<u>6,526,494</u>
Net position, ending	<u>\$ 4,763,607</u>

See notes to financial statements.

Town of Westport, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2017

	Governmental Activities
	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 27,888,554
Cash paid to vendors and beneficiaries	<u>(29,417,926)</u>
Net cash (used in) operating activities	<u>(1,529,372)</u>
Cash flows from investing activities:	
Interest on cash and cash equivalents	<u>112,253</u>
Net cash provided by investing activities	<u>112,253</u>
Net decrease in cash and cash equivalents	(1,417,119)
Cash and cash equivalents:	
Beginning	<u>5,690,578</u>
Ending	<u><u>\$ 4,273,459</u></u>
Reconciliation of operating loss in net cash (used in) operating activities:	
Operating loss	\$ (1,875,140)
Adjustments to reconcile operating loss to net cash (used in) operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(375,649)
Decrease in due from other funds	143,001
Increase in due to other funds	25
Increase in accounts payable	22,989
Increase in claims payable	<u>555,402</u>
Net cash (used in) operating activities	<u>\$ (1,529,372)</u>

See notes to financial statements.

Town of Westport, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 4,100,996	\$ 3,547,749
Investments: (Note 3)		
Common stock	20,104,042	-
Mutual funds	158,505,580	-
Other fixed income securities	61,231,098	-
Alternative investments	107,975,403	-
Total investments	<u>347,816,123</u>	<u>-</u>
Due from others	-	1,959
Pending sales	310,373	-
Total assets	<u>352,227,492</u>	<u>3,549,708</u>
Liabilities		
Due to student groups	-	602,282
Payable to others	-	2,947,426
Total liabilities	<u>-</u>	<u>3,549,708</u>
Net position - restricted for benefits	<u>\$ 352,227,492</u>	<u>\$ -</u>

See notes to financial statements.

Town of Westport, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2017

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 14,142,724
Plan members	6,745,156
Total contributions	<u>20,887,880</u>
Investment income:	
Net appreciation in fair value of investments	37,238,920
Interest and dividends	7,700,620
Net investment income	<u>44,939,540</u>
Total additions	<u>65,827,420</u>
Deductions:	
Benefits	19,224,201
Management fees and other payments	561,564
Total	<u>19,785,765</u>
Change in net position	46,041,655
Net position - restricted for benefits:	
Beginning of year	<u>306,185,837</u>
End of year	<u>\$ 352,227,492</u>

See notes to financial statements.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies

Reporting entity: The Town of Westport, Connecticut (the Town) was incorporated as a town in 1835. The Town operates under a Board of Selectmen, Representative Town Meeting, and Board of Finance form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification Section 2100 have been considered and, and there are no agencies or entities in which should be presented within the Town.

Accounting standards adopted in the current year: GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans.

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 primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund 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 funds. Agency fund financial statements are on the accrual basis with no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences, pension liabilities, other post-employment benefit obligations, and claims and judgments, which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues when eligibility requirements are met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the government.

The Town reports the following major governmental funds:

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

The **Sewer Operating Fund**, a special revenue fund, accounts for the revenues collected by the Town from sewer assessment and usage charges billed to taxpayers and expenditures related thereto.

The **Capital Nonrecurring Fund**, a capital projects fund, accounts for the revenues collected by the Town from Federal and State grants, investment earnings and operating transfers from the General Fund.

Additionally, the Town reports the following proprietary and fiduciary fund types:

Internal Service Funds are used to account for the revenues and related expenses for the Town and Board of Education health self-insurance and worker's compensation insurance plans for employees of the Town and Board of Education.

Trust Funds are used to account for the accumulation of resources to be used for retirement benefits, and include the Police, Fire, Public Works, Municipal Interim and Non-Union Funds and Other Post-Employment Trust Funds.

Agency Funds are used to account for monies held as a custodian for outside groups, student groups and escrow agencies. The Agency Funds include Student Activities Fund, P&Z Escrow Fund, Senior Citizen Escrow Fund, Tri-Centennial Fund, Performance Bonds Fund and Hillspoint School Escrow Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Cash equivalents: The Town classifies money market funds, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Investments: Investments are stated as follows:

- U.S. Government Agencies, U.S. Government Securities, Sovereign Fixed Income, Municipal Bonds, Collateralized Mortgage Obligations using quoted market price.
- Common Stock, and Equity Funds - closing prices as reported on the primary market or exchange on which they trade.
- Money Market Instruments - amortized cost which approximates fair value.
- Hedge Funds may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The majority of the Town's investments are in the Debt Service Fund, Capital Nonrecurring Funds and Trust Funds.

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

Property taxes and sewer assessments: Property taxes are assessed as of October 1, levied on the following July 1, and are due in four installments, July 1, October 1, January 1 and April 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in full on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year on delinquent real estate taxes.

Sewer assessments are levied by the Water Pollution Control Authority and assessed to the users as projects are completed. Assessments are due and payable as of September 1 following the levy, but may be paid in installments with interest over the life of the bond issue less one year, usually a nineteen year period, with the prevailing interest rate. All properties are liened until the assessment is paid in full.

Capital assets: In the government-wide financial statements, capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

In the governmental fund financial statements, capital assets are recorded as expenditure when purchased and no depreciation expense is reported.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Compensated absences: Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies but does not vest. If an employee is retiring, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits. The liability for the remainder of the accrued vacation earned is reported in the government-wide statements. In the governmental funds, the amounts are reported when paid or when payment is due. Obligations for compensated absences have typically been liquidated from the general fund in the past.

Allowance for doubtful accounts: Receivables for the primary government, which include property taxes receivable, are reported net of allowance of \$202,394 for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and the creditors' ability to pay.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Debt principal payments are reported as expenditures.

Pension plan accounting:

Pension trust funds: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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.

Funding policy: The Town makes contributions at the discretion of management. These contributions have been substantially the amount recommended by the Town's actuaries.

Other post-employment obligations (OPEB) accounting:

OPEB trust: Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions.

Governmental fund and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The Town makes annual contributions based upon management's decisions. These contributions have been substantially the amount recommended by the Town's funding schedule.

Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end that are not related, restricted or committed resources, are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Net position: In the Government-Wide Financial Statements, net position are classified in the following categories:

Net investment in capital assets: This category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the Town, which is not restricted for any project or other purpose.

Fund balance: In the fund financial statements, the Town reported the following governmental fund balances:

Nonspendable fund balance: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (Town of Westport Representative Town Meeting) in the form of a resolution. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Board of Finance has the authority to authorize the Director of Finance to assign amounts for a specific purpose.

Unassigned fund balance: Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts.

Town of Westport, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position: The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (94,137,259)
Add: Issuance premium	(5,733,060)
Claims and judgments	(675,000)
Compensated absences	(2,157,557)
Net pension liability	(24,182,411)
OPEB obligation	(20,728,104)
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (147,613,391)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) and the governmental activities reported in the government-wide statement of activities: The governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) includes reconciliation between net changes in fund balances – total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capitalized capital outlay	\$ 9,770,405
Depreciation expense	(12,116,491)
Net loss on disposal of capital assets	(229,367)
	<hr/>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,575,453)</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds), 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.” The details of this difference are as follows:

Long-term liabilities or incurred:	
Deferred premiums	\$ (151,446)
Deferred charge on refunding	(437,466)
General obligation debt issued	(18,775,000)
Principal repayments:	
General obligation debt	<u>25,580,109</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,216,197</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Decrease in compensated absences	\$ 36,214
Decrease in accrued interest	180,053
Decrease in net pension liability	17,805,254
Increase in OPEB obligation	<u>(145,404)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 17,876,117</u>

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. The Town’s policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk based capital ratio.

Investments: The Operating and Working Capital funds are invested in accordance with the guidelines of the “Investment Policy” upon the direction of the Finance Director in the following short-term investments: (1) various certificates of deposit (C.D.) with Connecticut banks (prior to acquiring a C.D., the Finance Director requires prospective bank depositories to provide written evidence that the bank meets the collateral, risk based capital and other requirements of Qualified Public Depositories as defined in Connecticut General Statutes Section 36-382); (2) money market accounts; (3) U.S. Government Treasury Obligations; (4) Repurchase Agreements collateralized by U.S. Government Agency Obligations. Eligible investments for Connecticut municipalities are determined by C.G.S. Section 7-400 and 7-402.

Town of Westport, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Town funds not under the direct control of the Finance Director and Controller will be the responsibility of the director or head of that department until such time the funds are disbursed or transferred to the Office of the Finance Director. The director or head of the department has established written procedures for the control of these funds. In addition, the Town monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined in C.G. S. Section 36-382.

The investments of each of the seven trust funds are carried out by the Investment Committee (consisting of the Chair of the Board of Finance, the Finance Director, and a third person chosen by the two and approved by each pension board of the various funds). The Investment Committee makes investment decisions based on guidelines and investment policy established by the pension board of each of the pension funds.

The Investment Committee has currently allocated a target of 62.50% of fund assets to equities with the balance invested in fixed income, alternative investments and cash equivalents.

Interest rate risk: The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The Town's pension funds do have a policy to limit their exposure to fair market value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for pension distributions, and monitoring the liquidity of the funds on an ongoing basis.

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$57,177,942 of the Town's bank balance of \$64,531,047 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension funds do not have custodial credit risk policies for investments.

Town of Westport, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2017:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 62,979,463
Total cash and cash equivalents	<u>62,979,463</u>
Investments:	
General fund:	
Other fixed income securities	4,719,396 *
Total government investments	<u>4,719,396</u>
Capital and nonrecurring fund:	
Common stock	2,726,370
Mutual funds	835,947
U.S. government securities	1,911,786 *
Other fixed income securities	895,342 *
Total government investments	<u>6,369,445</u>
Debt service fund:	
U.S. government securities	1,225,189 *
Total government investments	<u>1,225,189</u>
Pension trust funds:	
Common stock	18,140,355 *
Mutual funds - equity funds	116,454,874
Other fixed income securities	61,231,098 *
Alternative investments	99,484,340
Total pension investments	<u>295,310,667</u>
OPEB trust fund:	
Common stock	1,963,687 *
Mutual funds - equity funds	42,050,706
Alternative investments	8,491,063
Total OPEB investments	<u>52,505,456</u>
Total investments	<u>360,130,153</u>
Total cash, cash equivalents and investments	<u>\$ 423,109,616</u>

* These investments are uninsured and unregistered, with securities held by a custodial trust department or agent in the Town's name.

Town of Westport, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 55,330,718
Investments	12,314,030
	<u>67,644,748</u>

Fiduciary funds:

Cash and cash equivalents	7,648,745
Investments	347,816,123
	<u>355,464,868</u>
Total cash, cash equivalents and investments	<u>\$ 423,109,616</u>

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. government securities	\$ 3,136,975	\$ 123,613	\$ 1,751,037	\$ 829,545	\$ 432,780
Other fixed income securities	66,845,836	65,950,494	113,545	555,212	226,585
Total	<u>69,982,811</u>	<u>\$ 66,074,107</u>	<u>\$ 1,864,582</u>	<u>\$ 1,384,757</u>	<u>\$ 659,365</u>

Investments not subject to interest rate risk:

Common stock	22,830,412
Alternative investments	107,975,403
Common stock mutual funds	159,341,527
	<u>360,130,153</u>

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations and agencies explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating as required for each debt type investment.

Town of Westport, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

As indicated above, State Statutes limit the investment options of cities and towns. The Town's investment policy includes a section regarding investment guidelines that specifically defines its allowable investment choices.

<u>Average Rating</u>	<u>Other Fixed Income Securities</u>
A+	\$ 116,656
A	111,145
A-	443,851
BBB+	223,690
Unrated	65,950,494
	<u>\$ 66,845,836</u>

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2017:

Investment Instruments Measured at Fair Value

	<u>Fair Value Measurements Using</u>			
	<u>June 30, 2017</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Observable Inputs (Level 3)</u>
Investments by fair value level:				
Stocks	\$ 22,830,412	\$ 22,825,779	\$ 4,633	\$ -
Mutual funds	159,341,527	159,341,527	-	-
Debt securities:				
U.S. government securities	3,136,975	3,136,975	-	-
Corporate bonds	66,845,836	66,845,836	-	-
Total debt securities	<u>69,982,811</u>	<u>69,982,811</u>	-	-
Total investments by fair value level	<u>252,154,750</u>	<u>252,150,117</u>	4,633	-
Investments measured at the net asset level (NAV):				
Venture capital funds (including private equity and hedge funds)	89,508,042			
Real estate funds	<u>18,467,361</u>			
Total investments measured at the NAV	<u>107,975,403</u>			
Total investments measured at fair value	<u>\$ 360,130,153</u>			

Town of Westport, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Debt and equity securities: Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Venture capital investments: Venture capital investments, classified in Level 3, are valued using either a discounted cash flow or market-comparable companies' technique.

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Venture capital funds (including private equity and hedge funds)	\$ 89,508,042	\$ -	Quarterly	Various
Real estate funds	18,467,361	-	Quarterly	30 days
Total investments measured at the NAV	<u>\$ 107,975,403</u>			

Real estate funds: This type includes nine real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 to 10 years. Twenty percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

Town of Westport, Connecticut

Notes to Financial Statements

Note 4. Unearned Revenue/Unavailable Revenue

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

	Unavailable Revenue	Unearned Revenue
General fund:		
Taxes and accrued interest on delinquent property taxes	\$ 14,077,019	\$ -
Advance tax collections	203,177	-
School construction receivable	493,336	-
Other	80,981	797,156
Sewer operating fund:		
Fees and accrued interest on delinquent sewer fees	8,409,642	50,149
Nonmajor funds:		
Railroad parking permits	-	1,151,161
	<u>\$ 23,264,155</u>	<u>\$ 1,998,466</u>

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2017, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General fund	\$ 228,649	\$ 2,739,388
Sewer operating fund	1,783,272	16,775
Capital nonrecurring fund	374,365	4,435,570
Non-major governmental funds	2,395,500	402,629
Internal service funds	2,812,465	1,848
Agency Fund	1,959	-
Total	<u>\$ 7,596,210</u>	<u>\$ 7,596,210</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Town of Westport, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers (Continued)

Interfund transfers during the year ended June 30, 2017 were as follows:

	Transfers In				Totals
	General Fund	Sewer Operating Fund	Capital Nonrecurring Fund	Other Governmental Funds	
Transfers out:					
General fund	\$ -	\$ 383,136	\$ 1,652,075	\$ 221,017	\$ 2,256,228
Nonmajor and other funds	437,056	-	-	-	437,056
Total	<u>\$ 437,056</u>	<u>\$ 383,136</u>	<u>\$ 1,652,075</u>	<u>\$ 221,017</u>	<u>\$ 2,693,284</u>

Transfers are used to account for: (1) financing by the General Fund of programs accounted for in other funds in accordance with budgetary amortizations; (2) sewer assessments and sewer usage charges collected in special revenue funds appropriated to General Fund to offset debt service expenditures; and (3) the one-time transfer of various residual program balances to the General and Special Revenue Funds.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 33,817,349	\$ -	\$ -	\$ -	\$ 33,817,349
Construction in progress	591,080	5,060,946	(20,077)	(1,227,658)	4,404,291
Total capital assets, not being depreciated	<u>34,408,429</u>	<u>5,060,946</u>	<u>(20,077)</u>	<u>(1,227,658)</u>	<u>38,221,640</u>
Capital assets, being depreciated:					
Land improvements	21,388,429	1,509,164	-	-	22,897,593
Buildings and improvements	315,744,447	170,429	-	-	315,914,876
Machinery and equipment	28,512,881	2,567,811	(1,211,823)	477,951	30,346,820
Infrastructure	114,545,800	462,055	-	749,707	115,757,562
Total capital assets being depreciated	<u>480,191,557</u>	<u>4,709,459</u>	<u>(1,211,823)</u>	<u>1,227,658</u>	<u>484,916,851</u>
Less accumulated depreciation for:					
Land improvements	13,006,903	845,714	-	-	13,852,617
Buildings and improvements	125,991,782	7,418,443	-	-	133,410,225
Machinery and equipment	19,653,935	1,771,236	(1,002,533)	-	20,422,638
Infrastructure	60,893,517	2,081,098	-	-	62,974,615
Total accumulated depreciation	<u>219,546,137</u>	<u>12,116,491</u>	<u>(1,002,533)</u>	<u>-</u>	<u>230,660,095</u>
Total capital assets, being depreciated, net	<u>260,645,420</u>	<u>(7,407,032)</u>	<u>(209,290)</u>	<u>1,227,658</u>	<u>254,256,756</u>
Governmental activities capital assets, net	<u>\$ 295,053,849</u>	<u>\$ (2,346,086)</u>	<u>\$ (229,367)</u>	<u>\$ -</u>	<u>\$ 292,478,396</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government services	\$ 280,165
Public safety	1,028,176
Public works, including depreciation of general infrastructure assets	3,842,851
Human services	115,396
Library	240,985
Parks and recreation	957,433
Education	5,651,485
Total depreciation expense – governmental activities	<u>\$ 12,116,491</u>

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
Bonds and notes	\$ 100,942,368	\$ 18,775,000	\$ 25,580,109	\$ 94,137,259	\$ 13,802,361
Add deferred amounts:					
Premiums	5,581,614	1,233,252	1,081,806	5,733,060	-
Total bonds payable	106,523,982	20,008,252	26,661,915	99,870,319	13,802,361
Claims and judgments	675,000	-	-	675,000	-
Compensated absences	2,193,771	2,157,557	2,193,771	2,157,557	2,157,557
Net pension liability	41,987,665	-	17,805,254	24,182,411	-
OPEB obligations	20,582,700	145,404	-	20,728,104	-
Governmental activity long-term liabilities	<u>\$ 171,963,118</u>	<u>\$ 22,311,213</u>	<u>\$ 46,660,940</u>	<u>\$ 147,613,391</u>	<u>\$ 15,959,918</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Bonds and notes: As of June 30, 2017, the outstanding long-term indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
Public Improvement refunding bond; due 2/1/20; annual principal payments ranging from \$354,000 to \$566,000; plus interest due semi-annually at 2.00% to 4.00%.	\$ 1,481,000
School refunding bond, due 2/1/20; annual principal ranging from \$2,409,000 to \$3,847,000; plus interest due semi-annually at 2.00% to 4.00%.	10,073,000
Sewer refunding bond; due 2/1/20; annual principal payments ranging from \$77,000 to \$122,000 plus interest due semi-annually at 2.00% to 4.00%.	321,000
Sewer WPCF; issue of \$21,310,112; due 9/1/28; monthly principal payments ranging from \$85,299 to \$106,624. Interest due monthly at 2.5%.	12,901,694
Public Improvement WPCF; issue of \$7,103,371 due 9/1/28; monthly principal payments ranging from \$28,433 to \$35,541. Interest due monthly at 2.5%.	4,300,565
School refunding bond Series A; issue of \$12,866,000 due 2/1/23; annual principal payments ranging from \$1,565,000 to \$1,575,000 plus semi-annual interest at 3.00% to 5.00%	4,705,000
Sewer refunding bond Series A; issue of \$334,000 due 2/1/23; annual principal payments of \$4,000 plus semi-annual interest at 3.00% to 5.00%.	12,000
Public Improvement refunding bond Series A; issue of \$475,000 due 2/1/23; annual principal payments of \$11,000 plus semi-annual interest at 3.00% to 5.00%.	33,000
Sewer refunding bond; due 11/1/21; annual principal payments ranging from \$51,000 to \$52,000, plus interest due semi-annually at 2% to 4%.	259,000
School refunding bond; due 11/1/21; annual principal payments ranging from \$1,755,000 to \$1,768,000, plus interest due semi-annually at 2% to 4%.	8,797,000
Public improvement refunding bond; due 11/1/21; annual principal payments ranging from \$243,000 to \$245,000, plus interest due semi-annually at 2% to 4%.	1,219,000
Public improvement refunding bond; due 7/15/2025; annual principal payments from \$215,000 to \$460,000, plus semi-annual interest at 2.00% to 4.00%.	2,679,000
Sewer refunding bond; due 7/15/2025; annual principal payments from \$20,000 to \$71,000, plus semi-annual interest at 2.00% to 4.00%.	333,000

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

	<u>Outstanding Amount</u>
School refunding bond; due 7/15/2025; annual principal payment from \$395,000 to \$2,154,000, plus semi-annual interest at 2.00% to 4.00%.	\$ 8,843,000
School bond; due 2/1/2033; annual principal payments ranging from \$128,000 to \$208,000, plus semi-annual interest at 2.00% to 2.55%.	2,518,000
Sewer bond; due 2/1/2033; annual principal payments of \$182,000, plus semi-annual interest at 2.00% to 2.55%.	2,912,000
Public improvement refunding bond; due 8/15/2021; annual principal payments ranging from \$248,000 to \$536,000, plus semi annual interest at 1.75% to 5.00%.	2,168,000
School refunding bond; due 8/15/2021; annual principal payments ranging from \$705,000 to \$2,509,000, plus semi annual interest at 1.75% to 5.00%.	10,215,000
Sewer refunding bond; due 8/15/2021; annual principal payments ranging from \$62,000 to \$148,000, plus semi annual interest at 1.75% to 5.00%.	557,000
Sewer refunding bond; due 7/15/2029; annual principal payments ranging from \$184,000 to \$243,000, plus semi annual interest at 2.00% to 4.00%.	3,406,000
School refunding bond; due 7/15/2029; annual principal payments ranging from \$272,000 to \$347,000, plus semi annual interest at 2.00% to 4.00%.	4,119,000
Public improvement refunding bond; due 7/15/2029; annual principal payments ranging from \$37,000 to \$96,000, plus semi annual interest at 2.00% to 4.00%.	465,000
Sewer bond; due 2/1/2036; annual principal payments ranging from \$109,000 to \$111,000 plus semi annual interest at 2.00% to 2.80%.	2,093,000
School bond; due 2/1/2036; annual principal payments ranging from \$45,000 to \$49,000, plus semi annual interest at 2.00% to 2.80%.	907,000
Public improvement bond; due 2/1/2036; annual principal payments ranging from \$66,000 to \$140,000, plus semi annual interest at 2.00% to 2.80%.	1,920,000
Sewer bond; due 5/15/2037; annual principal payments ranging from \$45,000 to \$50,000 plus semi annual interest at 2.00% to 5.00%.	921,000
School bond; due 5/15/2037; annual principal payments ranging from \$50,000 to \$55,000, plus semi annual interest at 2.00% to 5.00%.	1,014,500
Public improvement bond; due 5/15/2037; annual principal payments ranging from \$130,000 to \$515,000, plus semi annual interest at 2.00% to 5.00%.	<u>4,964,500</u>
Amount to be financed and paid through the General Fund and Sewer Operating Fund.	<u>\$ 94,137,259</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

The annual debt service requirements of this debt are as follows:

	Principal	Interest	Total
2018	\$ 13,802,361	\$ 3,044,342	\$ 16,846,703
2019	13,715,162	2,565,524	16,280,686
2020	12,038,525	2,049,787	14,088,312
2021	10,252,460	1,593,752	11,846,212
2022	8,716,978	1,224,383	9,941,361
2023-2027	25,773,953	2,753,340	28,527,293
2028-2032	7,497,820	709,093	8,206,913
2033-2037	2,340,000	176,485	2,516,485
	<u>\$ 94,137,259</u>	<u>\$ 14,116,706</u>	<u>\$ 108,253,965</u>

2016 general obligation refunding bond - in-substance defeasance: On November 4, 2016, the Town issued \$11,875,000 of general obligation refunding bonds with an average interest rate of 3.9%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the Town dated 2006 (the Refunded Bonds). Net proceeds of \$12,467,000 (after payment of expenses of \$128,000), was placed in an irrevocable trust under an Escrow Agreement dated November 4, 2016 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption prices of the Refunded Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$601,000, and a cash savings of \$605,000 between the old debt payments and the new debt payments.

At June 30, 2017, there was \$0 in escrow. The balance of the defeased bonds was \$12,205,000 at June 30, 2017. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-substance defeasance – prior years: In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. At June 30, 2017, there was \$7,744,844 in escrow. As of June 30, 2017, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$34,555,000.

School bond reimbursements: The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2017 was approximately \$258,000. Additional reimbursements of principal and interest aggregating approximately \$526,000 are expected to be received through the bonds' maturity dates.

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Debt limitation: The Town's statement of debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2017 is as follows:

Total tax collections (including interest and lien fees and net of refunds and adjustments) for the year ended June 30, 2017 \$ 184,711,812

Reimbursement for revenue loss:
 Tax relief for elderly 74,917
 Base \$ 184,786,729

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$1,293,507,103, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 415,770,140	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	831,540,281	-	-	-
3-3/4 times base	-	-	692,950,234	-	-
3-1/4 times base	-	-	-	600,556,869	-
3 times base	-	-	-	-	554,360,187
Total debt limitation	<u>415,770,140</u>	<u>831,540,281</u>	<u>692,950,234</u>	<u>600,556,869</u>	<u>554,360,187</u>
Indebtedness:					
Bonds and notes payable	14,929,500	51,191,500	28,016,259	-	-
Bonds authorized but unissued; issue dates not yet established	15,686,000	596,000	-	-	-
Construction grants	-	(493,300)	-	-	-
Total indebtedness	<u>30,615,500</u>	<u>51,294,200</u>	<u>28,016,259</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 385,154,640</u>	<u>\$ 780,246,081</u>	<u>\$ 664,933,975</u>	<u>\$ 600,556,869</u>	<u>\$ 554,360,187</u>

Compensated absences: Included in long-term obligations in the government-wide statement of net position is the estimated obligation for employee compensated absences in the amount of \$2,157,557 as of June 30, 2017. The general fund has typically been used to liquidate the liability for compensated absences.

Town of Westport, Connecticut

Notes to Financial Statements

Note 8. Commitments and Contingencies

Contingent liabilities: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Lawsuits: Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town.

For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of net position for approximately \$675,000. Management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Municipal solid waste service agreement: The Town has entered into a municipal solid waste service agreement, as amended (the Service Agreement) with Wheelabrator Bridgeport, L.P. pursuant to which it participates with nine other Connecticut municipalities (the nine constituting the Contracting Municipalities), in the Greater Bridgeport Regional Solid Waste Interlocal Committee.

Under the Service Agreement, each Town is required to deliver, or cause to be delivered, to the System, all solid waste under the control of the municipality. The participating municipalities will be charged \$60.00 per ton for every ton up to 175,000 tons.

Note 9. Employee Retirement Plans

Plan description: The Town maintains seven contributory pension plans covering substantially all full-time employees and noncertified Board of Education employees. Five pension plans are single-employer contributory defined benefit plans and two plans are contributory defined contribution plans which are part of the Town's financial reporting entity and are accounted for in seven pension trust funds: police, fire, public works, municipal interim, non-union defined benefit plans and two defined contribution trust funds: Town of Westport Defined Contribution Retirement Plan and Town of Westport 401(k) Plan. The Town's General Fund contributes an amount as recommended by their actuary to fund the net pension liabilities of the 5 pension plans. The new defined contribution plan covers all new non-bargaining employees of the Town, Library and Board of Education that were hired after December 31, 2011 and all new Department of Public Works union employees hired after April 1, 2012. Stand-alone financial statements are not available. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Town does not contribute to this plan.

As of July 1, 2016, the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union	Totals
Active	59	64	24	344	66	557
Terminated-vested	1	-	1	19	5	26
Members in pay status	89	60	30	245	83	507
Total	149	124	55	608	154	1,090

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Police and fire pension plans: All full-time firefighters and sworn police officers are eligible to participate in their respective plans from their date of hire. They are vested after 10 years of service. For participants hired before January 1, 1985, they are fully vested and may retire after 20 years of credited service. For participants hired on or after January 1, 1985, they are fully vested and may retire the later of July 1 following attainment of age 49 or the completion of 20 years of credited service. Participants must retire after 34.5 years. The benefit is payable at retirement, the earlier of age 65 or the age at which the participant would have completed 34 years had they continued to work for the town.

The retirement benefit is calculated at 2.5% of the final average compensation (Police compensation is base pay, college credit stipend and weapon qualification stipend, while Fire compensation is base pay, college credit stipend, and standby pay) multiplied by the years of credited services to a maximum of 32.5 years for fire and police. Members are required to contribute 10.0% of their annual compensation. Benefits paid to retirees of these two plans are subject to cost of living adjustments defined per the plans and plan effective dates. The plans are administered by the Fire Pension Board and Police Pension Board.

Public works pension plan: All members of the Public Works Union are eligible to participate in the plan except for new employees hired after April 1, 2012 who must contribute 5% of salary to the Defined Contribution Plan as of the date the employee completes the probationary period. Participants hired prior to January 1, 1973 may retire after 25 years of service. Participants hired on or after January 1, 1973 may retire when the participant's age and years of credited service equal 75 with a minimum of age 55 and a minimum of 10 years of service. The retirement benefit is calculated at 2.5% of the average of the participant's final 12 months of compensation base pay, multiplied by the years of service to a maximum of 26 years. Participants in the Plan hired before July 1, 1999 contribute 9% of their annual salary to the pension plan. Participants hired on or after July 1, 1999 contribute 10% of salary to the plan. The plan is administered by the Public Works Pension Board.

Municipal interim plan: Employees that belong to the Westport Municipal Union and the four collective bargaining units associated with the Board of Education as well as the Library are covered under the Municipal Interim Plan. A participant is eligible to participate as of the date the participant completed the probationary period provided the employee works 20 or more hours per week for nine months or more per year. Full vesting for the Plan occurs after 10 years of continuous service, or 15 years of non-continuous service. An employee may retire upon reaching age 55 if fully vested; or upon completion of 25 years of credited service without age requirement. The plan is administered by the Municipal Pension Committee.

The pension benefit for participants other than school cafeteria employees who completed any credited service on or after July 1, 2003, is equal to 2% of "average final compensation base pay" multiplied by the number of years for credited service for the first 20 years of service plus 2.25% for service thereafter, to a maximum of 33 years. Those participants who have not completed credited services after July 1, 2003 receive 2% of "average final compensation base pay" multiplied by years of credited service to a maximum of 33 years. Non cafeteria employee participants contribute 4% of compensation.

For school cafeteria employee participants, the plan does not recognize credited service on or after July 1, 2003 and these employees no longer contribute to the Municipal Interim Plan. School cafeteria employees receive a monthly pension equal to the sum of 1 1/6% of "average final compensation base pay" multiplied by the credited service up to 33 years and 1/6 of 1% of "average final compensation base pay" multiplied by credited service in excess of 33 years.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Non-union plans: The Non-Union Plans are differentiated by Supervisory and Non-Supervisory.

A non-union employee is eligible to participate as of the date the participant completed the probationary period provided the employee works 20 or more hours per week for nine months or more per year. An employee hired at age 60 has the option to waive participation by filing the appropriate form with the Town. Full vesting for the plan occurs after 10 years of continuous service for non-union non-supervisory and after 5 years of continuous service for non-union supervisory participants. An employee may retire upon attainment of age 55 and completion of at least 10 years of continuous credited service; or completion of 25 years of credited service without regard to age; and for non-union supervisory employees, age 60 and completion of 5 Years of Service. The plan is administered by the Pension Committee.

The pension benefit for non-union supervisory employees is the greater of 2.25% times the monthly average final compensation base pay times completed years or monthly pension benefit accrued under another Town retirement plan the employee participated in immediately prior to the employee becoming a participant of the plan, plus 2.25% of the employee's average final compensation base pay multiplied by the years and months of credited service in the non-union Plan.

The pension benefit for non-union, non-supervisory employees is the greater of 2% of monthly average final compensation base pay times completed years and months of credited service not to exceed 20 years, plus 2.25% of monthly average final compensation base pay times completed years and months of credited service in excess of 20 years or the participant's accrued monthly pension under another Town retirement plan the employee participated in immediately preceding the day prior to participating in the plan to the extent service is granted under this Plan, plus 2% of monthly average final compensation base pay times completed years and months of credited service in the non-union Plan not to exceed 20 years, plus 2) 2.25% of monthly average final compensation base pay times completed years and months of credited service in excess of 20 years.

The monthly pension calculated cannot be more than the participant's monthly average final compensation base pay nor less than \$1,200 per year for those that completed 5 years of credited service in the Non-Union Supervisory Plan, or \$1,000 per year for those that completed 10 years of credited service in the Non-Union Non-Supervisory Plan.

The rate of contribution for non-union supervisory and non-union non-supervisory employees is 4% of compensation.

All pension plans have provisions for retirement with disability and death benefits. The Town is required to contribute the remaining amount necessary (net of employee contributions) to fund the pension plans based on an actuarially sound method. Benefits and employee contribution rates are set by the Town and the bargaining unit.

For those non-bargaining employees of the Town, Board of Education and Library hired after December 31, 2011, they must become members of the Town of Westport Defined Contribution Plan and contribute a mandatory 3.5% of salary. The Town is required to also contribute 3.5% of their salary. The employee may at their discretion contribute up to an additional 1.5% in increments of .5% that the Town will match dollar for dollar. For those Department of Public Works, AFSCME Council 4, Local 1303-385 employees hired after April 1, 2012, they must become members of the Town of Westport Defined Contribution Plan after completing six months' probation. The Town and the employee are required to contribute 5% of the salary. The employee is always vested in their own contributions and vest 20% after the end of each fiscal year until completing 5 years, at which time they will be 100% vested in the Town's portion.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

**Trust Funds
Schedule of Plan Net Position
June 30, 2017**

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public		Non-Union	OPEB	
			Works	Municipal			
Assets							
Cash and cash equivalents	\$ 1,248,280	\$ 1,041,488	\$ 264,950	\$ 993,729	\$ 502,856	\$ 49,693	\$ 4,100,996
Investments, at fair value:							
Common stock	5,589,374	4,663,426	1,186,357	4,449,581	2,251,617	1,963,687	20,104,042
Mutual funds	35,881,867	29,937,599	7,616,007	28,564,792	14,454,609	42,050,706	158,505,580
Other fixed Income securities	18,866,416	15,740,965	4,004,439	15,019,153	7,600,125	-	61,231,098
Alternative investments	30,652,936	25,574,905	6,506,155	24,402,151	12,348,193	8,491,063	107,975,403
Total investments	<u>90,990,593</u>	<u>75,916,895</u>	<u>19,312,958</u>	<u>72,435,677</u>	<u>36,654,544</u>	<u>52,505,456</u>	<u>347,816,123</u>
Pending sales	92,978	77,573	19,735	74,018	37,455	8,614	310,373
Total assets	<u>92,331,851</u>	<u>77,035,956</u>	<u>19,597,643</u>	<u>73,503,424</u>	<u>37,194,855</u>	<u>52,563,763</u>	<u>352,227,492</u>
Net position - restricted for benefits	<u>\$ 92,331,851</u>	<u>\$ 77,035,956</u>	<u>\$ 19,597,643</u>	<u>\$ 73,503,424</u>	<u>\$ 37,194,855</u>	<u>\$ 52,563,763</u>	<u>\$ 352,227,492</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Trust Funds
Schedule of Changes in Plan Net Position
Year Ended June 30, 2017

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	
Additions:							
Contributions:							
Employer	\$ 2,555,374	\$ 2,052,753	\$ 226,536	\$ 1,943,110	\$ 1,681,195	\$ 5,683,756	\$ 14,142,724
Plan members	545,463	502,988	148,079	666,936	239,036	4,642,654	6,745,156
Total contributions	<u>3,100,837</u>	<u>2,555,741</u>	<u>374,615</u>	<u>2,610,046</u>	<u>1,920,231</u>	<u>10,326,410</u>	<u>20,887,880</u>
Investment income:							
Net appreciation in fair value of investments	9,925,991	8,281,630	2,106,814	7,901,871	3,998,575	5,024,039	37,238,920
Interest and dividends	2,033,874	1,567,155	427,646	1,527,997	773,826	1,370,122	7,700,620
Net investment income	<u>11,959,865</u>	<u>9,848,785</u>	<u>2,534,460</u>	<u>9,429,868</u>	<u>4,772,401</u>	<u>6,394,161</u>	<u>44,939,540</u>
Total	15,060,702	12,404,526	2,909,075	12,039,914	6,692,632	16,720,571	65,827,420
Deductions:							
Benefits	5,009,297	3,121,347	746,118	3,358,068	2,331,086	4,658,285	19,224,201
Management fees and other payments	157,876	130,002	35,802	174,885	62,999	-	561,564
Net change in net position	<u>9,893,529</u>	<u>9,153,177</u>	<u>2,127,155</u>	<u>8,506,961</u>	<u>4,298,547</u>	<u>12,062,286</u>	<u>46,041,655</u>
Net position - restricted for benefits:							
Beginning of year	<u>82,438,322</u>	<u>67,882,779</u>	<u>17,470,488</u>	<u>64,996,463</u>	<u>32,896,308</u>	<u>40,501,477</u>	<u>306,185,837</u>
End of year	<u>\$ 92,331,851</u>	<u>\$ 77,035,956</u>	<u>\$ 19,597,643</u>	<u>\$ 73,503,424</u>	<u>\$ 37,194,855</u>	<u>\$ 52,563,763</u>	<u>\$ 352,227,492</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2017.

Asset Class	Pension Funds Allocation %
US Core Fixed Income	19.20%
US Inflation-Indexed Bonds	0.30%
Non-US Bonds	5.50%
US Equity Market	30.00%
US Small Caps	10.00%
Foreign Developed Equity	20.00%
Emerging Markets Equity	5.00%
US REITs	2.50%
Private Real Estate Property	2.50%
Hedge FOF Strategic	5.00%
	100.00%

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Police	Fire	Public Works	Municipal	Non-Union
Rate of return	14.47%	14.35%	14.47%	14.39%	14.47%

Net pension liability (asset) of the Town: The components of the net pension liability (asset) of the Town at June 30, 2017 were as follows:

Net Pension Liability (Asset) as of June 30, 2017	Police	Fire	Public Works	Municipal	Non-Union	Total
Total pension liability	\$ 105,901,303	\$ 82,614,945	\$ 18,076,128	\$ 69,816,697	\$ 42,228,826	\$ 318,637,899
Plan fiduciary net position	92,331,851	77,035,957	19,597,643	73,503,424	37,194,855	299,663,730
Net pension liability (asset)	13,569,452	5,578,988	(1,521,515)	(3,686,727)	5,033,971	18,974,169
Plan fiduciary net position as a percentage of total pension liability (asset)	87.19%	93.25%	108.42%	105.28%	88.08%	94.05%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Actuarial assumptions: The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2016, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2017. There have been no significant changes between the valuation date and the fiscal year end.

	Police	Fire	Public Works	Municipal	Non-Union
Actuarial cost method	Entry Age Normal				
Investment rate of return	6.125%	6.125%	6.125%	6.125%	6.125%
Projected salary increases	Service related	Service related	Age related	Service related	Age related
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%

Mortality rates were based on the RP-2000 Mortality Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Assumed rate of return: 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 are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2016, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return - Portfolio	Long-Term Expected Geometric Real Return Portfolio
US Core Fixed Income	2.66%	2.52%
US Inflation-Indexed Bonds	1.95%	1.81%
Non-US Bonds	1.60%	1.01%
US Equity Market	5.15%	3.81%
US Small Caps	6.11%	4.10%
Foreign Developed Equity	5.88%	4.20%
Emerging Markets Equity	8.14%	4.79%
US REITs	5.17%	3.28%
Private Real Estate Property	3.85%	3.13%
Hedge FOF Strategic	3.49%	2.88%
Assumed inflation - Mean	2.75%	2.75%
Assumed inflation - Standard Deviation	2.00%	2.00%
Portfolio Real Mean Return	4.62%	3.88%
Portfolio Nominal Mean Return	7.39%	6.72%
Portfolio Standard Deviation	-	12.10%
Long-Term Expected Rate of Return		6.125%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.125%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Police			Fire		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	
Changes in the net pension liability:						
Balances at 6/30/16	\$ 100,712,936	\$ 82,438,322	\$ 18,274,614	\$ 79,913,995	\$ 67,882,779	\$ 12,031,216
Changes for the year:						
Service cost	1,931,161	-	1,931,161	1,884,855	-	1,884,855
Interest on total pension liability	6,135,821	-	6,135,821	4,916,008	-	4,916,008
Effect of plan changes	-	-	-	-	-	-
Effect of economic/demographic gains or losses	2,130,682	-	2,130,682	(978,566)	-	(978,566)
Benefit payments	(5,009,297)	(5,009,297)	-	(3,121,347)	(3,121,347)	-
Employer contributions	-	2,555,374	(2,555,374)	-	2,052,753	(2,052,753)
Member contributions	-	545,463	(545,463)	-	502,988	(502,988)
Net investment income	-	11,801,989	(11,801,989)	-	9,718,784	(9,718,784)
Net changes	5,188,367	9,893,529	(4,705,162)	2,700,950	9,153,178	(6,452,228)
Balances at 6/30/17	\$ 105,901,303	\$ 92,331,851	\$ 13,569,452	\$ 82,614,945	\$ 77,035,957	\$ 5,578,988

	Public Works			Municipal		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	
Changes in the net pension liability (asset):						
Balances at 6/30/16	\$ 17,384,245	\$ 17,470,488	\$ (86,243)	\$ 68,082,616	\$ 64,996,463	\$ 3,086,153
Changes for the year:						
Service cost	336,050	-	336,050	2,581,196	-	2,581,196
Interest on total pension liability	1,062,787	-	1,062,787	4,225,325	-	4,225,325
Effect of plan changes	-	-	-	(874,950)	-	(874,950)
Effect of economic/demographic gains or losses	41,508	-	41,508	(789,011)	-	(789,011)
Benefit payments	(748,462)	(748,462)	-	(3,408,479)	(3,408,479)	-
Employer contributions	-	226,536	(226,536)	-	1,943,110	(1,943,110)
Member contributions	-	148,079	(148,079)	-	666,936	(666,936)
Net investment income	-	2,501,002	(2,501,002)	-	9,305,394	(9,305,394)
Net changes	691,883	2,127,155	(1,435,272)	1,734,081	8,506,961	(6,772,880)
Balances at 6/30/17	\$ 18,076,128	\$ 19,597,643	\$ (1,521,515)	\$ 69,816,697	\$ 73,503,424	\$ (3,686,727)

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

	Non-Union		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes in the net pension liability:			
Balances at 6/30/16	\$ 41,491,990	\$ 32,896,308	\$ 8,595,682
Changes for the year:			
Service cost	853,074	-	853,074
Interest on total pension liability	2,523,306	-	2,523,306
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(308,458)	-	(308,458)
Benefit payments	(2,331,086)	(2,331,086)	-
Employer contributions	-	1,681,195	(1,681,195)
Member contributions	-	239,036	(239,036)
Net investment income	-	4,709,402	(4,709,402)
Net changes	736,836	4,298,547	(3,561,711)
Balances at 6/30/17	\$ 42,228,826	\$ 37,194,855	\$ 5,033,971

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 6.125%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Net Pension Liability (Asset)	1% Decrease 5.125%	Current Discount Rate		1% Increase 7.125%
		6.125%		
Police	\$ 29,399,490	\$ 13,569,452	\$ 923,258	
Fire	18,605,683	5,578,988	(4,584,600)	
Public Works	776,258	(1,521,515)	(3,266,117)	
Municipal	4,327,678	(3,686,727)	(10,508,742)	
Non-Union	9,850,486	5,033,971	1,176,764	

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

For the fiscal year ended June 30, 2017, the recognized pension expense is \$7,731,000. As of June 30, 2017, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources					
	Police	Fire	Public Works	Municipal	Non-Union	Total
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Differences between expected and actual experience	1,787,024	-	28,537	837,011	715,315	3,367,887
Total	\$ 1,787,024	\$ -	\$ 28,537	\$ 837,011	\$ 715,315	\$ 3,367,887

	Deferred Inflows of Resources					
	Police	Fire	Public Works	Municipal	Non-Union	Total
Net difference between projected and actual earnings on pension plan investments	\$ (1,452,330)	\$ (1,192,659)	\$ (297,358)	\$ (1,145,279)	\$ (567,596)	\$ (4,655,222)
Differences between expected and actual experience	(315,437)	(1,256,297)	(306,871)	(851,530)	(231,343)	(2,961,478)
Total	\$ (1,767,767)	\$ (2,448,956)	\$ (604,229)	\$ (1,996,809)	\$ (798,939)	\$ (7,616,700)

Net deferred outflows/ (inflows)	\$ 19,257	\$ (2,448,956)	\$ (575,692)	\$ (1,159,798)	\$ (83,624)	\$ (4,248,813)
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	Police	Fire	Public Works	Municipal	Non-Union	Total
Year ended June 30:						
2018	\$ 370,284	\$ (119,843)	\$ (225,456)	\$ 113,491	\$ 290,051	\$ 428,527
2019	370,282	(119,845)	5,014	113,490	269,160	638,101
2020	(83,008)	(489,954)	(66,780)	(240,346)	(101,414)	(981,502)
2021	(1,047,085)	(1,333,209)	(288,470)	(1,022,751)	(541,421)	(4,232,936)
2022	340,050	(180,312)	-	(62,987)	-	96,751
Thereafter*	68,734	(205,793)	-	(60,695)	-	(197,754)
Total	\$ 19,257	\$ (2,448,956)	\$ (575,692)	\$ (1,159,798)	\$ (83,624)	\$ (4,248,813)

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Connecticut State Teachers' Retirement System: Certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. The Town has no liability associated with the System.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town does not have any liability related to the System.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016, using the following key actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to year 2020 using BB improvement scales.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

Asset Class	Long-Term Expected Arithmetic Real Return - Portfolio	Long-Term Expected Geometric Real Return Portfolio
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Fixed Income (Core)	7.00%	1.30%
Inflation Linked Bonds	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investment	8.00%	4.10%
Cash	6.00%	0.40%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:

The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability	\$ 234,765,070	\$ 190,290,456	\$ 152,694,166

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$190,290,456 and 100% of the collective net pension liability is allocated to the State.

June 30, 2016 is the actuarial valuation date upon which the total pension liability is based. Since the prior valuation, the State adopted new assumptions based on the 2015 Experience Study. The changes in assumptions are summarized below:

Economic Assumptions

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic Assumptions

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2017, the Town recognized \$20,752,000 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Other post-employment benefits (OPEB): In addition to providing pension benefits, the Town provides certain health care benefits for retired employees and their dependents. Employees may become eligible for those benefits if they retire under a normal retirement or with a disability. The OPEB Plan is a single-employer defined benefit plan, which is part of the Town reporting entity and accounted for in the OPEB Trust. The OPEB Plan does not issue stand-alone financial statements.

Post-retirement benefits: From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, discloses the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Plan description: The Town provides post-retirement benefits for certain eligible employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2015 for all participants including eligible Town, Library and certified and non-certified BOE employees.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Projected Unit Credit Cost Method.

Membership in the plan consisted of the following at July 1, 2015, the date of the last actuarial valuations.

	Town	BOE Certified Employees	Total
Retirees and beneficiaries receiving benefits	459	52	511
Active plan members	546	458	1,004
Deferred members	4	-	4
Total	1,005	510	1,519

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
July 1, 2015	\$ 35,981,000	\$ 115,510,000	\$ (79,529,000)	31.1%	76,009,000	105

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 10,274,970	\$ 10,129,566	98.58%	\$ 20,728,104
6/30/2016	9,582,214	9,656,580	100.78%	20,582,700
6/30/2015	10,265,164	10,298,472	100.32%	20,728,104

OPEB Obligation

Annual required contribution	\$ 10,394,080
Interest on net OPEB obligation	1,260,690
Adjustment to annual required contribution	<u>(1,379,800)</u>
Annual OPEB cost	10,274,970
Contributions made	<u>(10,129,566)</u>
Increase in net OPEB liability	145,404
Net OPEB obligation, beginning of year	<u>20,582,700</u>
Net OPEB obligation, end of year	<u><u>\$ 20,728,104</u></u>

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 actual results are compared with past expectations and new estimates are made about the future.

Projections of 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 of 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 information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	July 1, 2015
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method:	Level Percent
Amortization period	30 Years Decreasing

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Actuarial assumptions	
Discount rate	6.125%
Salary increase rate	Various
Inflation rate	2.70%
Health cost trend rates	Town average annual healthcare cost trend rates are assumed to be as follows:
Medical inflation rate	5.30% - 4.60%
Dental inflation rate	3.00%
Ultimate inflation rate	4.60%

Investments:

Investment policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>OPEB Plan</u>
Rate of return	14.79%

Net OPEB liability of the Town: The components of the net OPEB liability of the Town at June 30, 2017 were as follows:

	Net OPEB Liability as of June 30, 2017	<u>OPEB Plan</u>
Total OPEB liability		\$ 131,754,758
Plan fiduciary net position		<u>52,563,763</u>
Net OPEB liability		<u><u>79,190,995</u></u>
Plan fiduciary net position as a percentage of total OPEB liability		39.90%

The \$79,190,995 will be recognized as a liability of July 1, 2017, when GASB Statement No. 75 takes effect.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2016, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
US Core Fixed Income	10.00%	2.65%	2.52%
US Interim Bonds	8.00%	2.16%	2.05%
US Inflation-Indexed Bonds	5.00%	1.95%	1.81%
Large Cap US Equities	33.25%	4.86%	3.61%
US Small Growth	2.00%	7.07%	4.49%
US Small Value	2.00%	5.51%	3.71%
US Growth	5.25%	5.63%	4.01%
Global Equity	13.00%	5.51%	4.10%
Foreign Developed Equity	4.00%	5.88%	4.20%
Emerging Market Equity	8.00%	8.14%	4.79%
US REIT's	2.00%	5.17%	3.28%
Private Real Estate Property	7.50%	3.85%	3.13%
	100.00%		
Assumed Inflation - Mean		2.70%	2.70%
Assumed Inflation - Standard Deviation		1.89%	1.89%
Portfolio Real Mean Return		4.67%	3.88%
Portfolio Normal Mean Return		7.39%	6.67%
Portfolio - Standard Deviation			12.50%
Long -Term Expected Rate of Return			6.125%

Discount rate: The discount rate used to measure the total OPEB liability was 6.125%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

	1.0% Decrease 5.125%	Current Healthcare Cost Trend Rates 6.125%	1.0% Increase 7.125%
Net OPEB liability as of June 30, 2017	\$57,535,257	\$79,190,995	\$106,822,574

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability of the City, calculated using the discount rate of 6.125%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

	1% Decrease 5.125%	Current Discount Rate 6.125%	1% Increase 7.125%
Net OPEB Liability			
OPEB Plan	\$ 99,749,778	\$ 79,190,995	\$ 62,513,431

Note 10. Risk Management

The Town is exposed to various risks of loss including torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health, natural disaster, public official liability and police professional liability. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee health and workers' compensation. The Town has established three self-insurance funds, one for Town employees, one for Board of Education employees, and one for Worker's Compensation. All funds are accounted for as internal service funds.

Town: Under the Town's current medical insurance policy, the plan covers all employee claims. The Town plan included individual stop loss coverage for claims in excess of \$175,000 for the month of July 2017. Effective August 1, 2017, the Town contracted with Transamerica for its stop-loss coverage. Claims in excess of \$175,000 are covered by the stop-loss insurance. The Town no longer carries an individual stop loss provision nor does the Town have an Aggregate loss Stop Loss provision. The Town also offers a Health Maintenance Organization (HMO) as an alternative to all employees with specific limits for maximum annual benefits and co-payments.

The Town's approximate maximum exposure for the year ended June 30, 2017 was approximately \$7,785,000 of which approximately \$7,785,000 was paid.

The plan is funded monthly by the Town's budget appropriations and employee/retiree contributions as required.

Board of Education: Under the Board's current medical insurance policy, the plan coverages vary depending on the union agreements. The plan provides coverage for hospital, major medical and dental. The seven unions covered are teachers; administrators, secretaries; custodians, maintenance, paraprofessionals, nurses and nurses aides. Depending on the union, there are different coverages, maximum benefits, deductibles and required contributions to the plan. The Board of Education also offers HMOs as an alternative to all employees with specific limits for maximum benefits per year and co-payments.

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

The Board of Education's approximate maximum exposure for the year ended June 30, 2017 was approximately \$16,391,000 of which approximately \$15,337,000 was paid.

The plan is funded monthly by Board of Education budget appropriations and employee contributions as required.

Under Public Act 89-342, health insurance for retired teachers, a subsidy equal to the equivalent flat dollar premium amount for Anthem Blue Cross/Blue Shield coverage, will be paid by the State directly to local school districts, which will apply the subsidy to reduce premium payments of the retired member/spouse covered by the local school district plan. The retired member/spouse is required to pay the difference directly to the local school district. The funding for the State Teachers' Retirement Board is provided by the members' 1% supplemental contributions, which, since July 1, 1989, have been directed to a dedicated health insurance fund. There is no out of pocket cost to the Town.

Worker's compensation: The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Connecticut General Statutes, for workers' compensation and employer liability coverage. CIRMA currently has 216 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$300,000 for each insured occurrence and a \$500,000 annual aggregate.

Settled claims have not exceeded commercial coverage nor has coverage been materially reduced in any of the last three years.

The Town is self-insured for worker's compensation claims. The Town recognizes a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town's potential liability under this Plan is \$1,172,218 for fiscal year 2017.

The Board of Education has a policy with CIRMA for Worker's Compensation coverage for all Board of Education employees.

Claims transactions for the last two years for the Town's health and worker's compensation insurance and the Board of Education's medical insurance are as follows:

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
Town:				
2017	\$ 1,262,274	\$ 9,323,017	\$ (8,783,923)	\$ 1,801,368
2016	1,198,816	10,489,688	(10,426,230)	1,262,274
Board of Education:				
2017	\$ 952,000	\$ 17,606,219	\$ (17,589,911)	\$ 968,308
2016	952,000	17,485,020	(17,485,020)	952,000

Town of Westport, Connecticut

Notes to Financial Statements

Note 11. Fund Deficits

The following funds had fund deficits as of June 30, 2017:

Governmental funds:

Municipal Improvements Fund Phase II	\$ 1,689,643
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The Town anticipates financing the Governmental deficits in the funds through authorized bond issues/revenues and grants.

Town of Westport, Connecticut

Notes to Financial Statements

Note 12. Fund Balance

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2017 for the Town governmental funds:

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Fund	Nonmajor Governmental Funds
Fund balances (deficits):				
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ -	\$ 16,897
Prepaid expenses	606,686	-	-	-
Total non-spendable	606,686	-	-	16,897
Restricted:				
General government	17,474	-	-	60,039
Debt service	-	-	-	1,225,189
Public safety	71,088	-	-	27,640
Public works- road improvements	23,886	-	-	495,382
Human services	279,668	-	-	-
Education	55,353	-	-	127,653
Parks and recreation	40,496	-	-	-
Total restricted	487,965	-	-	1,935,903
Committed:				
General government- insurance reserve and other road funds	151,149	-	-	1,685,356
Public safety- off duty fund	99,208	-	-	984,093
Parks and recreation	58,450	-	-	194,088
Capital projects	-	-	6,720,806	1,844,684
Railroad parking capital projects	-	-	-	226,781
Human services	-	-	-	19,769
Education- school projects	-	-	-	1,114,682
Sewer operations	-	1,675,955	-	-
Sewer capital projects	264,274	-	-	-
Sewer capital reserves	-	-	-	2,712,533
Total committed	573,081	1,675,955	6,720,806	8,781,986
Assigned:				
General government***	1,013,382	-	-	-
Public safety	60,872	-	-	-
Public works*	260,693	-	-	-
Education**	2,619,633	-	-	-
Parks and recreation	175,161	-	-	-
Human services	1,455	-	-	-
Future bond payments	1,238,000	-	-	-
Future Appropriations	4,250,000	-	-	-
Total assigned	9,619,196	-	-	-
Unassigned	26,062,008	-	-	(1,689,643)
Total fund balance	\$ 37,348,936	\$ 1,675,955	\$ 6,720,806	\$ 9,045,143

* All assigned funds related to public works for the related to encumbrances for ongoing Town road improvement projects.

** Included in the assigned funds related to education is approximately \$1.2 million in encumbrances for BOE operations.

*** Included in the assigned funds related to general government is approximately \$737,052 relating to Reserves for future Heart & Hypertension claims with remaining balance for encumbrances related to general government operations.

Town of Westport, Connecticut

Notes to Financial Statements

Note 13. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. This Statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide: • Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. • Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. • Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Town of Westport, Connecticut

Notes to Financial Statements

Note 13. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement improves the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, *Leases*. This Statement improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**Required Supplementary
Information - *unaudited***

Town of Westport, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns
Last Four Fiscal Years***

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income, for:				
Police	14.47%	-0.07%	3.33%	16.55%
Fire	14.35%	-0.07%	3.34%	16.51%
Public Works	14.47%	-0.07%	3.27%	16.51%
Municipal Interim	14.39%	-0.07%	3.30%	16.22%
Non-Union	14.47%	-0.07%	3.38%	16.13%
OPEB Plan	14.79%	n/a	n/a	n/a

*Note - This schedule is intended to show ten years of information. Additional information will be added as it become available.

Town of Westport, Connecticut

**Required Supplementary Information – unaudited
Schedule of Employer Contributions – Pension Trust Funds
Last Ten Fiscal Years**

	Schedule of Contributions -Police									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,691,004	\$ 2,725,575	\$ 2,841,811	\$ 2,793,151	\$ 2,297,852	\$ 2,312,683	\$ 1,922,000	\$ 1,239,465	\$ 815,000	\$ 792,258
Contributions in relation to the actuarially determined contribution	2,555,374	2,725,575	2,918,811	2,478,948	2,297,852	2,336,000	2,100,000	913,000	36,052	34,500
Contribution deficiency (excess)	\$ 135,630	\$ -	\$ (77,000)	\$ 314,203	\$ -	\$ (23,317)	\$ (178,000)	\$ 326,465	\$ 778,948	\$ 757,758
Covered-employee payroll	\$ 5,603,837	\$ 5,363,703	\$ 5,367,727	\$ 5,075,048	\$ 5,338,349	\$ 5,294,796	\$ 4,126,571	\$ 4,465,940	N/A	N/A
Contributions as a percentage of covered-employee payroll	45.60%	50.82%	54.38%	48.85%	43.04%	44.12%	50.89%	20.44%	N/A	N/A

	Schedule of Contributions -Fire									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,152,383	\$ 2,239,366	\$ 2,407,768	\$ 2,389,263	\$ 1,870,427	\$ 1,310,377	\$ 1,534,510	\$ 1,034,423	\$ 93,395	\$ 771,469
Contributions in relation to the actuarially determined contribution	2,052,753	2,239,366	2,407,768	1,962,573	1,870,427	1,946,736	1,675,000	895,000	143,738	95,625
Contribution deficiency (excess)	\$ 99,630	\$ -	\$ -	\$ 426,690	\$ -	\$ (636,359)	\$ (140,490)	\$ 139,423	\$ (50,343)	\$ 675,844
Covered-employee payroll	\$ 5,256,316	\$ 5,140,048	\$ 5,184,152	\$ 5,075,235	\$ 4,655,430	\$ 4,641,204	\$ 3,817,411	\$ 4,413,566	N/A	N/A
Contributions as a percentage of covered-employee payroll	39.05%	43.57%	46.44%	38.67%	40.18%	41.94%	43.88%	20.28%	N/A	N/A

(Continued)

Town of Westport, Connecticut

**Required Supplementary Information – unaudited
Schedule of Employer Contributions – Pension Trust Funds (Continued)
Last Ten Fiscal Years**

	Schedule of Contributions -Public Works									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 184,442	\$ 247,130	\$ 446,200	\$ 410,976	406,370	\$ 362,891	\$ 378,249	\$ 243,485	\$ 123,709	\$ 118,381
Contributions in relation to the actuarially determined contribution	226,536	247,130	405,720	453,170	406,370	337,000	365,000	124,000	49,234	53,958
Contribution deficiency (excess)	\$ (42,094)	\$ -	\$ 40,480	\$ (42,194)	\$ -	\$ 25,891	\$ 13,249	\$ 119,485	\$ 74,475	\$ 64,423
Covered-employee payroll	\$ 1,611,537	\$ 1,698,394	\$ 1,770,145	\$ 1,732,762	\$ 1,810,736	\$ 1,671,941	\$ 1,701,718	\$ 1,790,720	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.06%	14.55%	22.92%	26.15%	22.44%	20.16%	21.45%	6.92%	N/A	N/A
	Schedule of Contributions -Municipal Interim									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,117,516	\$ 2,099,055	\$ 2,262,664	\$ 2,090,487	\$ 2,024,016	\$ 1,762,414	\$ 1,619,892	\$ 1,051,966	\$ 607,323	\$ 581,171
Contributions in relation to the actuarially determined contribution	1,943,110	2,099,055	2,241,723	2,234,564	2,024,016	2,000,000	1,650,000	771,320	197,947	201,368
Contribution deficiency (excess)	\$ 174,406	\$ -	\$ 20,941	\$ (144,077)	\$ -	\$ (237,586)	\$ (30,108)	\$ 280,646	\$ 409,376	\$ 379,803
Covered-employee payroll	\$ 15,833,087	\$ 15,392,017	\$ 16,035,051	\$ 14,938,949	\$ 15,077,809	\$ 14,775,146	\$ 15,018,198	\$ 15,556,333	N/A	N/A
Contributions as a percentage of covered-employee payroll	12.27%	13.64%	13.98%	14.96%	13.42%	13.54%	10.99%	4.96%	N/A	N/A

(Continued)

Town of Westport, Connecticut

**Required Supplementary Information – unaudited
Schedule of Employer Contributions – Pension Trust Funds (Continued)
Last Ten Fiscal Years**

	Schedule of Contributions -Non-Union									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,313,623	\$ 1,416,354	\$ 1,470,807	\$ 1,373,057	\$ 1,195,432	\$ 2,005,359	\$ 2,143,607	\$ 1,698,683	\$ 1,376,191	\$ 1,316,929
Contributions in relation to the actuarially determined contribution	1,681,195	1,416,354	1,556,428	2,505,548	1,195,432	2,442,123	2,250,000	1,340,937	472,006	496,850
Contribution deficiency (excess)	\$ (367,572)	\$ -	\$ (85,621)	\$ (1,132,491)	\$ -	\$ (436,764)	\$ (106,393)	\$ 357,746	\$ 904,185	\$ 820,079
Covered-employee payroll	\$ 6,222,001	\$ 6,729,260	\$ 6,818,264	\$ 6,587,342	\$ 6,670,562	\$ 6,561,689	\$ 6,608,618	\$ 6,825,610	N/A	N/A
Contributions as a percentage of covered-employee payroll	27.02%	21.05%	22.83%	38.04%	17.92%	37.22%	34.05%	19.65%	N/A	N/A

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Town of Westport, Connecticut

**Required Supplementary Information - unaudited
Schedule of Changes in the Town's Net Pension (Asset) Liability and Related Ratios
Last Four Fiscal Years***

Changes in Net Pension Liability (Asset)	Police				Fire			
	2017	2016	2015	2014	2017	2016	2015	2014
Total pension liability (asset):								
Service cost	\$ 1,931	\$ 2,026	\$ 1,920	\$ 1,917	\$ 1,885	\$ 1,844	\$ 1,837	\$ 1,909
Interest on total pension liability (asset)	6,136	5,940	5,736	5,560	4,916	4,696	4,492	4,336
Effect of plan changes	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	2,130	(75)	(511)	(505)	(979)	(99)	(559)	(463)
Effect of assumption changes or inputs	-	-	-	-	-	-	-	-
Benefit payments	(5,009)	(4,341)	(3,934)	(3,707)	(3,121)	(2,846)	(2,855)	(2,489)
Net change in total pension liability (asset)	5,188	3,550	3,211	3,265	2,701	3,595	2,915	3,293
Total pension liability, beginning	100,713	97,163	93,952	90,687	79,914	76,319	73,404	70,111
Total pension liability (asset), ending (a)	105,901	100,713	97,163	93,952	82,615	79,914	76,319	73,404
Fiduciary net position:								
Employer contributions	2,555	2,726	2,919	2,479	2,053	2,239	2,408	1,963
Member contributions	545	553	555	542	503	489	496	482
Investment income net of investment expenses	11,803	(59)	2,716	11,607	9,718	(47)	2,195	9,321
Benefit payments	(5,009)	(4,341)	(3,934)	(3,707)	(3,121)	(2,846)	(2,856)	(2,489)
Administrative expenses	-	(179)	(179)	-	-	(146)	(145)	-
Net change in plan fiduciary net position	9,894	(1,300)	2,077	10,921	9,153	(311)	2,098	9,277
Fiduciary net position, beginning	82,438	83,738	81,661	70,740	67,883	68,194	66,096	56,819
Fiduciary net position, ending (b)	92,332	82,438	83,738	81,661	77,036	67,883	68,194	66,096
Net pension liability asset, ending = (a) - (b)	\$ 13,569	\$ 18,275	\$ 13,425	\$ 12,291	\$ 5,579	\$ 12,031	\$ 8,125	\$ 7,308
Fiduciary net position as a % of total pension liability	87.19%	81.85%	86.18%	86.92%	93.25%	84.95%	89.35%	90.04%
Covered payroll	\$ 5,604	\$ 5,364	\$ 5,368	\$ 5,075	\$ 5,256	\$ 5,140	\$ 5,184	\$ 5,075
Net pension liability (asset) as a % of covered payroll	242.13%	340.70%	250.09%	242.19%	106.15%	234.07%	156.73%	144.00%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Public Works				Municipal Interim				Non-Union			
2017	2016	2015	2014	2017	2016	2015	2014	2017	2016	2015	2014
\$ 336	\$ 341	\$ 347	\$ 390	\$ 2,581	\$ 2,504	\$ 2,445	\$ 2,558	\$ 853	\$ 975	\$ 1,099	\$ 1,090
1,063	1,025	1,008	1,093	4,225	4,019	3,754	3,544	2,523	2,459	2,334	2,209
-	-	(1,350)	-	(875)	-	-	-	-	-	-	-
41	(268)	(833)	(61)	(789)	1,226	(342)	439	(308)	949	501	(198)
-	-	-	-	-	-	-	-	-	-	-	-
(748)	(755)	(662)	(688)	(3,408)	(3,073)	(2,896)	(2,741)	(2,331)	(2,191)	(1,816)	(1,731)
692	343	(1,490)	734	1,734	4,676	2,961	3,800	737	2,192	2,118	1,370
17,384	17,041	18,531	17,797	68,082	63,406	60,445	56,645	41,492	39,300	37,182	35,812
18,076	17,384	17,041	18,531	69,816	68,082	63,406	60,445	42,229	41,492	39,300	37,182
227	247	406	453	1,943	2,099	2,242	2,235	1,681	1,416	1,556	2,506
148	155	148	155	667	661	649	624	239	245	273	281
2,501	(13)	567	2,474	9,305	(46)	2,117	8,941	4,710	(23)	1,081	4,435
(748)	(755)	(662)	(688)	(3,408)	(3,073)	(2,897)	(2,741)	(2,331)	(2,191)	(1,816)	(1,731)
-	(38)	(39)	-	-	(139)	(139)	-	-	(71)	(71)	-
2,128	(404)	420	2,394	8,507	(498)	1,972	9,059	4,299	(624)	1,023	5,491
17,470	17,874	17,454	15,060	64,996	65,494	63,522	54,463	32,896	33,520	32,497	27,006
19,598	17,470	17,874	17,454	73,503	64,996	65,494	63,522	37,195	32,896	33,520	32,497
\$ (1,522)	\$ (86)	\$ (833)	\$ 1,077	\$ (3,687)	\$ 3,086	\$ (2,088)	\$ (3,077)	\$ 5,034	\$ 8,596	\$ 5,780	\$ 4,685
108.42%	100.49%	104.89%	94.19%	105.28%	95.47%	103.29%	105.09%	88.08%	79.28%	85.29%	87.40%
\$ 1,612	\$ 1,698	\$ 1,770	\$ 1,791	\$ 15,833	\$ 15,392	\$ 16,035	\$ 14,939	\$ 6,222	\$ 6,729	\$ 6,818	\$ 6,587
-94.42%	-5.06%	-47.06%	60.13%	-23.29%	20.05%	-13.02%	-20.60%	80.91%	127.75%	84.78%	71.12%

Town of Westport, Connecticut

**Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Last Three Fiscal Years***

	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	190,290,456	149,932,102	138,582,181
Town's covered-employee payroll	55,104,098	55,730,568	52,518,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

Notes to Schedule

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

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Town of Westport, Connecticut

Schedules of Funding Progress and Employer Contributions - OPEB
June 30, 2017

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2012	11,575,000	117,580,000	(106,005,000)	9.84%	N/A	N/A
July 1, 2013	17,830,000	107,539,000	(89,709,000)	16.58%	N/A	N/A
July 1, 2014	28,241,000	105,370,000	(77,129,000)	26.80%	N/A	N/A
July 1, 2015	35,981,000	115,510,000	(79,529,000)	31.15%	\$ 76,009,000	104.60%

Schedule of Employer Contributions - OPEB

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2017	\$ 10,394,080	\$ 10,129,566	97.46%
2016	9,656,580	9,656,580	100.00%
2015	10,298,472	10,298,472	100.00%
2014	11,797,000	11,076,700	93.89%
2013	10,666,000	9,119,626	85.50%
2012	9,930,000	8,755,000	88.17%
2011	9,013,000	6,080,000	67.46%
2010	7,614,000	3,699,999	48.60%
2009	7,064,000	4,847,000	68.61%
2008	9,613,000	1,999,999	20.80%

Town of Westport, Connecticut

**Required Supplementary Information - unaudited
Schedule of Contributions - OPEB Plan
Last Ten Fiscal Years**

	Schedule of Contributions - OPEB Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 10,394,080	\$ 9,656,580	\$ 10,298,472	\$ 11,797,000	\$ 10,666,000	\$ 9,930,000	\$ 9,013,000	\$ 7,614,000	\$ 7,064,000	\$ 9,613,000
Contributions in relation to the actuarially determined contribution	10,129,566	9,656,580	10,298,472	11,101,000	9,119,626	8,755,000	6,080,000	3,699,000	4,847,000	1,999,000
Contribution deficiency (excess)	\$ 264,514	\$ -	\$ -	\$ 696,000	\$ 1,546,374	\$ 1,175,000	\$ 2,933,000	\$ 3,915,000	\$ 2,217,000	\$ 7,614,000
Covered-employee payroll	\$ 76,009,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered-employee payroll	13.33%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Town of Westport, Connecticut

Required Supplementary Information - unaudited
 Schedule of Changes in the Town's OPEB Liability and Related Ratios
 Last Fiscal Year*

	OPEB Plan (in thousands)
Changes in Net OPEB Liability	2017
Total pension liability:	
Service cost	\$ 5,063
Interest	7,733
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of member contributions	(4,446)
Net change in total OPEB liability	8,350
Total pension liability, beginning	123,405
Total OPEB liability, ending (a)	131,755
Fiduciary net position:	
Employer contributions	10,130
Member contributions	-
Investment (loss) income net of investment expenses	6,379
Benefit payments, including refunds of member contributions	(4,446)
Administrative expenses	-
Other	-
Net change in plan fiduciary net position	12,063
Fiduciary net position, beginning	40,501
Fiduciary net position, ending (b)	52,564
Net OPEB liability, ending = (a) - (b)	\$ 79,191
Fiduciary net position as a % of total OPEB liability	39.90%
Covered payroll	\$ 76,009
Net OPEB liability as a % of covered payroll	104.19%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Town of Westport, Connecticut
Required Supplementary Information - unaudited

Statement of Revenues, Expenditures and Encumbrances - Budgetary Basis -
Budget and Actual - General Fund and Sewer Operating Fund
For the Year Ended June 30, 2017

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 181,870,719	\$ 181,870,719	\$ 183,408,351	\$ 1,537,632
Education	2,423,133	2,423,133	852,893	(1,570,240)
Parks and recreation	5,227,524	5,227,524	5,106,777	(120,747)
Income from investments	125,000	125,000	91,830	(33,170)
Intergovernmental	941,960	941,960	1,185,479	243,519
Permits, fees and other	8,575,677	8,575,677	9,852,680	1,277,003
Total revenues	199,164,013	199,164,013	200,498,010	1,333,997
Expenditures:				
General government	5,882,779	6,007,924	5,738,845	269,079
Public safety and protection	20,281,725	20,501,510	20,480,555	20,955
Public works	9,418,217	9,577,101	9,267,983	309,118
Public health	547,789	547,789	547,789	-
Human services	1,112,115	1,121,226	1,077,907	43,319
Education	124,532,970	124,606,562	123,991,668	614,894
Library	4,755,561	4,755,561	4,755,561	-
Parks and recreation	5,087,136	5,161,268	4,857,430	303,838
Other	27,124,679	27,072,221	25,364,194	1,708,027
Debt service	2,827,567	2,894,567	2,870,120	-
Capital outlay	1,081,200	1,158,204	1,109,855	48,349
Total expenditures	202,651,738	203,403,933	200,061,907	3,342,026
Excess deficiency of revenues over (under) expenditures	(3,487,725)	(4,239,920)	436,103	4,676,023
Other financing sources (uses):				
Transfers in	437,000	437,000	437,056	56
Transfers out	(1,908,136)	(1,908,136)	(2,256,229)	(348,093)
Total other financing sources (uses)	(1,471,136)	(1,471,136)	(1,819,173)	(348,037)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (4,958,861)	\$ (5,711,056)	\$ (1,383,070)	\$ 4,327,986

See Note to Required Supplementary Information.

Sewer Operating Fund

Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,095,000	5,095,000	4,487,463	(607,537)
<u>5,095,000</u>	<u>5,095,000</u>	<u>4,487,463</u>	<u>(607,537)</u>
-	-	-	-
-	-	-	-
2,246,861	2,269,146	2,192,871	76,275
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,532,768	2,532,768	2,479,325	53,443
-	-	-	-
<u>4,779,629</u>	<u>4,801,914</u>	<u>4,672,196</u>	<u>129,718</u>
315,371	293,086	(184,733)	(477,819)
383,136	383,136	383,136	-
-	-	-	-
<u>383,136</u>	<u>383,136</u>	<u>383,136</u>	<u>-</u>
<u>\$ 698,507</u>	<u>\$ 676,222</u>	<u>\$ 198,403</u>	<u>\$ (477,819)</u>

Town of Westport, Connecticut

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

General fund: The Town's general budget policies in the General Fund and Sewer Operating Fund are as follows:

- A. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means to be utilized to finance them.
- B. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of \$20,000 per year. Additional appropriations aggregating more than \$20,000 per fiscal year must be approved by the Representative Town Meeting.
- C. Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.
- D. Budgeted amounts shown are as amended by a Representative Town Meeting or by the Board of Finance during the course of the year. Additional appropriations for the year ended June 30, 2017 aggregated approximately \$752,193 for the General Fund.
- E. All non-continuing appropriations lapse at year-end.
- F. 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 of the current year.

Town of Westport, Connecticut

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

G. A reconciliation of General Fund and Sewer Operating Fund operations presented in accordance with accounting principles generally accepted in the United States of America (GAAP) to the amounts presented on the budgetary basis is as follows:

	General Fund		Sewer Operating Fund
	Revenues, Transfers, and Other Financing Sources	Expenditures and Transfers	Expenditures and Transfers
Balance, GAAP basis	\$ 239,160,937	\$ 240,712,756	\$ 4,672,196
Special Revenue Funds rolled into the General Fund	(4,873,365)	(4,381,445)	-
State Teachers' Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(20,752,000)	(20,752,000)	-
Issuance of refunding bonds	(11,875,000)	(133,149)	-
Payment to escrow agent	-	(12,467,357)	-
Bond premium	(725,506)	-	-
Encumbrances:			
June 30, 2016	-	(2,914,746)	(8,093)
June 30, 2017	-	1,993,517	6,976
Continued in force:			
June 30, 2016	-	(367,159)	(36,248)
June 30, 2017	-	627,719	37,365
Balance, budgetary basis	<u>\$ 200,935,066</u>	<u>\$ 202,318,136</u>	<u>\$ 4,672,196</u>

H. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

Special revenue funds: The Town does not have legally adopted annual budgets for its special revenue funds, other than the Sewer Operating Fund. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the State or other grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital projects funds: Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

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**Combining and Individual
Fund Financial Statements
and Other Schedules**

General Fund

Town of Westport, Connecticut

**General Fund Revenues and Transfers in - Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Property taxes:				
Current levy	\$ 179,870,719	\$ 179,870,719	\$ 182,148,028	\$ 2,277,309
Prior levies	2,000,000	2,000,000	1,260,323	(739,677)
Total property taxes	181,870,719	181,870,719	183,408,351	1,537,632
Education:				
Staples trust fund	17,000	17,000	-	(17,000)
Sundries	145,000	145,000	140,577	(4,423)
Tuition	272,878	272,878	257,894	(14,984)
Total education	434,878	434,878	398,471	(36,407)
Parks and recreation	5,227,524	5,227,524	5,106,777	(120,747)
Income from investments	125,000	125,000	91,830	(33,170)
Intergovernmental:				
Elderly tax relief	75,000	75,000	74,917	(83)
Historical Preservation Grant	-	-	5,000	5,000
In lieu of taxes	542,130	542,130	537,914	(4,216)
Miscellaneous state grants	25,000	25,000	17,735	(7,265)
Pequot Indian grant	26,690	26,690	26,621	(69)
School construction grants	258,140	258,140	251,973	(6,167)
Shellfish Commission	5,000	5,000	603	(4,397)
State education grants	1,988,255	1,988,255	454,422	(1,533,833)
Veterans' exemption	10,000	10,000	8,314	(1,686)
Municipal revenue grant	-	-	262,402	262,402
Total intergovernmental	2,930,215	2,930,215	1,639,901	(1,290,314)
Permits, fees and other:				
Licenses and permits:				
Building Inspector	1,400,000	1,400,000	1,202,085	(197,915)
Burglar alarms	50,000	50,000	32,665	(17,335)
Conservation Commission	120,000	120,000	141,424	21,424
Fire Department permits, etc.	1,000	1,000	1,792	792
Planning and Zoning	649,247	649,247	535,932	(113,315)
Town Clerk conveyance tax	1,800,000	1,800,000	1,887,141	87,141
Town Clerk licenses	13,680	13,680	26,232	12,552
Zoning Board of Appeals	27,000	27,000	21,587	(5,413)
Total licenses and permits	4,060,927	4,060,927	3,848,858	(212,069)

(Continued)

Town of Westport, Connecticut

General Fund Revenues and Transfers in - Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Permits, fees and other, continued:				
Fines and penalties:				
Tax Collector - interest/liens	\$ 1,200,000	\$ 1,200,000	\$ 1,118,715	\$ (81,285)
Police fines	250,000	250,000	191,954	(58,046)
Total fines and penalties	1,450,000	1,450,000	1,310,669	(139,331)
Current service charges:				
Bulky waste charges	20,000	20,000	23,534	3,534
EMS reimbursements	900,000	900,000	1,031,237	131,237
Fire Department Commercial Plan Review	150,000	150,000	150,298	298
Housing Authority loan payment	115,000	115,000	847,315	732,315
Housing Authority PILOT - Canal St.	-	-	42,502	42,502
Police Vehicle Reimbursement	15,000	15,000	23,249	8,249
Public Works permits, etc.	35,000	35,000	40,881	5,881
Public Works refuse collection	20,000	20,000	18,650	(1,350)
Rental of facilities	1,075,500	1,075,500	1,036,328	(39,172)
Solid waste tipping fees	300,000	300,000	220,594	(79,406)
Town attorney reimbursement	1,000	1,000	325	(675)
Town Clerk recording fees	328,250	328,250	564,917	236,667
Total current services charges	2,959,750	2,959,750	3,999,830	1,040,080
Miscellaneous:				
Insurance reimbursement	1,000	1,000	13,774	12,774
Sale of surplus property	10,000	10,000	57,809	47,809
Income from financing activities	-	-	507,746	507,746
Telephone access line grant	75,000	75,000	102,035	27,035
Other	19,000	19,000	11,959	(7,041)
Total miscellaneous	105,000	105,000	693,323	588,323
Total permits, fees and other	8,575,677	8,575,677	9,852,680	1,277,003
Transfers in	437,000	437,000	437,056	56
Total	\$ 199,601,013	\$ 199,601,013	\$ 200,935,066	\$ 1,334,053

Town of Westport, Connecticut

**General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
General government:				
Representative town meeting	\$ 49,248	\$ 49,445	\$ 47,298	\$ 2,147
Selectmen	362,608	367,500	299,292	68,208
Probate court	14,000	14,000	12,044	1,956
Registrars	114,792	114,792	107,971	6,821
Elections	120,798	120,798	78,626	42,172
Board of finance	2,500	2,500	1,728	772
Finance department	769,793	770,800	761,964	8,836
Audit	147,500	153,410	153,410	-
Personnel	364,807	370,734	323,247	47,487
Assessor	519,045	531,637	528,671	2,966
Tax collector	357,678	362,085	352,096	9,989
Information services	746,650	752,733	741,284	11,449
Board of assessment appeal	2,025	2,025	1,086	939
Town attorney	763,761	824,319	816,242	8,077
Town clerk	408,982	413,791	406,397	7,394
Historic district	71,078	82,661	82,103	558
Conservation	389,971	392,526	381,774	10,752
Planning and zoning	649,795	654,420	615,864	38,556
Zoning board of appeals	27,748	27,748	27,748	-
Total general government	5,882,779	6,007,924	5,738,845	269,079
Public safety and protection:				
Police department	7,983,108	8,197,098	8,073,844	123,254
Police vehicle maintenance	346,706	308,053	308,053	-
Dog warden	143,799	143,799	137,997	5,802
Emergency medical service	1,218,804	1,247,821	1,247,641	180
Fire department	8,987,478	8,999,449	9,137,137	(137,688)
Water service - fire	1,106,796	1,106,796	1,096,457	10,339
Building inspection	373,306	362,242	352,482	9,760
Public site and building commission	77,328	91,382	88,026	3,356
Westport emergency management	44,400	44,870	38,918	5,952
Total public safety and protection	20,281,725	20,501,510	20,480,555	20,955
Public works:				
Engineering	860,682	870,033	854,438	15,595
Highway	1,669,375	1,815,273	1,814,998	275
Equipment maintenance	377,135	389,677	389,415	262
Roadway maintenance	2,287,575	2,305,024	2,304,473	551
Street lighting	245,000	227,551	226,797	754

(Continued)

Town of Westport, Connecticut

General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Public works, continued:				
Solid waste disposal	\$ 1,840,395	\$ 1,787,283	\$ 1,681,123	\$ 106,160
Building maintenance	1,141,069	1,180,227	1,062,704	117,523
Building custodians	331,586	336,633	335,271	1,362
Maintenance of property	25,000	25,000	24,997	3
Maintenance parks and recreation	327,000	327,000	261,976	65,024
Tree maintenance	313,400	313,400	311,791	1,609
Total public works	9,418,217	9,577,101	9,267,983	309,118
Public health:				
Health district	544,089	544,089	544,089	-
Health services	3,700	3,700	3,700	-
Total public health	547,789	547,789	547,789	-
Human services:				
Youth services	268,578	269,073	256,001	13,072
Social services	430,807	433,490	403,796	29,694
Commission for the elderly	412,730	418,663	418,110	553
Total human services	1,112,115	1,121,226	1,077,907	43,319
Education:				
Board of education	112,765,765	112,765,765	112,218,678	547,087
BOE rentals/reimbursement	-	140,592	140,592	-
Aid to private & parochial schools	362,401	362,401	357,337	5,064
Debt service - long term	11,404,804	11,337,804	11,275,061	62,743
Total education	124,532,970	124,606,562	123,991,668	614,894
Library	4,755,561	4,755,561	4,755,561	-
Parks and recreation:				
Administration	549,876	471,358	460,030	11,328
Guest services	262,947	262,947	238,842	24,105
Maintenance and development	570,495	674,356	651,119	23,237
Boating	369,162	351,670	286,466	65,204
Parks maintenance	469,869	491,035	490,846	189
Golf	854,166	865,546	863,803	1,743
Athletic fields maintenance	308,869	345,678	345,455	223
Tennis	96,067	89,993	85,122	4,871
Skating	31,415	31,415	18,747	12,668
Beach and pool	304,352	304,352	272,602	31,750
Miscellaneous programs	1,260,918	1,263,918	1,135,428	128,490
Memorial day	9,000	9,000	8,970	30
Total parks and recreation	5,087,136	5,161,268	4,857,430	303,838

(Continued)

Town of Westport, Connecticut

General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Other:				
Pensions	\$ 14,861,962	\$ 14,861,962	\$ 14,327,802	\$ 534,160
Insurance	10,368,622	10,372,132	9,272,619	1,099,513
Social security	1,160,000	1,171,976	1,168,774	3,202
Unemployment compensation	90,000	90,000	43,527	46,473
Earthplace	95,000	95,000	95,000	-
Miscellaneous	88,750	88,750	70,931	17,819
Transportation service	292,645	380,145	380,079	66
Reserve: salary adjustments	160,000	4,556	(813)	5,369
Employee productivity	7,700	7,700	6,275	1,425
Accrued vacation	-	-	-	-
Total other	27,124,679	27,072,221	25,364,194	1,708,027
Debt service:				
Interest on bonds	519,589	519,589	495,142	24,447
Bond anticipation financing	-	67,000	67,000	-
Bond principal payments	2,307,978	2,307,978	2,307,978	-
Total debt service	2,827,567	2,894,567	2,870,120	24,447
Capital outlay:				
General government	140,000	140,309	131,511	8,798
Public safety	361,048	373,048	339,420	33,628
Public works	232,500	232,500	228,235	4,265
Human services	17,290	74,657	74,167	490
Education	-	-	-	-
Recreation	330,362	337,690	336,522	1,168
Total capital outlay	1,081,200	1,158,204	1,109,855	48,349
Transfers out	1,908,136	1,908,136	2,256,229	(348,093)
Total	\$ 204,559,874	\$ 205,312,069	\$ 202,318,136	\$ 2,993,933

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Shellfish Commission Fund - is used to account for the revenues generated from the sale of licenses and for the expenditures as required by the State of Connecticut for maintaining shellfish beds.

Railroad Parking Reserve Fund - is used to account for the revenues transferred from the Railroad Parking Fund and expenditures as required by the State of Connecticut pursuant to a lease agreement between the Town of Westport and the Department of Transportation.

Railroad Parking Fund - is used to account for the revenues and expenditures related to the Railroad Parking operation.

Dog License Fund - is used to account for revenue from dog license fees and related expenditures.

State Aid for Town Highways Fund - is used to account for grant revenues from the State of Connecticut and expenditures allowable under the State Highway Grant program.

Youth Service Fund - is used to account for the grant revenues from the State of Connecticut and expenditures related thereto.

Educational Grants Fund - is used to account for U.S. and Connecticut Department of Education grants relating to education that are administered by the Superintendent's office.

Police Fund - is used to account for revenues related to sales of abandoned property programs.

Insurance Reserve Fund - is used to account for insurance reimbursement revenues transferred from the General Fund used to pay deductibles for liability and property claims.

Public Protection Outside Fund - is used to account for revenue and expenditures incurred from the use of Town police officers by outside parties.

Wakeman Town Farm Fund - is used to account for revenue and expenditures incurred for agricultural programs.

Capital Projects Funds

Capital projects funds are used to account for the acquisition of major capital facilities other than those financed by proprietary funds.

Real Property Fund - is used to account for revenues generated from the sale of surplus properties in the Town and expenditures to reacquire other real property.

Sewer Reserve Fund - is used to account for revenues transferred in from the Sewer Operating Fund. These revenues are generated through user fees and expenditures for renovations to existing sewers.

Capital Projects Funds, Continued

Municipal Improvement Phase II Fund - is used to account for borrowed funds which are used to pay for capital expenditures.

Educational Facilities Improvement Fund - accounts for proceeds of borrowed funds to be used for capital expenditures for education facilities improvements.

Debt Service Fund

The Debt Service Fund - is used to invest proceeds from refunding issues and premiums paid on new bond issues to offset costs for the years the refinancings are applicable.

Permanent Funds

Mary A. Bedford Trust Fund - is used to account for a donation to support the Board of Education.

E.A. Nash Trust Fund - is used to account for a donation to support welfare payments.

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Town of Westport, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

	Special Revenue						
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund	Dog License Fund	State Aid For Town Highways Fund	Youth Services Fund	Educational Grants Fund
Assets							
Cash and cash equivalents	\$ 60,119	\$ 377,060	\$ 1,943,587	\$ 11,242	\$ 495,382	\$ 24,122	\$ 199,815
Investments	-	-	-	-	-	-	-
Other receivables	-	-	30,259	400	-	-	-
Restricted cash	-	-	-	-	-	-	-
Due from other funds	-	-	150,279	4,208	-	-	-
Total assets	\$ 60,119	\$ 377,060	\$ 2,124,125	\$ 15,850	\$ 495,382	\$ 24,122	\$ 199,815
Liabilities and Fund Balances (Deficits)							
Liabilities:							
Accounts payable	\$ 79	\$ -	\$ 35,904	\$ 15,850	\$ -	\$ 4,353	\$ 7
Unearned revenue	-	-	1,151,161	-	-	-	-
Due to other funds	1	150,279	101,138	-	-	-	72,155
Total liabilities	80	150,279	1,288,203	15,850	-	4,353	72,162
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	-	-
Restricted	60,039	-	-	-	495,382	-	127,653
Committed	-	226,781	835,922	-	-	19,769	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	60,039	226,781	835,922	-	495,382	19,769	127,653
Total liabilities and fund balances (deficits)	\$ 60,119	\$ 377,060	\$ 2,124,125	\$ 15,850	\$ 495,382	\$ 24,122	\$ 199,815

Special Revenue				Capital Projects		
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Farm Fund	Real Property Fund	Sewer Reserve Fund	Municipal Improvements Fund Phase II
\$ 27,640	\$ 877,447	\$ 795,477	\$ 206,713	\$ 1,848,789	\$ 561,019	\$ 102,608
-	-	-	-	-	-	-
-	4,239	233,918	13,626	-	-	132,964
-	-	-	-	-	-	15,359
-	2,645	-	-	-	2,237,274	1,094
<u>\$ 27,640</u>	<u>\$ 884,331</u>	<u>\$ 1,029,395</u>	<u>\$ 220,339</u>	<u>\$ 1,848,789</u>	<u>\$ 2,798,293</u>	<u>\$ 252,025</u>
\$ -	\$ 34,897	\$ 7,700	\$ 13,340	\$ -	\$ 64,110	\$ 1,941,668
-	-	-	-	-	-	-
-	-	37,602	12,911	4,105	21,650	-
-	34,897	45,302	26,251	4,105	85,760	1,941,668
-	-	-	-	-	-	-
27,640	-	-	-	-	-	-
-	849,434	984,093	194,088	1,844,684	2,712,533	-
-	-	-	-	-	-	(1,689,643)
<u>27,640</u>	<u>849,434</u>	<u>984,093</u>	<u>194,088</u>	<u>1,844,684</u>	<u>2,712,533</u>	<u>(1,689,643)</u>
<u>\$ 27,640</u>	<u>\$ 884,331</u>	<u>\$ 1,029,395</u>	<u>\$ 220,339</u>	<u>\$ 1,848,789</u>	<u>\$ 2,798,293</u>	<u>\$ 252,025</u>

(Continued)

Town of Westport, Connecticut

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2017

	Capital Projects	Debt Service	Permanent Funds		
	Educational Facilities Improvement Fund	Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	Totals
Assets					
Cash and cash equivalents	\$ 1,223,460	\$ -	\$ 17,030	\$ 2,655	\$ 8,774,165
Investments	-	1,225,189	-	-	1,225,189
Other receivables	-	-	-	-	415,406
Restricted cash	-	-	-	-	15,359
Due from other funds	-	-	-	-	2,395,500
Total assets	\$ 1,223,460	\$ 1,225,189	\$ 17,030	\$ 2,655	\$ 12,825,619
Liabilities and Fund Balances (Deficits)					
Liabilities:					
Accounts payable	\$ 108,778	\$ -	\$ -	\$ -	\$ 2,226,686
Unearned revenue	-	-	-	-	1,151,161
Due to other funds	-	-	2,313	475	402,629
Total liabilities	108,778	-	2,313	475	3,780,476
Fund balances (deficits):					
Nonspendable	-	-	14,717	2,180	16,897
Restricted	-	1,225,189	-	-	1,935,903
Committed	1,114,682	-	-	-	8,781,986
Unassigned	-	-	-	-	(1,689,643)
Total fund balances (deficits)	1,114,682	1,225,189	14,717	2,180	9,045,143
Total liabilities and fund balances (deficits)	\$ 1,223,460	\$ 1,225,189	\$ 17,030	\$ 2,655	\$ 12,825,619

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Town of Westport, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2017**

	Special Revenue						
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund	Dog License Fund	State Aid For Town Highways Fund	Youth Services Fund	Educational Grants Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 388,556	\$ 26,489	\$ 1,899,353
Permits, fees and other	42,816	-	1,973,166	-	-	-	-
Income from investments	-	-	-	-	-	-	-
Charges for services	-	-	-	1,045	-	-	-
Total revenues	42,816	-	1,973,166	1,045	388,556	26,489	1,899,353
Expenditures:							
General government	11,890	-	-	-	-	-	-
Public safety	-	-	1,389,775	22,062	-	-	-
Human services	-	-	-	-	-	27,786	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	1,827,389
Capital outlay	-	-	96,870	-	448,851	-	-
Total expenditures	11,890	-	1,486,645	22,062	448,851	27,786	1,827,389
Total revenues over (under) expenditures	30,926	-	486,521	(21,017)	(60,295)	(1,297)	71,964
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	21,017	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	21,017	-	-	-
Net change in fund balances (deficits)	30,926	-	486,521	-	(60,295)	(1,297)	71,964
Fund balances							
(deficits), beginning	29,113	226,781	349,401	-	555,677	21,066	55,689
Fund balances							
(deficits), ending	\$ 60,039	\$ 226,781	\$ 835,922	\$ -	\$ 495,382	\$ 19,769	\$ 127,653

Special Revenue				Capital Projects		
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Town Farm Fund	Real Property Fund	Sewer Reserve Fund	Municipal Improvements Fund Phase II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,964
-	49,871	1,363,442	171,563	50,000	-	-
78	33,328	-	-	4,013	92,353	44
-	-	-	-	-	-	-
78	83,199	1,363,442	171,563	54,013	92,353	133,008
-	162,462	-	-	-	-	-
-	-	1,000,627	-	-	-	-
-	-	-	-	-	-	-
-	-	-	111,885	-	-	-
-	-	-	-	-	-	-
-	-	-	17,939	21,072	571,412	6,033,046
-	162,462	1,000,627	129,824	21,072	571,412	6,033,046
78	(79,263)	362,815	41,739	32,941	(479,059)	(5,900,038)
-	-	-	-	-	-	5,100,500
-	-	-	-	200,000	-	-
-	-	(250,000)	-	-	-	-
-	-	(250,000)	-	200,000	-	5,100,500
78	(79,263)	112,815	41,739	232,941	(479,059)	(799,538)
27,562	928,697	871,278	152,349	1,611,743	3,191,592	(890,105)
\$ 27,640	\$ 849,434	\$ 984,093	\$ 194,088	\$ 1,844,684	\$ 2,712,533	\$ (1,689,643)

(Continued)

Town of Westport, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2017**

	Capital Projects Educational Facilities Improvement Fund	Debt Service Debt Service Fund	Permanent Funds		
			Mary A. Bedford Trust	E.A. Nash Trust	Totals
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,447,362
Permits, fees and other	-	-	-	-	3,650,858
Income from investments	-	(19,168)	48	8	110,704
Charges for services	-	-	-	-	1,045
Total revenues	-	(19,168)	48	8	6,209,969
Expenditures:					
General government	-	-	-	-	174,352
Public safety	-	-	-	-	2,412,464
Human services	-	-	-	-	27,786
Parks and recreation	-	-	-	-	111,885
Education	-	-	-	-	1,827,389
Capital outlay	451,176	-	-	-	7,640,366
Total expenditures	451,176	-	-	-	12,194,242
Total revenues over (under) expenditures	(451,176)	(19,168)	48	8	(5,984,273)
Other financing sources (uses):					
Bond proceeds	1,014,500	-	-	-	6,115,000
Transfers in	-	-	-	-	221,017
Transfers out	-	(187,000)	(48)	(8)	(437,056)
Total other financing sources (uses)	1,014,500	(187,000)	(48)	(8)	5,898,961
Net change in fund balances (deficits)	563,324	(206,168)	-	-	(85,312)
Fund balances (deficits), beginning	551,358	1,431,357	14,717	2,180	9,130,455
Fund balances (deficits), ending	\$ 1,114,682	\$ 1,225,189	\$ 14,717	\$ 2,180	\$ 9,045,143

Town of Westport, Connecticut

Schedule of Revenues, Expenditures and Transfers - Budgetary Basis - Budget and Actual
 Sewer Operating Fund
 For the Year Ended June 30, 2017

	Sewer Operating Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues and transfers:				
Sewer assessment - current	\$ 1,300,000	\$ 1,300,000	\$ 1,156,146	\$ (143,854)
Sewer user charges - current	3,500,000	3,500,000	3,100,600	(399,400)
Sewer dumping fees - connection permits	70,000	70,000	700	(69,300)
Sewer interest	74,000	74,000	64,968	(9,032)
General Fund Debt Service contribution	383,136	383,136	383,136	-
Sewer Other Revenues	151,000	151,000	165,048	14,048
Total revenues	5,478,136	5,478,136	4,870,599	(607,537)
Expenditures and transfers out:				
Interest on bonds	597,575	597,575	544,132	53,443
Insurance	392,942	392,942	384,951	7,991
Bond principal payments	1,935,193	1,935,193	1,935,193	-
Sewage treatment budget	1,234,400	1,255,301	1,188,432	66,869
Sewer collection budget	524,039	525,423	524,008	1,415
Pension	95,480	95,480	95,480	-
Total expenditures	4,779,629	4,801,914	4,672,196	129,718
Revenues and transfers in over (under) expenditures and transfers out	\$ 698,507	\$ 676,222	\$ 198,403	\$ (477,819)

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Internal Service Funds

Internal Service Funds

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost reimbursement basis. The Town has three such funds.

Town Health Insurance Fund - is used to account for the revenues and related expenses for the health self-insurance plan for employees of the Town.

Worker's Compensation Fund - is used to account for the revenues and related expenses for worker's compensation for employees of the Town.

Board of Education Health Insurance Fund - is used to account for the revenues and related expenses for the health self-insurance plan for employees of the Board of Education.

Town of Westport, Connecticut

Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
Assets				
Cash and cash equivalents	\$ 357,856	\$ 1,881,415	\$ 2,034,188	\$ 4,273,459
Accounts receivable	546,354	-	-	546,354
Due from other funds	2,612,465	200,000	-	2,812,465
Total assets	3,516,675	2,081,415	2,034,188	7,632,278
Liabilities				
Accounts payable	97,147	-	-	97,147
Claims incurred but not reported	629,150	1,172,218	968,308	2,769,676
Due to other funds	25	1,823	-	1,848
	726,322	1,174,041	968,308	2,868,671
Net position	\$ 2,790,353	\$ 907,374	\$ 1,065,880	\$ 4,763,607

Town of Westport, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits)
Internal Service Funds
For the Year Ended June 30, 2017

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
Operating revenues:				
Charges for services	\$ 10,331,291	\$ 200,000	\$ 17,589,911	\$ 28,121,202
Total operating revenues	10,331,291	200,000	17,589,911	28,121,202
Operating expenses:				
Claims incurred	8,868,163	483,944	18,810,918	28,163,025
Administration	1,833,317	-	-	1,833,317
Total operating expenses	10,701,480	483,944	18,810,918	29,996,342
Operating (loss) income	(370,189)	(283,944)	(1,221,007)	(1,875,140)
Nonoperating income:				
Interest income	92,438	19,815	-	112,253
Total nonoperating income	92,438	19,815	-	112,253
Change in net position	(277,751)	(264,129)	(1,221,007)	(1,762,887)
Net position, beginning	3,068,104	1,171,503	2,286,887	6,526,494
Net position, ending	\$ 2,790,353	\$ 907,374	\$ 1,065,880	\$ 4,763,607

Town of Westport, Connecticut

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017**

	Town Health Insurance	Workers' Compensation	Board of Education Health Insurance	Totals
Cash flows from operating activities:				
Cash received from charges for services	\$ 9,541,283	\$ 757,360	\$ 17,589,911	\$ 27,888,554
Cash paid to vendors and beneficiaries	(10,623,316)	-	(18,794,610)	(29,417,926)
Net cash (used in) provided by operating activities	(1,082,033)	757,360	(1,204,699)	(1,529,372)
Cash flows from investing activities:				
Interest on cash and cash equivalents	92,438	19,815	-	112,253
Net cash provided by investing activities	92,438	19,815	-	112,253
Net (decrease) increase in cash and cash equivalents	(989,595)	777,175	(1,204,699)	(1,417,119)
Cash and cash equivalents:				
Beginning	1,347,451	1,104,240	3,238,887	5,690,578
Ending	<u>\$ 357,856</u>	<u>\$ 1,881,415</u>	<u>\$ 2,034,188</u>	<u>\$ 4,273,459</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (370,189)	\$ (283,944)	\$ (1,221,007)	\$ (1,875,140)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable	(375,649)	-	-	(375,649)
Increase (decrease) in due from other funds	(414,359)	557,360	-	143,001
Increase in due to other funds	25	-	-	25
Increase in accounts payable	22,989	-	-	22,989
Increase in claims payable	55,150	483,944	16,308	555,402
Net cash (used in) provided by operating activities	\$ (1,082,033)	\$ 757,360	\$ (1,204,699)	\$ (1,529,372)

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Fiduciary Funds

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts and Agency Funds.

- ii. **Agency Funds** - Agency funds are custodial in nature (assets equal liabilities). The Town's Agency Funds are listed below:

P&Z Escrow Fund
Senior Citizen Escrow Fund
Tri-Centennial Fund

Student Activities Fund
Performance Bonds Fund
Hillspoint School Escrow Fund

Town of Westport, Connecticut

Combining Statement of Assets and Liabilities - Agency Funds
June 30, 2017

	Agency Funds							
	P&Z Escrow	Senior Citizen Escrow	Tri- Centennial Fund	Student Activities	Performance Bonds	Hillspoint School Escrow	Total Agency Funds	
Assets								
Cash and cash equivalents	\$ 2,472,134	\$ 129,339	\$ 4,627	\$ 602,282	\$ 64,489	\$ 274,878	\$ 3,547,749	
Due from others	-	1,959	-	-	-	-	1,959	
Total assets	\$ 2,472,134	\$ 131,298	\$ 4,627	\$ 602,282	\$ 64,489	\$ 274,878	\$ 3,549,708	
Liabilities								
Due to student groups	\$ -	\$ -	\$ -	\$ 602,282	\$ -	\$ -	\$ 602,282	
Payable to others	2,472,134	131,298	4,627	-	64,489	274,878	2,947,426	
Total liabilities	\$ 2,472,134	\$ 131,298	\$ 4,627	\$ 602,282	\$ 64,489	\$ 274,878	\$ 3,549,708	

Town of Westport, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Student activities funds:				
Assets:				
Cash	\$ 658,909	\$ 1,669,282	\$ (1,725,909)	\$ 602,282
Liabilities:				
Due to student groups	\$ 658,909	\$ 1,669,282	\$ (1,725,909)	\$ 602,282
P&Z escrow fund:				
Assets:				
Cash	\$ 2,173,894	\$ 771,741	\$ (473,501)	\$ 2,472,134
Liabilities:				
Payable to others	\$ 2,173,894	\$ 771,741	\$ (473,501)	\$ 2,472,134
Senior citizen escrow fund:				
Assets:				
Cash	\$ 115,264	\$ 184,684	\$ (170,609)	\$ 129,339
Due from other funds	1,672	287	-	1,959
	<u>116,936</u>	<u>184,971</u>	<u>(170,609)</u>	<u>131,298</u>
Liabilities:				
Payable to others	\$ 116,936	\$ 184,971	\$ (170,609)	\$ 131,298
Tri-centennial fund:				
Assets:				
Cash	\$ 4,613	\$ 14	\$ -	\$ 4,627
Liabilities:				
Payable to others	\$ 4,613	\$ 14	\$ -	\$ 4,627
Performance bonds fund:				
Assets:				
Cash	\$ 165,216	\$ -	\$ (100,727)	\$ 64,489
Liabilities:				
Payable to others	\$ 165,216	\$ -	\$ (100,727)	\$ 64,489
Hillpoint school escrow fund:				
Assets:				
Cash	\$ 226,399	\$ 58,479	\$ (10,000)	\$ 274,878
Liabilities:				
Payable to others	\$ 226,399	\$ 58,479	\$ (10,000)	\$ 274,878
Total agency funds:				
Assets:				
Cash	\$ 3,344,295	\$ 2,684,200	\$ (2,480,746)	\$ 3,547,749
Due from other funds	1,672	287	-	1,959
	<u>\$ 3,345,967</u>	<u>\$ 2,684,487</u>	<u>\$ (2,480,746)</u>	<u>\$ 3,549,708</u>
Liabilities:				
Due to student groups	\$ 658,909	\$ 1,669,282	\$ (1,725,909)	\$ 602,282
Payable to others	2,687,058	1,015,205	(754,837)	2,947,426
	<u>\$ 3,345,967</u>	<u>\$ 2,684,487</u>	<u>\$ (2,480,746)</u>	<u>\$ 3,549,708</u>

**Capital Assets Used in the Operation
of Governmental Funds**

Town of Westport, Connecticut

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Category
June 30, 2017**

Governmental funds capital assets:	
Land	\$ 33,817,349
Buildings	315,914,876
Land improvements	22,897,593
Infrastructure	115,757,562
Machinery and equipment	30,346,820
Construction in progress	<u>4,404,291</u>
Total governmental funds capital assets	<u>\$ 523,138,491</u>

Town of Westport, Connecticut

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2017**

	Land	Buildings	Land Improvements	Infrastructure	Machinery and Equipment	Construction in Progress	Total
General government	\$ 1,105,000	\$ 2,978,975	\$ 292,842	\$ -	\$ 2,562,393	\$ -	\$ 6,939,210
Public safety	318,501	6,377,519	1,930,767	-	12,896,081	-	21,522,868
Public works/sewer	14,935,644	54,410,846	1,041,996	112,405,782	6,829,151	1,505,434	191,128,853
Human services	-	4,366,435	-	-	101,238	-	4,467,673
Education	991,503	226,767,029	7,409,935	-	5,114,470	1,183,099	241,466,036
Library	1	9,365,905	136,743	-	-	-	9,502,649
Parks and recreation	16,466,700	11,648,167	12,085,310	3,351,780	2,843,487	833,454	47,228,898
Total	\$ 33,817,349	\$ 315,914,876	\$ 22,897,593	\$ 115,757,562	\$ 30,346,820	\$ 3,521,987	\$ 522,256,187

Town of Westport, Connecticut

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes
For the Year Ended June 30, 2017**

	Governmental Funds Capital Assets July 1, 2016	Additions/ Transfers	Deletions/ Transfers	Governmental Funds Capital Assets June 30, 2017
General government	\$ 6,923,735	\$ 15,475	\$ -	\$ 6,939,210
Public safety	19,562,708	2,213,176	253,016	21,522,868
Public works	188,242,650	3,529,521	643,318	191,128,853
Human services	4,467,673	-	-	4,467,673
Education	239,547,186	2,039,204	120,354	241,466,036
Library	9,502,649	-	-	9,502,649
Parks and recreation	46,353,385	1,090,725	215,212	47,228,898
Total	\$ 514,599,986	\$ 8,888,101	\$ 1,231,900	\$ 522,256,187

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Other Schedules

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Town of Westport, Connecticut

Balance Sheet - By Account - General Fund
June 30, 2017

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
Assets			
Cash and cash equivalents	\$ 34,037,404	\$ 737,051	\$ 64,494
Investments	4,719,396	-	-
Prepaid expenses	599,956	-	-
Receivables (net of allowances for collection losses):			
Property taxes	15,188,127	-	-
Intergovernmental and other receivables	875,027	-	-
Due from other funds	228,649	-	-
Total assets	55,648,559	737,051	64,494
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	3,610,758	-	910
Unearned revenue	309,488	-	-
Due to other funds	2,730,319	-	2,734
Total liabilities	6,650,565	-	3,644
Deferred inflows of resources:			
Unavailable revenues - property taxes	14,077,019	-	-
Unavailable revenues - advanced tax collections	203,177	-	-
Unavailable revenues - school construction receivable	493,336	-	-
Unavailable revenues - other	80,981	-	-
Total deferred inflows of resources	14,854,513	-	-
Fund balances:			
Nonspendable	599,956	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	7,481,517	737,051	60,850
Unassigned	26,062,008	-	-
Total fund balances	34,143,481	737,051	60,850
Total liabilities, deferred inflows of resources and fund balances	\$ 55,648,559	\$ 737,051	\$ 64,494

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
\$ 918,976	\$ 1,196,598	\$ 1,082,591	\$ 38,037,114
-	-	-	4,719,396
-	-	6,730	606,686
-	-	-	15,188,127
-	32,614	-	907,641
-	-	-	228,649
<u>918,976</u>	<u>1,229,212</u>	<u>1,089,321</u>	<u>59,687,613</u>
121,398	199,344	15,210	3,947,620
487,668	-	-	797,156
-	-	6,335	2,739,388
<u>609,066</u>	<u>199,344</u>	<u>21,545</u>	<u>7,484,164</u>
-	-	-	14,077,019
-	-	-	203,177
-	-	-	493,336
-	-	-	80,981
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,854,513</u>
-	-	6,730	606,686
-	-	487,965	487,965
-	-	573,081	573,081
309,910	1,029,868	-	9,619,196
-	-	-	26,062,008
<u>309,910</u>	<u>1,029,868</u>	<u>1,067,776</u>	<u>37,348,936</u>
<u>\$ 918,976</u>	<u>\$ 1,229,212</u>	<u>\$ 1,089,321</u>	<u>\$ 59,687,613</u>

Town of Westport, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2017

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
Revenues:			
Property taxes	\$ 184,527,068	\$ -	\$ -
Intergovernmental	1,897,796	-	-
Permits, fees and other	5,741,158	3,272	-
State on-behalf payments	20,752,000	-	-
Income from investments	91,829	-	-
Charges for services	2,687,290	-	-
Parks and recreation fees	5,045,123	-	45,398
Total revenues	220,742,264	3,272	45,398
Expenditures:			
General government	5,734,215	-	-
Public safety	20,518,471	-	-
Public works	10,130,727	-	-
Public health	547,789	-	-
Human services	1,077,441	-	-
Library	4,755,561	-	-
Parks and recreation	4,963,067	-	37,094
Education	133,293,401	-	-
Benefits and other	25,216,164	-	-
Debt service:			
Principal	11,439,918	-	-
Interest and other charges	2,838,412	-	-
Capital outlay	1,092,560	-	-
Total expenditures	221,607,726	-	37,094
Revenues over (under) expenditures	(865,462)	3,272	8,304
Other financing sources (uses):			
Payment to escrow	(12,467,357)	-	-
Bond proceeds	11,875,000	-	-
Bond premium	1,233,252	-	-
Transfers in	437,056	-	-
Transfers out	(2,256,228)	-	-
Net other financing sources (uses)	(1,178,277)	-	-
Net change in fund balances	(2,043,739)	3,272	8,304
Fund balances, beginning of year	36,187,220	733,779	52,546
Fund balances, end of year	\$ 34,143,481	\$ 737,051	\$ 60,850

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
\$ -	\$ -	\$ -	\$ 184,527,068
-	-	109,556	2,007,352
-	-	180,077	5,924,507
-	-	-	20,752,000
-	-	-	91,829
1,147,057	3,269,271	118,734	7,222,352
-	-	-	5,090,521
<u>1,147,057</u>	<u>3,269,271</u>	<u>408,367</u>	<u>225,615,629</u>
-	-	3,520	5,737,735
-	-	(49,361)	20,469,110
-	-	-	10,130,727
-	-	-	547,789
-	-	78,619	1,156,060
-	-	-	4,755,561
-	-	171,324	5,171,485
1,035,753	3,104,496	-	137,433,650
-	-	-	25,216,164
-	-	-	11,439,918
-	-	-	2,838,412
-	-	-	1,092,560
<u>1,035,753</u>	<u>3,104,496</u>	<u>204,102</u>	<u>225,989,171</u>
<u>111,304</u>	<u>164,775</u>	<u>204,265</u>	<u>(373,542)</u>
-	-	-	(12,467,357)
-	-	-	11,875,000
-	-	-	1,233,252
-	-	-	437,056
-	-	-	(2,256,228)
-	-	-	(1,178,277)
111,304	164,775	204,265	(1,551,819)
<u>198,606</u>	<u>865,093</u>	<u>863,511</u>	<u>38,900,755</u>
<u>\$ 309,910</u>	<u>\$ 1,029,868</u>	<u>\$ 1,067,776</u>	<u>\$ 37,348,936</u>

Town of Westport, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2017

Grand List Year	Balance Uncollected July 1, 2016	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2015	\$ -	\$ 183,618,867	\$ 694,957	\$ 684,244	\$ -	\$ 183,629,580
2014	2,337,736	-	87,809	91,183	234,078	2,100,284
2013	1,222,216	-	24,629	13,295	-	1,233,550
2012	1,048,725	-	868	-	-	1,049,593
2011	932,839	-	79	-	-	932,918
2010	920,861	-	81	52	-	920,890
2009	893,106	-	-	-	-	893,106
2008	724,139	-	-	1	-	724,138
2007	691,768	-	-	-	-	691,768
2006	534,747	-	-	-	-	534,747
2005	419,352	-	-	-	-	419,352
2004	303,770	-	-	-	-	303,770
2003	236,541	-	-	-	-	236,541
2002	207,994	-	-	-	-	207,994
2001	169,344	-	-	-	-	169,344
	<u>\$ 10,643,138</u>	<u>\$ 183,618,867</u>	<u>\$ 808,423</u>	<u>\$ 788,775</u>	<u>\$ 234,078</u>	<u>\$ 194,047,575</u>

Collections from deferral program prior to grand list year 2001
Suspense Collections

Collections					Balance
Taxes	Refunds	Interest	Fees	Total	Uncollected June 30, 2017
\$ 181,519,184	\$ 330,581	\$ 510,385	\$ 11,053	\$ 181,710,041	\$ 2,110,396
1,101,151	17,288	166,230	5,382	1,255,475	999,133
279,878	3,136	53,287	544	330,573	953,672
169,044	-	22,534	120	191,698	880,549
106,413	-	14,838	48	121,299	826,505
108,060	-	26,752	19	134,831	812,830
89,280	-	22,114	-	111,394	803,826
90,661	-	24,928	48	115,637	633,477
84,085	-	24,748	24	108,857	607,683
71,985	250	26,631	24	98,390	462,762
63,689	-	27,050	24	90,763	355,663
39,805	-	17,812	-	57,617	263,965
27,260	-	13,216	-	40,476	209,281
17,343	-	11,538	-	28,881	190,651
13,839	-	9,952	-	23,791	155,505
<u>\$ 183,781,677</u>	<u>\$ 351,255</u>	<u>\$ 972,015</u>	<u>\$ 17,286</u>	<u>\$ 184,419,723</u>	<u>\$ 10,265,898</u>
\$ 59,625	\$ -	\$ 58,608	\$ -	\$ 118,233	
104,486	750	67,490	2,630	173,856	
<u>\$ 183,945,788</u>	<u>\$ 352,005</u>	<u>\$ 1,098,113</u>	<u>\$ 19,916</u>	<u>\$ 184,711,812</u>	

(1)

Grand List Year	Active Balance Uncollected June 30, 2017	Deferred Balance Uncollected June 30, 2017	Total Balance Uncollected June 30, 2017
2015	\$ 1,480,267	\$ 630,130	\$ 2,110,397
2014	253,777	745,356	999,133
2013	155,951	797,720	953,671
2012	77,488	803,061	880,549
2011	37,126	789,379	826,505
2010	32,599	780,231	812,830
2009	21,033	782,793	803,826
2008	12,534	620,943	633,477
2007	6,026	601,656	607,682
2006	3,398	459,364	462,762
2005	3,210	352,453	355,663
2004	2,895	261,070	263,965
2003	2,800	206,482	209,282
2002	2,732	187,919	190,651
2001	2,487	153,018	155,505
2000	-	-	-
	<u>\$ 2,094,323</u>	<u>\$ 8,171,575</u>	<u>\$ 10,265,898</u>

(1)

(1) The following table represents the totals of active and deferred uncollected taxes in the schedule above.

Town of Westport, Connecticut

Schedule of Changes in Sewer Assessments and Sewer Use Charges Receivable
For the Year Ended June 30, 2017

Sewer Assessment Project Number	Net Beginning Balance	New Billing	Lawful Correction	Total Due	Assessment Paid
1	\$ 362	\$ 5,661	\$ (132)	\$ 5,891	\$ 6,453
2	561	2,667	(293)	2,935	2,709
3	1,999	4,839	(84)	6,754	4,413
4	14,292	36,423	-	50,715	61,978
5	1,701	26,387	(301)	27,787	26,451
6	-	446	-	446	1,623
7	12,392	295	(5,900)	6,787	(5,826)
8	-	739	-	739	739
9	2,647	8,714	(2,648)	8,713	29,680
10	6,794	11,634	(6,794)	11,634	11,706
11	20,705	73,486	(881)	93,310	88,942
12	3,995	70,477	(288)	74,184	71,886
13	-	19,801	-	19,801	19,811
14	5,818	47,057	-	52,875	47,117
15	13,781	46,579	-	60,360	54,664
16	18,295	110,888	(1,056)	128,127	128,042
	22,019	249,667	(780)	270,906	304,620
80	1,674	12,454	-	14,128	12,369
Total	\$ 127,035	\$ 728,214	\$ (19,157)	\$ 836,092	\$ 867,377

Sewer Use Charge Project Number	Net Beginning Balance	New Billing	Lawful Correction	Total Due	Use Charge Paid
No Designated Project	\$ -	\$ 1,549	\$ -	\$ 1,549	\$ 1,549
No Longer in Service	864	22,099	-	22,963	21,400
1	97,765	942,630	(6,996)	1,033,399	925,574
2	47,957	307,826	(3,673)	352,110	311,304
3	45,842	362,763	(809)	407,796	357,012
4	46,569	475,551	(4,748)	517,372	446,939
5	42,453	395,905	(1,041)	437,317	365,632
6	9,073	49,810	(1)	58,882	48,289
7	5,194	14,821	(6)	20,009	16,217
8	324	37,695	-	38,019	37,074
9	3,825	56,631	-	60,456	57,510
10	6,118	113,173	(327)	118,964	109,984
11	8,699	122,884	(4)	131,579	122,649
12	5,126	71,456	(2)	76,580	68,513
13	-	16,152	(4)	16,148	16,148
14	5,873	35,654	(11)	41,516	36,244
15	-	7,500	-	7,500	7,500
16	607	16,981	-	17,588	17,410
17	5,376	72,616	(376)	77,616	70,560
Total	\$ 331,665	\$ 3,123,696	\$ (17,998)	\$ 3,437,363	\$ 3,037,508

Bond Interest Project Number	Net Beginning Balance	New Billing	Lawful Correction	Total Due	Bond Paid
No Designated Project	\$ -	\$ -	\$ -	\$ -	\$ -
1	-	-	-	-	-
2	-	-	-	-	-
3	817	1,366	-	2,183	1,155
4	9,120	12,691	-	21,811	12,776
5	494	8,649	-	9,143	8,521
6	-	254	-	254	255
7	5,856	249	-	6,105	62
8	-	142	-	142	142
9	-	4,578	-	4,578	4,842
10	24	3,743	(24)	3,743	3,743
11	8,075	11,092	-	19,167	11,727
12	1,483	15,541	-	17,024	15,348
13	378	4,378	-	4,756	4,378
14	3,978	16,579	-	20,557	16,425
15	7,739	20,157	-	27,896	17,977
16	9,596	59,228	-	68,824	57,688
17	9,016	134,335	(647)	142,704	130,191
80	686	3,734	-	4,420	3,536
Total	\$ 57,262	\$ 296,716	\$ (671)	\$ 353,307	\$ 288,766

	Interest Paid	Liens & Fees Paid	Over Paid	Pay Off	Assessment Balance Due	Assessment Not Billed
\$	53	\$ 72	\$ (133)	\$ 594	\$ 165	\$ 42,672
	60	72	(293)	26	545	8,270
	45	25	(83)	-	2,424	35,474
	984	120	(642)	25,676	15,055	229,480
	241	144	(302)	283	1,921	195,026
	-	-	-	1,177	-	2,611
	-	-	-	(5,900)	6,713	(2,639)
	18	-	-	-	-	1,634
	65	-	(2,628)	20,968	2,629	60,072
	68	-	(6,794)	72	6,794	58,518
	4,340	384	(2,093)	12,691	19,152	108,644
	1,498	192	(288)	2,630	5,216	265,017
	125	-	-	10	-	77,482
	461	96	-	420	6,178	388,345
	741	96	-	13,234	18,930	492,481
	1,789	236	(1,349)	21,966	23,400	1,538,738
	2,988	380	(780)	63,878	30,944	3,913,374
	192	72	-	-	1,759	110,451
\$	13,668	\$ 1,889	\$ (15,385)	\$ 157,725	\$ 141,825	\$ 7,525,650

	Interest Paid	Liens & Fees Paid	Over Paid	Net Balance
\$	-	\$ -	\$ -	-
	386	72	-	1,563
	12,022	1,477	-	107,825
	7,538	1,090	-	40,806
	6,281	784	-	50,784
	4,833	812	-	70,433
	4,253	596	-	71,685
	71	-	-	10,593
	657	72	-	3,792
	228	24	-	945
	1,387	144	-	2,946
	577	72	-	8,980
	2,089	216	-	8,930
	1,097	92	-	8,067
	299	-	-	-
	804	96	-	5,272
	66	-	-	-
	238	72	-	178
	898	240	-	7,056
\$	43,724	\$ 5,859	\$ -	\$ 399,855

	Interest Paid	Liens & Fees Paid	Over Paid	Pay Off	Bonded Interest Balance Due
\$	-	\$ -	\$ -	\$ -	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	1,028
	-	-	-	-	9,035
	-	-	-	-	622
	-	-	-	1	-
	-	-	-	-	6,043
	-	-	-	-	-
	-	-	-	264	-
	-	-	-	-	-
	-	-	-	17	7,457
	-	-	-	64	1,740
	-	-	-	-	378
	-	-	-	40	4,172
	-	-	-	202	10,121
	-	-	-	-	11,136
	-	-	-	1,403	13,916
	-	-	-	-	884
\$	-	\$ -	\$ -	\$ 1,991	\$ 66,532

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Statistical Section

Statistical Section

This part of the Town of Westport, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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Town of Westport, Connecticut

**Net Position By Component - Governmental Activities (amounts in \$000's)
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2008	2009	2010*	2011
Governmental activities:				
Net investment in				
capital assets	\$ 157,894	\$ 161,774	\$ 162,494	\$ 169,862
Restricted	-	-	-	1,036
Unrestricted	50,670	47,252	44,081	39,369
Total governmental				
activities net position	\$ 208,564	\$ 209,026	\$ 206,575	\$ 210,267

Source: Town CAFR.

* As restated for OPEB calculation.

Fiscal Year

2012	2013	2014	2015	2016	2017
\$ 173,829	\$ 172,068	\$ 179,785	\$ 189,372	\$ 191,337	\$ 194,977
565	5,721	1,942	1,563	1,448	6,450
36,446	47,384	47,800	30,090	35,272	28,349
\$ 210,840	\$ 225,173	\$ 229,527	\$ 221,025	\$ 228,057	\$ 229,776

Town of Westport, Connecticut

**Changes In Net Position - Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government	\$ 12,617,158	\$ 9,852,083	\$ 10,975,715	\$ 11,374,983
Education	110,101,139	110,630,097	118,321,399	120,367,980
Public safety	24,331,387	27,957,161	29,151,534	31,177,644
Public works	14,724,492	15,495,836	17,477,526	17,830,375
Public Health	380,154	462,459	919,000	942,487
Human services	1,757,647	1,761,349	1,364,063	1,478,767
Library	3,749,404	4,360,884	4,456,497	4,550,012
Parks and recreation	6,069,819	6,622,664	6,684,295	6,947,130
Interest on long-term debt	7,099,026	7,862,532	7,041,180	6,330,128
Total governmental activities expenses	180,830,226	185,005,065	196,391,209	200,999,506
Program revenue:				
Charges for services:				
General government	7,591,913	4,045,980	4,643,601	4,239,889
Education	11,012,028	12,059,075	11,413,044	11,676,409
Public safety	2,938,472	2,809,108	2,920,687	2,011,739
Public works	4,240,155	4,204,845	6,247,419	7,288,085
Public health	-	2,888	-	-
Human services	-	25,282	100,000	-
Library	-	8,477	-	-
Parks and recreation	4,753,945	4,389,314	4,699,734	5,483,119
Operating grants and contributions:				
General government	1,489,903	53,835	239,989	469,109
Education	-	3,428,646	4,663,949	5,030,762
Public safety	224,424	48,233	-	-
Public works	104,704	270,911	278,084	302,341
Public health	-	29,925	-	-
Human services	32,379	2,856	25,000	-
Library	-	8,518	-	-
Parks and recreation	-	11,310	53,464	29,469
Capital grants and contributions:				
General government	1,347,245	802,670	294,034	-
Education	143,057	1,054,194	-	-
Public safety	-	183,000	-	-
Public works	193,142	-	-	1,792,479
Public health	-	-	-	-
Human services	-	-	-	-
Total governmental activities program revenue	35,574,908	33,439,067	35,579,005	38,323,401
Net expense, governmental activities	(145,255,318)	(151,565,998)	(160,812,204)	(162,676,105)

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 11,073,562	\$ 10,326,736	\$ 10,439,729	\$ 10,701,594	\$ 11,228,235	\$ 11,280,500
121,730,173	123,891,368	128,050,923	132,548,839	135,571,831	144,834,354
32,872,330	34,482,888	37,092,494	35,515,418	38,054,143	37,098,744
19,327,263	20,209,086	20,914,735	20,691,572	20,052,604	22,645,981
462,459	476,222	490,398	529,263	542,402	547,789
2,182,077	2,190,771	2,544,263	2,370,402	2,324,058	2,307,889
4,491,987	4,727,152	4,167,223	4,757,836	4,797,486	5,257,678
7,401,911	7,378,199	7,881,271	7,956,964	8,024,263	8,597,191
5,747,851	4,518,118	3,624,476	3,719,438	3,084,264	2,820,510
205,289,613	208,200,540	215,205,512	218,791,326	223,679,286	235,390,636
4,681,842	1,910,277	1,968,761	1,823,324	2,262,827	2,236,264
14,389,227	14,651,388	17,196,606	17,482,391	16,278,430	25,380,094
3,463,743	4,302,512	4,637,324	4,600,319	5,106,292	4,831,821
5,618,961	14,649,210	6,892,404	14,108,490	9,163,534	7,820,506
-	-	-	-	-	-
117,420	177,747	167,641	180,907	152,692	145,581
-	-	-	-	-	-
4,741,290	4,548,808	4,508,593	5,197,664	5,247,373	5,356,015
262,960	1,537,408	1,097,037	1,158,913	602,249	626,748
4,265,942	3,584,068	3,726,161	4,091,482	4,514,674	2,391,433
-	65,680	50,927	381,807	29,798	109,556
276,237	290,893	934,619	492,759	2,455,703	523,940
-	-	-	-	-	-
29,640	28,825	28,528	28,528	32,289	26,489
-	-	-	-	-	-
-	51,279	52,094	-	-	-
-	-	626,748	-	-	-
-	310,845	290,111	279,412	268,753	251,973
-	-	-	-	-	-
408,218	940,095	1,603,199	1,022,747	1,186,216	1,030,223
-	-	-	-	-	-
-	-	26,489	-	-	-
38,255,480	47,049,035	43,807,242	50,848,743	47,300,830	50,730,643
(167,034,133)	(161,151,505)	(171,398,270)	(167,942,583)	(176,378,456)	(184,659,993)

(Continued)

Town of Westport, Connecticut

Changes In Net Position - Governmental Activities (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
General revenues and other changes in net position:				
Property taxes	\$ 142,537,842	\$ 151,356,844	\$ 158,085,030	\$ 164,625,209
Grants and contributions not restricted to specific programs	1,696,180	1,317,643	1,031,079	1,466,953
Investment earnings	2,683,477	1,487,694	610,670	275,678
Total governmental activities general revenue	146,917,499	154,162,181	159,726,779	166,367,840
Changes in net position	1,662,181	2,596,183	(1,085,425)	3,691,735
Governmental activities	\$ 1,662,181	\$ 2,596,183	\$ (1,085,425)	\$ 3,691,735

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 166,144,594	\$ 175,403,252	\$ 175,947,875	\$ 179,705,934	\$ 183,053,071	\$ 185,800,799
1,068,828	42,297	170,614	50,377	82,535	297,963
393,849	38,253	288,244	253,578	275,190	280,402
167,607,271	175,483,802	176,406,733	180,009,889	183,410,796	186,379,164
573,138	14,332,297	4,355,226	12,067,306	7,032,340	1,719,171
\$ 573,138	\$ 14,332,297	\$ 4,355,226	\$ 12,067,306	\$ 7,032,340	\$ 1,719,171

Town of Westport, Connecticut

**Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)**

Function / Program	Fiscal Year			
	2008	2009	2010	2011
Primary government:				
General government	\$ 10,429,061	\$ 4,902,485	\$ 5,177,624	\$ 4,708,998
Education	12,658,626	16,541,915	16,076,993	16,707,171
Public safety	3,162,896	3,040,341	2,920,687	2,011,739
Public works	4,538,001	4,475,756	6,525,503	9,382,905
Public health	-	32,813	-	-
Human Services	32,379	11,333	125,000	-
Library	-	33,800	-	-
Parks and recreation	4,753,945	4,400,624	4,753,198	5,512,588
Total governmental				
activities program revenue	\$ 35,574,908	\$ 33,439,067	\$ 35,579,005	\$ 38,323,401

Source: Town CAFR

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 4,944,802	\$ 3,447,685	\$ 3,065,798	\$ 2,982,237	\$ 2,865,076	\$ 2,863,012	
18,655,169	18,546,301	21,212,878	21,853,285	21,061,857	28,023,500	
3,463,743	4,368,192	4,688,251	4,982,126	5,136,090	4,941,377	
6,303,416	15,880,198	9,430,222	15,623,996	12,805,453	9,374,669	
-	-	-	-	-	-	
147,060	206,572	196,169	209,435	184,981	172,070	
-	-	-	-	-	-	
4,741,290	4,600,087	4,560,687	5,197,664	5,247,373	5,356,015	
\$ 38,255,480	\$ 47,049,035	\$ 43,154,005	\$ 50,848,743	\$ 47,300,830	\$ 50,730,643	

Town of Westport, Connecticut

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2008	2009	2010	2011
General fund:				
Nondisposable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	214,547
Committed	-	-	-	601,408
Assigned	-	-	-	7,398,103
Unassigned	-	-	-	21,291,908
Reserved or designated	7,618,009	6,442,444	1,168,017	-
Unreserved, undesignated	15,914,778	15,789,521	23,992,884	-
Total General Fund	\$ 23,532,787	\$ 22,231,965	\$ 25,160,901	\$ 29,505,966
All other governmental funds:				
Nondisposable	\$ -	\$ -	\$ -	\$ 16,929
Restricted	-	-	-	821,216
Committed	-	-	-	10,389,791
Assigned	-	-	-	2,390,099
Unassigned	-	-	-	(2,897,488)
Reserved or designated	3,991,911	2,236,997	5,910,888	-
Unreserved, undesignated, reported in:				
Special revenue funds	4,848,524	5,307,584	4,985,328	-
Debt service funds	2,898,033	2,709,664	2,614,784	-
Capital projects funds	(24,821,250)	721,256	5,357,426	-
Permanent fund	16,897	16,897	16,929	-
Total all other government funds	\$ (13,065,885)	\$ 10,992,398	\$ 18,885,355	\$ 10,720,547

* GASB 54 was implemented in Fiscal Year 2011.

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ -	\$ -	\$ -	\$ 358,000	\$ 404,147	\$ 606,686	
232,935	280,679	274,652	411,931	491,129	487,965	
394,952	436,046	290,922	419,970	372,382	573,081	
6,647,675	6,660,518	9,189,698	9,840,556	10,114,752	9,619,196	
20,512,849	26,158,189	26,132,360	24,785,716	27,518,345	26,062,008	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 27,788,411	\$ 33,535,432	\$ 35,887,632	\$ 35,816,173	\$ 38,900,755	\$ 37,348,936	
\$ 16,929	\$ 16,897	\$ 16,897	\$ 16,897	\$ 16,897	\$ 16,897	
332,434	5,440,087	1,031,783	1,811,525	2,099,398	1,935,903	
9,541,358	9,459,812	9,880,394	9,736,412	15,259,182	17,178,747	
2,326,679	1,981,915	1,708,812	17,902	-	-	
(5,632,054)	(330,760)	(1,146,136)	(2,608,721)	(890,105)	(1,689,643)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 6,585,346	\$ 16,567,951	\$ 11,491,750	\$ 8,974,015	\$ 16,485,372	\$ 17,441,904	

Town of Westport, Connecticut

**Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2008	2009	2010	2011
Revenues:				
Property taxes, interest and liens, net	\$ 141,064,308	\$ 151,452,153	\$ 155,340,454	\$ 161,327,432
Intergovernmental	6,872,673	7,777,703	6,886,580	9,392,095
Charges for services	6,978,208	5,955,655	6,314,037	6,089,241
Interest and dividends	2,560,532	1,453,765	599,902	270,912
Other	24,415,887	21,392,514	23,271,793	24,522,633
Total revenues	181,891,608	188,031,790	192,412,766	201,602,313
Expenditures:				
General Government	6,193,465	5,928,650	6,358,457	6,244,699
Public safety	17,895,446	20,574,482	19,368,191	19,794,054
Public works	10,564,915	10,583,559	10,476,953	9,990,477
Public health	380,154	462,459	919,000	942,487
Human services	996,016	1,217,726	610,357	573,881
Library	3,940,588	3,978,035	4,068,152	4,144,510
Parks and recreation	4,347,801	4,635,087	4,262,817	4,188,641
Education	101,335,131	103,600,802	108,825,724	110,943,544
Benefits and other	10,195,795	13,135,461	14,759,082	21,328,147
Capital outlay	9,160,999	11,707,853	4,518,529	7,919,336
Debt service:				
Principal	11,355,000	11,155,000	13,768,269	12,777,560
Interest and other charges	7,099,026	6,708,698	7,003,393	6,582,926
Total expenditures	183,464,336	193,687,812	194,938,924	205,430,262
Excess of revenues (under expenditures)	(1,572,728)	(5,656,022)	(2,526,158)	(3,827,949)
Other financing sources (uses):				
Transfers in	2,471,423	1,639,535	1,848,484	1,192,416
Transfers out	(2,471,423)	(1,639,535)	(1,148,484)	(1,192,416)
Issuance of long-term debt	-	28,413,483	12,500,000	-
Proceeds of refunding bonds	-	-	19,575,000	13,235,000
Payment to refunded bond escrow agent	-	-	(21,374,493)	(14,476,654)
Premium (discount) on long-term debt	-	-	1,947,544	1,249,860
Total other financing sources (uses)	-	28,413,483	13,348,051	8,206
Net changes in fund balance	\$ (1,572,728)	\$ 22,757,461	\$ 10,821,893	\$ (3,819,743)
Debt service as a percentage of noncapital expenditures	10.6%	9.8%	10.9%	9.8%

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 165,268,513	\$ 173,863,514	\$ 178,097,978	\$ 179,504,226	\$ 185,227,581	\$ 184,527,068	
6,612,807	7,152,150	8,182,321	7,361,358	9,255,252	5,633,354	
6,019,878	5,563,917	5,730,505	5,973,050	5,826,688	7,223,397	
393,482	38,253	276,195	253,579	275,190	280,402	
27,116,625	33,546,877	32,538,756	33,792,720	33,317,989	19,056,509	
205,411,305	220,164,711	224,825,755	226,884,933	233,902,700	216,720,730	
6,463,201	5,063,248	5,421,786	5,822,907	5,781,138	5,912,087	
20,332,221	21,015,315	21,851,861	22,343,671	22,586,747	22,881,574	
9,554,113	12,089,597	11,304,310	11,859,964	11,412,128	12,292,090	
462,459	476,222	490,398	529,263	542,402	547,789	
1,116,349	1,141,292	1,309,001	1,196,548	1,187,742	1,183,846	
4,249,027	4,310,415	4,463,377	4,588,170	4,702,998	4,755,561	
4,468,075	4,340,770	4,664,282	4,843,760	4,807,374	5,283,370	
114,716,201	117,411,271	122,770,261	127,170,273	128,859,855	139,261,039	
25,925,636	23,314,310	27,920,503	26,351,531	25,443,018	25,216,164	
4,890,238	4,065,139	9,880,178	7,663,433	6,221,634	11,517,737	
13,021,732	12,936,062	12,741,549	12,767,215	13,231,287	13,375,111	
6,216,111	5,629,031	4,732,249	4,337,392	3,953,491	3,382,544	
211,415,363	211,792,672	227,549,755	229,474,127	228,729,814	245,608,912	
(6,004,058)	8,372,039	(2,724,000)	(2,589,194)	5,172,886	(28,888,182)	
1,385,650	1,447,865	1,883,829	2,004,201	2,550,841	2,693,284	
(1,385,650)	(1,447,865)	(1,883,829)	(2,004,201)	(2,550,841)	(2,693,284)	
-	6,990,000	-	-	5,220,000	6,900,000	
13,210,000	28,450,000	-	-	8,480,000	11,875,000	
(15,201,508)	(31,844,772)	-	-	(8,806,210)	(12,467,357)	
2,142,810	3,752,359	-	-	529,263	1,233,252	
151,302	7,347,587	-	-	5,423,053	7,540,895	
\$ (5,852,756)	\$ 15,719,626	\$ (2,724,000)	\$ (2,589,194)	\$ 10,595,939	\$ (21,347,287)	
9.3%	8.9%	8.0%	7.7%	7.7%	7.2%	

Town of Westport, Connecticut

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2008	\$ 135,660,458	\$ 1,923,981	\$ 4,616,816	\$ 142,201,255
2009	143,053,722	2,591,413	4,865,489	150,510,624
2010	146,268,621	3,086,300	4,592,327	153,947,248
2011	152,263,103	3,609,993	4,726,810	160,599,906
2012	153,052,005	4,268,967	5,657,881	162,978,853
2013	159,186,715	4,440,637	6,114,594	169,741,946
2014	163,452,655	4,932,287	6,156,499	174,541,441
2015	164,687,590	5,000,344	6,318,824	176,006,759
2016	169,598,693	5,044,579	6,437,843	181,081,115
2017	171,285,417	4,725,057	6,137,554	182,148,028
Change 2008-2017	26.26%	145.59%	32.94%	28.09%

Source: Town Tax Office

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Town of Westport, Connecticut

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Residential Property	Commercial Property	Miscellaneous Land	Personal Property	Motor Vehicle
2008	\$ 8,410,220,950	\$ 1,381,063,780	\$ 189,880,058	\$ 141,408,255	\$ 292,863,073
2009	8,610,860,982	1,371,963,960	156,834,958	180,461,823	305,860,770
2010	8,789,034,831	1,352,101,849	130,990,168	208,293,325	291,794,465
2011	8,894,264,509	1,358,598,769	133,636,189	248,799,018	284,705,800
2012*	7,734,262,100	1,158,169,490	113,250,700	253,810,518	298,384,513
2013	7,763,534,000	1,183,104,010	134,947,500	257,481,363	316,208,815
2014	7,907,326,510	1,172,334,840	128,435,260	285,092,327	311,509,693
2015	7,998,152,457	1,181,605,840	142,159,475	296,675,630	319,602,814
2016	8,127,443,492	1,204,193,240	141,210,470	293,247,451	323,594,003
2017	8,759,894,620	1,329,451,610	174,663,910	287,220,331	321,974,254

Source: Assessor's Office

* Revaluation

Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
\$ 10,415,436,116	13.73	\$ 14,879,194,451	70.00%
10,625,982,493	14.41	15,179,974,990	70.00%
10,772,214,638	14.41	15,388,878,054	70.00%
10,920,004,285	14.85	15,600,006,121	70.00%
9,557,877,321	17.43	13,654,110,450	70.00%
9,655,275,688	17.91	13,793,250,982	70.00%
9,804,698,630	18.07	14,006,712,414	70.00%
9,938,196,216	17.94	14,197,423,166	70.00%
10,089,688,656	18.09	14,413,840,937	70.00%
10,873,204,725	16.86	15,533,149,607	70.00%

Town of Westport, Connecticut

**Principal Property Taxpayers
Current Year and Ten Years Ago
(Unaudited)**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Eversource (CT Light & Power)	\$ 136,098,970	1	1.25%	\$ 28,607,660	2	0.28%
Nayala Farms	89,277,600	2	0.82%	88,292,810	1	0.85%
Equity One Westport Village Center	35,051,200	3	0.32%	-	-	-
Bedford Square Assoc LLC	26,964,700	4	0.25%	-	-	-
4 Byelas LLC	24,424,500	5	0.22%	-	-	-
Campana 125 LLC	20,767,800	6	0.19%	24,782,100	4	0.24%
285 & 355 Riverside LLC	20,177,600	7	0.19%	-	-	-
SL Greens Farms Road LLC	19,937,500	8	0.18%	-	-	-
Heyman, Ronnie F Trustee	19,508,800	9	0.18%	-	-	-
Bridgewater Associates, Inc.	17,712,920	10	0.16%	-	-	-
5557 Greens Farm LLC	-	-	-	25,272,000	3	0.24%
Roseville Estates	-	-	-	24,650,210	5	0.24%
Byelas Irving Irrevocable Trust	-	-	-	17,500,000	6	0.17%
Post Road East/Wright Street LLC	-	-	-	16,968,400	7	0.16%
Toyota Motor Credit Corp.	-	-	-	16,488,686	8	0.16%
Godfrey, Peter & Barbara	-	-	-	16,813,300	9	0.16%
Westport Retail Co-Investors LLC	-	-	-	16,338,400	10	0.16%
Total	\$ 409,921,590		3.77%	\$ 275,713,566		2.67%

Source: Town Records

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Town of Westport, Connecticut

**Property Tax Levies And Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year*	Collected Within the Fiscal Year of the Levy	
			Amount**	Percentage of Levy
2008	2006	\$ 141,781,845	\$ 140,244,615	98.92%
2009	2007	152,131,322	149,667,754	98.38%
2010	2008	154,744,649	152,062,370	98.27%
2011	2009	161,312,670	158,440,196	98.22%
2012	2010	165,869,302	162,978,853	98.26%
2013	2011	172,389,099	169,741,946	98.46%
2014	2012	177,158,678	174,541,441	98.52%
2015	2013	178,586,782	176,006,759	98.56%
2016	2014	182,788,557	181,081,114	99.07%
2017	2015	183,629,029	182,148,028	99.19%

Source: Town Tax Records

* Adjusted for subsequent years' lawful additions/deletions

** Modified accrual basis

n/a: Information not applicable.

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 992,519	\$ 141,237,134	99.62%
1,764,993	151,432,747	99.54%
1,945,286	154,007,656	99.52%
1,990,728	160,430,924	99.45%
1,962,289	164,941,142	99.44%
1,677,670	171,419,616	99.44%
1,517,631	176,059,072	99.38%
1,405,814	177,412,573	99.34%
472,909	181,554,023	99.32%
n/a	n/a	n/a

Town of Westport, Connecticut

**Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Gross Debt as a Percentage of Personal Income	Net Debt Per Capita ⁽²⁾
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt ⁽¹⁾			
2008	\$ 154,530,000	\$ 2,976,675	\$ 151,553,325	1.019%	7.889%	5,705
2009	171,788,483	2,709,664	169,078,819	1.114%	8.702%	6,460
2010	169,880,214	2,614,784	167,265,430	1.087%	8.738%	6,222
2011	156,777,654	2,374,895	154,402,759	0.990%	6.692%	5,851
2012	142,625,922	2,524,395	140,101,527	1.026%	6.027%	5,309
2013	139,377,372	1,964,130	137,413,242	0.996%	5.800%	5,028
2014	128,605,339	1,690,173	126,915,166	0.906%	5.410%	4,430
2015	114,924,691	1,546,536	113,378,155	0.799%	4.792%	3,929
2016	106,523,982	1,431,357	105,092,625	0.729%	4.151%	3,567
2017*	99,870,319	1,225,189	98,645,130	0.635%	3.944%	3,543

*Revaluation

⁽¹⁾ Non-restricted assets.

⁽²⁾ State of Connecticut Department of Public Health July 1, 2012.

Town of Westport, Connecticut

**Direct Governmental Activities Debt
For the Year Ended June 30, 2017
(Unaudited)**

Governmental Unit	Debt Outstanding
General obligation debt	\$ 99,870,319
Less school construction grants receivable - principal portion only	<u>(493,300)</u>
Total direct debt	<u>\$ 99,377,019</u>

Sources: Town records

Note: The Town is not subject to the debt of overlapping governments.

Note: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

Town of Westport, Connecticut

**Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

	2008	2009	2010	2011
Debt limit	\$ 993,171	\$ 1,056,150	\$ 1,086,199	\$ 1,124,514
Total net debt applicable to limit	151,351	169,175	167,568	154,812
Legal debt margin	\$ 841,820	\$ 886,975	\$ 918,631	\$ 969,702
Total net debt applicable to the limit as a percentage of debt limit	17.979%	19.073%	18.241%	15.965%

2012	2013	2014	2015	2016	2017
\$ 1,158,882	\$ 1,217,125	\$ 1,248,031	\$ 1,251,172	\$ 1,292,501	\$ 1,293,507
140,943	137,968	120,433	113,973	105,802	99,377
\$ 1,017,939	\$ 1,079,157	\$ 1,127,598	\$ 1,137,199	\$ 1,186,699	\$ 1,194,130
13.846%	12.785%	10.680%	10.022%	8.916%	8.322%

Town of Westport, Connecticut

**Computation of Legal Debt Limitation
June 30, 2017**

Total tax collections (including interest and lien fees) for the year ended June 30, 2017 \$ 184,711,812

Reimbursement for revenue loss:
Tax relief for Elderly Homeowner Freeze 74,917

Base \$ 184,786,729

Debt limit \$ 1,293,507,103

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 415,770,140	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	831,540,281	-	-	-
3-3/4 times base	-	-	692,950,234	-	-
3-1/4 times base	-	-	-	600,556,869	-
3 times base	-	-	-	-	554,360,187
Total debt limitation	<u>415,770,140</u>	<u>831,540,281</u>	<u>692,950,234</u>	<u>600,556,869</u>	<u>554,360,187</u>
Debt as defined by statute:					
Bonds payable	14,929,500	51,191,500	28,016,259	-	-
Bonds authorized but not issued, issue dates not yet established	15,686,000	596,000	-	-	-
Construction grants	-	(493,300)	-	-	-
Total indebtedness	<u>30,615,500</u>	<u>51,294,200</u>	<u>28,016,259</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 385,154,640</u></u>	<u><u>\$ 780,246,081</u></u>	<u><u>\$ 664,933,975</u></u>	<u><u>\$ 600,556,869</u></u>	<u><u>\$ 554,360,187</u></u>

Town of Westport, Connecticut

**Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 3,245,121	\$ 1,916,572	\$ 1,328,549	\$ 826,980	\$ 315,413	86%
2009	3,404,158	1,801,859	1,602,299	783,580	293,605	67%
2010*	3,592,427	1,714,641	1,877,786	2,551,131	756,698	176%
2011	3,937,351	2,124,790	1,812,561	1,638,000	760,160	132%
2012	3,997,067	2,086,437	1,910,630	1,670,929	717,041	125%
2013	4,090,615	2,230,726	1,859,889	1,672,490	678,110	126%
2014	4,419,940	2,165,806	2,254,134	1,866,272	702,606	114%
2015	4,860,525	2,286,781	2,573,744	1,833,521	633,912	96%
2016	4,683,726	2,141,834	2,541,892	1,819,047	589,451	95%
2017	4,487,463	2,192,871	2,294,592	1,935,193	544,132	108%

* The significant increase in debt service, on a GAAP basis, is due to the initial payment on September 1, 2009 on a loan from the State of Connecticut for the Water Pollution Control Facility of \$1,704,809, subsequently monthly payments of \$142,402 will be made through September 2028.

Town of Westport, Connecticut

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30	Population*	Per Capita Income**	Median Age**	School Enrollment	Unemployment(***) Rate
2008	\$ 26,592	\$ 73,664	39.4	5,706	4.1%
2009	26,799	73,664	39.4	5,764	6.3%
2010	26,393	73,664	39.4	5,788	6.0%
2011	26,391	88,775	44.0	5,784	6.4%
2012	26,656	88,775 **	44.6	5,770	6.4%
2013	27,068	88,775 **	44.0	5,799	6.1%
2014	27,068	87,829 **	44.6	5,796	4.7%
2015	27,308	87,829 **	44.4	5,749	4.1%
2016	27,899	91,990 **	46.0	5,750	4.6%
2017	27,840	90,945 **	45.3	5,634	4.5%

*United States Census

**USA.com (2014)

***State of Connecticut Labor Department

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Town of Westport, Connecticut

**Full-Time Equivalent Town Government Employees By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Functions/Program	Full-Time Equivalent as of June 30,			
	2008	2009	2010	2011
Governmental services:				
Selectman's office	4	4	4	2
Town clerk	5	5	6	5
Finance	11	9	9	8
Internal audit	0	0	1	1
Information technology	2	3	3	2
Legal	1	1	1	1
Building department	5	5	4	4
Personnel	3	3	3	3
Planning & zoning	9	9	8	7
Historic district	0	1	1	1
Conservation	5	5	5	5
Human services	14	14	14	14
Assessor	7	8	7	6
Tax collector	5	5	5	5
Registrar	1	1	1	1
Parks and recreation:				
General & administrative	8	8	8	6
Programs	2	2	2	2
Field maintenance	4	4	4	4
Park maintenance	4	4	2	2
Maintenance & development	4	4	4	3
Golf course(s)	8	7	6	6
Boating	1	1	1	1
Police:				
Officers	0	70	70	67
Civilians	22	24	24	24
Fire:				
Firefighters and officers	63	67	66	66
Civilians	7	7	8	6
Public works:				
Engineering	11	11	10	9
Highway	18	18	18	16
Equipment maintenance	2	2	1	2
Solid waste disposal	4	4	3	3
Building maintenance	6	6	6	6
Custodians	7	7	6	4
Sewage treatment	5	5	5	5
Sewage collection	3	3	3	3
Other programs/functions:				
Library	53	52	51	52
Total	374	379	370	352

Sources: Town and Library Records

Full-Time Equivalent as of June 30,

2012	2013	2014	2015	2016	2017
2	1	4	4	4	4
5	5	5.5	5.5	5.5	5.5
8	9	8	8	8	8
1	1	1	1	1	0
2	2	2	2	2	2
1	0	0.5	0.5	0.5	0.5
4	4	5	5	5	5
3	3	4	4	5	3.5
7	7	7	7	8	8
1	1	1	1	1	0
5	5	5	5	5	5
14	14	14	14	13.5	11
6	6	6	6	6	5
5	5	5	5	5	5.5
1	1	1	1	1	1
6	7	6	6.5	6	5.5
2	2	0	0	4	5
4	3	3	3	2	0
2	2	2	2	4	2
3	3	4	3	4	10.5
5	5	1	0	1	0.5
1	1	1	1	1	1
64	64	63	62	60	63
23	19	19	18.5	17.5	20.5
67	67	66	65	64	58
6	10	7.5	6	7	5.5
9	9	8	11	10	8.5
16	16	16	16	18	16
2	2	2	2	2	2
3	3	3	3	4	3
6	6	6	5	6	7
3	3	3	5.5	4	3
5	5	5	5	5	4
3	3	3	3	3	3
53	53	52	52	52	52
348	326	339.5	338.5	345	334

Town of Westport, Connecticut

**Operating Indicators By Function/Program
Last Ten Years
(Unaudited)**

Function/Program	Fiscal Year			
	2008	2009	2010	2011
Police:				
Calls for service	21,707	21,304	24,718	24,920
Adult arrest	895	839	822	723
Juvenile referrals	38	14	42	38
Speeding citations only	1,303	999	621	582
Traffic citations	2,482	5,709	6,208	5,911
EMS Patients	1,989	1,680	1,807	1,737
Fire*:				
Total emergency service calls	3,730	3,354	3650*	3,971*
Property loss*	n/a	n/a	n/a	n/a
Building safety:				
Total building permits	3,897	2,754	3,325	4,198
Total value all permits (\$000)	169,305	70,872	96,925	122,111
Library, volumes in collection (Physical)	225,704	224,094	224,094	231,577
Library, volumes in collection (Digital)	n/a	n/a	n/a	n/a
Public works:				
Solid waste collected (ton)	19,566	18,222	19,163	17,892
Recycle collected (ton)	4,215	1,358	1,312	1,268
Parks and recreation:				
Recreation program attendance	9,866	9,561	10,048	10,370
Aquatics program attendance	698	714	951	883
Golf rounds played	36,332	36,969	37,756	34,456

Source: Town Records

*Calendar year reporting

n/a: Information not available.

Fiscal Year					
2012	2013	2014	2015	2016	2017
25,094	24,346	21,327	21,997	n/a	26,170
628	595	388	310	n/a	662
18	23	39	24	n/a	26
958	574	537	381	n/a	470
5,100	2,918	2,521	2,300	n/a	2,677
1,832	2,110	2,299	2,354	n/a	2,720
3,971*	3,995	3,310	3,170	3,096	3,342*
n/a	n/a	n/a	n/a	n/a	312,813
4,972	5,624	5,087	4,610	4,292	3,522
110,952	147,156	157,413	148,514	202,301	112,160
204,813	160,656	170,345	175,498	175,129	150,434
n/a	n/a	n/a	n/a	n/a	77,683
14,615	14,430	14,462	14,794	14,526	13,243
3,417	3,662	3,492	3,463	3,238	3,255
10,493	10,333	10,881	10,721	10,589	10,479
904	966	877	868	821	862
36,744	31,728	27,093	34,215	35,831	34,142

Town of Westport, Connecticut

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2008	2009	2010	2011
Police:				
Stations	1	1	1	1
Fire, Fire Stations	4	4	4	4
Public works:				
Public works vehicles	50	49	49	49
Streets (miles)	124	124	124	124
Traffic signals	2	2	4	4
Parks & recreation:				
Acreage	419	419	419	419
Parks	22	22	22	22
Golf course	1	1	1	1
Baseball/softball diamonds	24	24	24	24
Soccer/football fields	12	12	12	12
Basketball courts	2	2	2	2
Tennis courts	23	23	23	23
Swimming pools	2	2	2	2
Parks with playground equipment	4	4	4	4
Picnic shelters	2	2	2	2
Library:				
Facilities	1	1	1	1
Volumes	225,704	224,094	226,417	225,615
Wastewater:				
Sanitary sewers (miles)	76	81	81	86
Storm sewers (miles)	44	44	45	45

Source: Town Records

* Library also has 77,683 in digital volumes

2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
4	4	4	4	4	4
49	49	60	60	60	50
124	124	124	124	124	124
4	4	4	4	4	4
419	419	419	419	419	419
22	22	22	22	22	22
1	1	1	1	1	1
24	24	24	24	24	24
12	12	12	12	12	12
2	2	2	2	2	2
23	23	23	23	23	23
2	2	2	2	2	2
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
204,813	160,656	170,345	175,498	175,129	150,434*
86	86	86	86	86	88
45	45	45	56	56	57

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