

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



For the Fiscal Year Ended June 30, 2012

The Town of Westport, Connecticut

Comprehensive Annual Financial Report

For

The Fiscal Year Ended June 30, 2012

Prepared By:

**Town of Westport
Finance Department**

**Gary G. Conrad
Finance Director**

TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal.....	i-iv
Certificate of Achievement for Excellence in Financial Reporting.....	v
Organization Chart Westport Town Government.....	vi
Principal Town Officials	vii
II. FINANCIAL SECTION	
Independent Auditor’s Report.....	1-2
Management’s Discussion and Analysis	3-9

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Assets.....	11
Statement of Activities.....	12

Fund Financial Statements:

Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances– Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Assets – Proprietary Funds.....	16
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18

TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

II. FINANCIAL SECTION, Continued

Statement of Fiduciary Net Assets - Fiduciary Funds	19
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	20
Notes to Financial Statements	21-59

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Pension Trust Funds.....	61
Schedule of Employer Contributions – Pension Trust Funds	62
Schedule of Funding Progress – Other Post-Employment Benefits Trust.....	63
Schedule of Employer Contributions – Other Post-Employment Benefits Trust.....	63
Statement of Revenues, Expenditures and Encumbrances – Budgetary Basis – Budget and Actual – General Fund and Sewer Operating Fund.....	64-65
Note to Required Supplementary Information	66-68

**SUPPLEMENTAL AND COMBINING
NONMAJOR FUND STATEMENTS AND SCHEDULES**

GENERAL FUND

General Fund Revenues and Transfers In – Budgetary Basis – Budget and Actual	69-70
General Fund Expenditures and Transfers Out – Budgetary Basis – Budget and Actual	71-73

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet.....	76-79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	80-83
Schedule of Revenues, Expenditures and Transfers – Budgetary Basis – Budget and Actual – Sewer Operating Fund	84

TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

INTERNAL SERVICE FUNDS

Combining Statement of Net Assets (Deficits)	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)	86
Combining Statement of Cash Flows	87

FIDUCIARY FUNDS

Combining Statement of Assets and Liabilities - Agency Funds.....	89
Combining Statement of Changes in Assets and Liabilities – Agency Funds ..	90

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

Schedule By Category.....	91
Schedule By Function and Activity	92
Schedule of Changes	93

OTHER SCHEDULES

Balance Sheet – By Account – General Fund	96-97
Schedule of Revenues, Expenditures and Changes in Fund Balance – By Account – General Fund	98-99
Schedule of Property Taxes Levied, Collected and Outstanding	100-101
Schedule of Changes in Sewer Assessments and Sewer Use Charges Receivable.....	102-103

III. STATISTICAL SECTION

Net Assets by Component - Governmental Activities	106-107
Changes in Net Assets - Governmental Activities.....	108-111
Program Revenues by Function/Program	112-113
Fund Balances, Governmental Funds.....	114-115

TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

III. STATISTICAL SECTION, Continued

Changes in Fund Balances, Governmental Funds	116-117
Tax Revenues by Source, Governmental Funds	118
Assessed Value and Estimated Actual Value of Taxable Property	120-121
Principal Property Taxpayers	122
Property Tax Levies and Collections	124-125
Ratio of Net General Bonded Debt Outstanding by Type	126
Direct Governmental Activities Debt	127
Legal Debt Margin Information	128-129
Computation of Legal Debt Limitation	130
Pledged - Revenue Coverage	131
Demographic and Economic Statistics	132
Full-Time Equivalent Town Government Employees by Function/Program	134-135
Operating Indicators by Function/Program	136-137
Capital Asset Statistics by Function/Program	138-139

Introductory Section

WESTPORT CONNECTICUT



FINANCE DEPARTMENT

110 MYRTLE AVENUE
WESTPORT, CT 06880

December 14, 2012

Honorable Gordon F. Joseloff, First Selectman
Shelly A. Kassen, Selectman
Charles W. K. Haberstroh, 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, 2012.

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.

McGladrey LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Westport, Connecticut's financial statements for the year ended June 30, 2012. 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 2011. 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 64 and 69-73 as a part of the basic financial statements for the governmental funds. For the sewer operating fund, a major fund with an appropriated annual budget, this comparison is included on pages 65 and 84.

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, 2012 was 6.4% compared to Fairfield county and the State respectively of 7.6% and 8.4%. Bureau of Census data for the 2010 census identifies Median Family Income in Westport of \$153,131.

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 2017. 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 \$54,645,000. Financing, net of state and federal project grants, for these projects will be provided through debt proceeds of approximately \$43,096,733, while an additional \$11,548,356 is scheduled to be funded through annual appropriation in the General Fund, Sewer Fund and/or Capital and Non-Recurring Fund.

Other major projects to be bonded, net of grants, in the plan include: recreation facilities improvements (\$10,945,000); Library replacement (\$5,512,000); various school ventilation upgrades (\$12,507,933); and public safety and protection (\$8,755,800).

The financial impact of these initiatives is reviewed by the Board of Finance, RTM and management on an ongoing basis.

Risk Management. The Town's risk management objective is to provide a safe environment for both employees and members of the public who utilize the services and facilities of the Town. Various insurance carriers cover major risks, and an outside professional continually reviews risks and coverages. All insurance coverages are adjusted accordingly based on this review of risk. Ongoing efforts are directed at preventing accidents and controlling exposure and financial loss by use of outside safety consultants to review losses and develop safety programs and facilities inspection analyses for the Town safety committees.

The Town has self-insured workers compensation insurance programs through the Connecticut Interlocal Risk Management Agency (CIRMA) with stop-loss coverage for claims in excess of the determined aggregate limits; the Town is fully reserved for loss within the stop loss limits. The Board of Education is fully insured and premium based for its Workers Compensation insurance. CIRMA is a nonprofit, tax-exempt association of Connecticut municipalities and local public agencies. Its purpose is to establish and administer an interlocal risk management program pursuant to the Connecticut General Statutes.

The Town is fully insured through commercial insurance companies for various risks of loss related to property damage and liability with minor funded deductibles.

The Town is self-insured for employee health claims through two Medical Self-Insurance Funds. The Town also purchases stop-loss coverage for health claims in excess of determined individual and aggregate limits.

Pension Benefits. 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 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. 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.

The total pension payments from the five defined benefit plans to retirees, widows and beneficiaries for 2011-2012 were \$10,066,374.

As of June 30, 2012, the fair market value of the Defined Benefit Master Trust for assets in these five (5) funds was \$201,161,198.

The Town's Defined Contribution Plan had no assets as of June 30, 2012. The new Plan was adopted by the Representative Town Meeting effective October 1, 2012.

The investment of each of the five trust funds is 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 pension funds). The Investment Committee makes investment decisions based on the guidelines of the investment policy established by the pension board of each of the pension funds.

The Investment Committee has adopted an investment policy which provides for a diverse mix of assets including long duration and core fixed income, domestic and international equities, and alternative investments.

The two Defined Contribution Plans are self directed by the participant. The Investment Committee for these Plans has adopted an investment policy that offers a mix of assets for the individual to choose including Target Funds, Bond and Equity Funds.

Other Post Employment Benefits. The Town provides post-retirement benefits for certain employees for current and future health 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 Town Other Post Employment Benefits (OPEB) consists of medical benefits for retirees. The Town pays between 50-60% of the cost of medical benefits for eligible retirees with the retiree contributing the balance. The actuarial accrued liability for the other post employment benefits based on the most recent valuations is \$106,520,000. In fiscal year 2009, an irrevocable trust was established to begin funding of that liability. As of June 30, 2012 the trust maintains assets of \$11,575,259. For additional information please see footnote No. 9.

Awards and Acknowledgements

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, 2011. This was the tenth 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 McGladrey 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

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



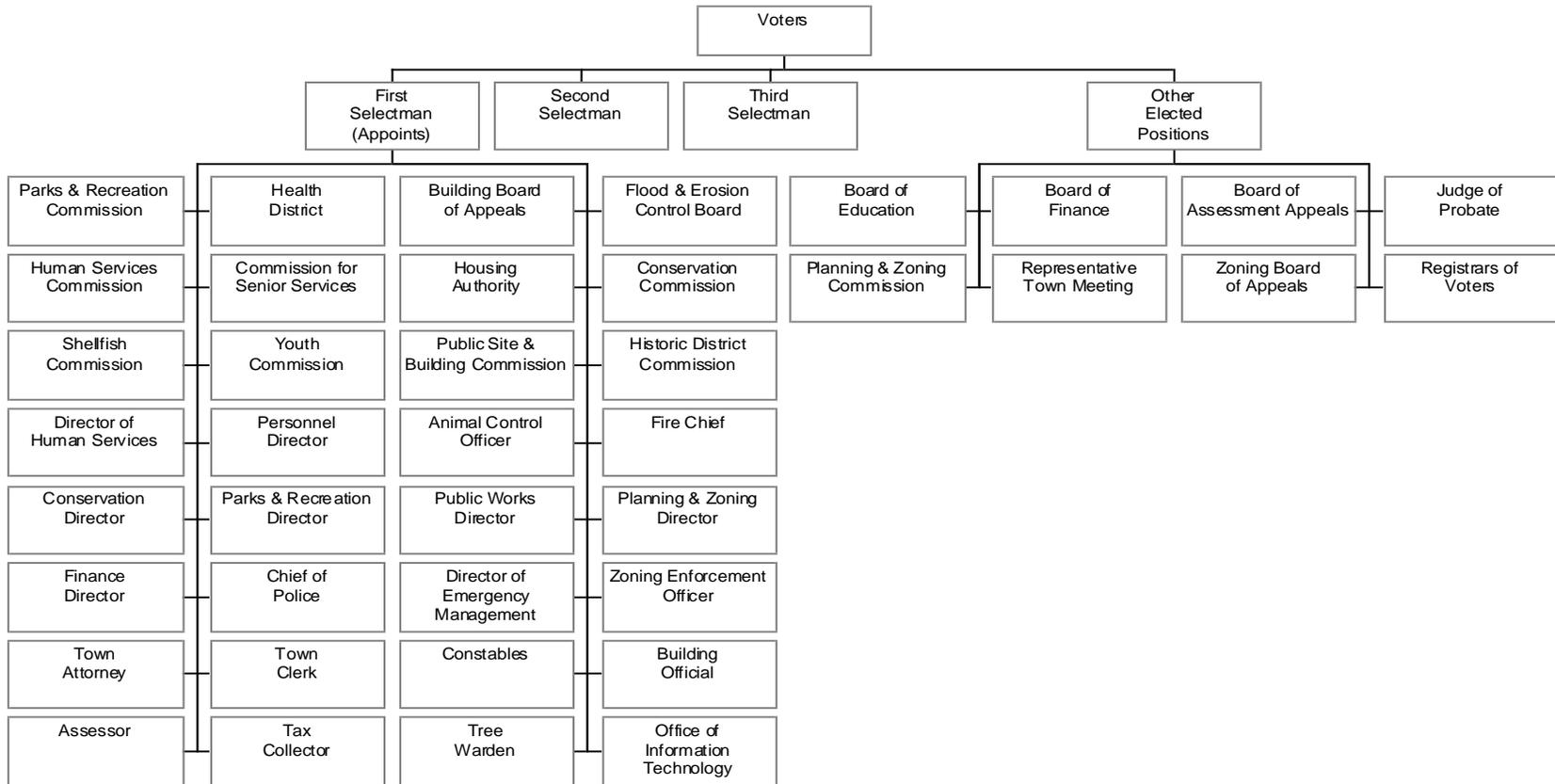
Linda C. Danison

President

Jeffrey R. Emmer

Executive Director

Town of Westport, Connecticut



TOWN OF WESTPORT, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

As of June 30, 2012

First Selectman	Gordon F. Joseloff
Selectwoman.....	Shelly A. Kassen
Selectman	Charles W. K. Haberstroh
Chair, Board of Finance	Avi Kaner
Finance Director	Gary G. Conrad
Superintendent of Schools	Elliott Landon
Director of Public Works.....	Stephen Edwards
Fire Chief	Andrew Kingsbury
Police Chief	Dale Call
Director of Parks & Recreation.....	Stuart S. McCarthy
Town Attorney	Ira W. Bloom

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Financial Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Westport's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Westport Library Association Investment Fund, Inc., a component unit of the Town, which financial statements reflect total assets and total revenues of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to amounts included for the Westport Library Association Investment Fund, Inc., a discretely presented component unit of the Town, is based solely on the report of the other auditors.

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. The financial statements of the Westport Library Association Investment Fund, Inc. were not audited in accordance with "Government Auditing Standards." An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 14, 2012 on our consideration of the Town of Westport, Connecticut'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westport, Connecticut's basic financial statements. The introductory section, supplemental and combining nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental and combining nonmajor fund financial statements and schedules have 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 supplemental and combining nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section 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.

McGladrey LLP

New Haven, Connecticut
December 14, 2012

TOWN OF WESTPORT, CONNECTICUT
Management's Discussion and Analysis
June 30, 2012
(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, 2012. 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 2013, many challenges still remain due to the still fragile state of the economy and the level of unemployment. These challenges may include declining non tax revenue sources, reduction of state grant monies and increasing cost of employee benefits.

Financial Highlights – Primary Government

The Town's net assets increased as a result of this year's operations. The assets of the Town of Westport exceeded its liabilities at the close of the most recent fiscal year by \$210,840 (net assets). Of this amount, \$36,446 (unrestricted net assets) 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 \$34,374. Management has committed the maintenance of a minimum General Fund unassigned fund balance of 9.00-11.00% of the annual General Fund budget.

As of the end of the current fiscal year, unassigned fund balance for the General Fund decreased by \$779 from the prior year. The key factor to this decrease is due to application of \$3,000 in fund balance to the 2011-2012 budget. This unassigned fund balance at June 30, 2012 is 10.4% of general fund revenues.

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 assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 include not only the Town itself (known as the primary government), but also a legally separate Westport Library Association Investment Fund, Inc. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. These activities are incorporated into governmental activities in the government-wide financial statements.

The government-wide financial statements can be found on pages 11-12 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the 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-four (24) 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 and the Sewer Operating Fund. Eleven (11) special revenue funds, eight (8) capital project funds, two (2) major funds, two (2) permanent funds and one (1) debt service fund are combined into aggregate 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 and the sewer operating 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 13-14 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 16-18 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 basic fiduciary fund financial statements can be found on pages 19-20 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 21-59 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 61-65 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westport, assets exceeded liabilities by \$210,840 at the close of the most recent fiscal year. This is an increase of \$573 from the previous year.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY OF NET ASSETS
June 30, 2012 and 2011**

	Governmental Activities	
	2012	2011
Current and Other Assets	\$ 71,698	\$ 74,771
Capital Assets	319,558	328,656
Total Assets	391,256	403,427
Long-Term Liabilities	169,893	182,067
Other Liabilities	10,523	11,093
Total Liabilities	180,416	193,160
Net assets:		
Invested in capital assets, net of related debt	173,829	169,862
Restricted	565	1,036
Unrestricted	36,446	39,369
Total Net Assets	\$ 210,840	\$ 210,267

The largest portion of the Town's net assets (82.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. 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 \$565 of restricted net assets.

The Town's unrestricted net assets of \$36,446 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 assets, both for the Town as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town's net assets by \$573, thereby accounting for a 0.3% growth. The increase of \$573 of net assets is \$3,119 less than the previous year increase of \$3,692 due to current economic conditions and a current policy allowing only essential capital project expenditures. The Town also received capital grants of \$408 which is \$1,384 less than the prior year's amount of \$1,792.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY OF CHANGES IN NET ASSETS
Years Ended June 30, 2012 and 2011**

	2012	2011
Revenues:		
Charges for services	\$ 33,012	\$ 30,699
Operating grants and contributions	4,835	5,832
Capital grants and contributions	408	1,792
General Revenues:		
Property taxes	166,145	164,625
Grants and contributions not restricted to specific programs	1,069	1,467
Unrestricted investment earnings	394	276
Total Revenues	205,863	204,691
Expenses:		
General Government	11,074	11,375
Public Safety	32,872	31,178
Public Works	19,327	17,830
Health and Human Services	2,645	2,421
Library	4,492	4,550
Education	121,730	120,368
Parks and Recreation	7,402	6,947
Debt Service	5,748	6,330
Total Expenses	205,290	200,999
Increase in net assets	573	3,692
Net Assets, beginning	210,267	206,575
Net Assets, ending	\$ 210,840	\$ 210,267

Key elements of this increase are as follows:

Eighty-one percent (81%) of the revenues of the Town were derived from property taxes, followed by fifteen percent (15%) from program revenues, then four percent (4%) from grants and contributions, investment earnings and other sources.

Expenses and Program Revenues – Government-Wide Activities

Major revenue factors included:

Property tax revenues recorded for the fiscal year 2012 reflect a decrease in the Town's net taxable grand list approximating 12.5% due to revaluation. The tax rate increased to a mill rate of 17.43 mills. Total collections for the year exceeded budgetary expectations by \$1,883.

Investment earnings increased to \$394 in the fiscal year from \$276 in the prior fiscal year due to significantly higher interest rates.

Intergovernmental revenue decreased from the prior fiscal year by \$2,779 due to storm-related reimbursements in Fiscal year 2010-11.

For Governmental Activities, 62% of the Town's expenses relate to education and library, 17% relate to public safety, health and welfare, more than 9% relate to public works/operations, 4% to Parks and Recreation activities, 3% to interest payments on the Town's long-term debt, and the remaining 5% relates to government and community services, administration and other areas.

Major expense factors include:

Pension and OPEB funding increased due to an increase in the actuarial required contribution.

Education expenses increased by \$1,362 for the fiscal year.

Insurance costs have increased by approximately \$987. The growth in the student population of 33% over the last ten years has resulted in continued significant adjustments to the Board of Education operating budget.

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 \$34,374, a decrease from \$40,226 as of June 30, 2011. This decrease is due to negative fund balances in certain Capital Projects Funds yet to be bonded.

General fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20,513 (compared to \$21,292 in the prior year), while total fund balance reached \$27,788. 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 10.3% of total general fund expenditures, while total fund balance represents 14.0% of that same amount. The unassigned fund balance of the Town's general fund decreased by \$779 during the current fiscal year.

Strength in the local housing market provided strong building permit revenue of \$1,150 and conveyance tax revenue of \$1,447.

Sewer operating fund. The fund balance has decreased by \$60.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$5,513 and can be briefly summarized as follows:

- \$4,413 increase in OPEB funding;
- \$152 increase in Public Works;
- \$495 increase in Public Safety;
- \$142 in increases allocated to the Board of Education for accounting reclassifications of revenues;
- \$149 increase in general government expenditures;
- \$78 increase in R&D expenditures; and
- \$84 in net increases allocated to all other budgetary departments.

Of this increase, \$3,920 was from an increase in property taxes and \$142 was to be funded out of miscellaneous increases in various charges for services. The remaining \$1,451 was to be budgeted from available fund balance.

Capital Asset and Debt Administration

Capital assets. The Town’s investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$319,558 (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, GROSS**

	Governmental Activities	
	2012	2011
Land	\$ 32,452	\$ 32,452
Buildings and system	303,529	303,440
Improvements other than buildings	20,103	20,055
Machinery and equipment	31,655	32,210
Infrastructure	104,853	102,600
Construction in Progress	6,973	6,893
Total	\$ 499,565	\$ 497,650

Additional information on the Town’s capital assets can be found on page 34 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$142,626, a decrease of \$14,152 from the prior year. Of this amount, \$116,434 comprises debt backed by the full faith and credit of the government, and \$26,192 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	
	2012	2011
General obligation bonds	\$ 116,434	\$ 131,045
Public improvement bonds with government commitment	26,192	25,733
Total	\$ 142,626	\$ 156,778

The Town's total debt service expenditures decreased by \$257 from the prior year. The Town also issued \$13,210 of Refunding Bonds, in which there is a cash savings value of \$1,399 through 2026.

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 \$1,158,882 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, 2012 is 6.4 percent and compares favorably to the State's average unemployment rate of 7.6 percent and the Fairfield County Labor Market of 8.4 percent.

Inflationary trends in the region compare favorably to national indices. Trends in decreased non-tax revenue have been and will be factored into the budget calculations in future fiscal years.

All of these factors were considered in preparing the Town of Westport's annual budget. In January 2012, the Board of Finance reviewed and approved 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 ASSETS

June 30, 2012

	Primary Government Governmental Activities	Component Unit Westport Library Association, Inc.
Assets		
Cash and cash equivalents	\$ 42,678,375	\$ 1,133,820
Investments	2,302,505	2,708,931
Receivables (net of allowance for collection losses):		
Property taxes	16,611,885	-
Sewer	6,483,266	-
Intergovernmental and other	1,288,330	2,209,157
Pension asset	623,894	-
Long-term intergovernmental receivable	1,710,224	-
Capital assets, non-depreciable	39,424,715	-
Capital assets, net of accumulated depreciation	280,132,838	-
Total assets	<u>391,256,032</u>	<u>6,051,908</u>
Liabilities		
Accounts payable and accruals	6,947,613	62,074
Accrued interest payable	1,802,367	-
Unearned revenues	1,773,026	-
Long-term liabilities:		
Due within one year	16,083,031	-
Due in more than one year	153,810,210	-
Total liabilities	<u>180,416,247</u>	<u>62,074</u>
Net Assets		
Investment in capital assets, net of related debt	173,828,588	-
Restricted	565,369	-
Unrestricted	36,445,828	5,989,834
Total net assets	<u>\$ 210,839,785</u>	<u>\$ 5,989,834</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government	Westport Library Association, Inc.
				Total		
Primary government:						
Governmental activities:						
General government services	\$ 11,073,562	\$ 4,681,842	\$ 262,960	\$ -	\$ (6,128,760)	\$ -
Public safety	32,872,330	3,463,743	-	-	(29,408,587)	-
Public works	19,327,263	5,618,961	276,237	408,218	(13,023,847)	-
Public health	462,459	-	-	-	(462,459)	-
Human services	2,182,077	117,420	29,640	-	(2,035,017)	-
Library	4,491,987	-	-	-	(4,491,987)	-
Parks and recreation	7,401,911	4,741,290	-	-	(2,660,621)	-
Education	121,730,173	14,389,227	4,265,942	-	(103,075,004)	-
Interest on long-term debt	5,747,851	-	-	-	(5,747,851)	-
Total primary government	\$ 205,289,613	\$ 33,012,483	\$ 4,834,779	\$ 408,218	(167,034,133)	-
Component Unit:						
Westport Library Association, Inc.	\$ 1,024,623	\$ 3,884,138	\$ -	\$ -	\$ -	\$ 2,859,515
Total component unit	\$ 1,024,623	\$ 3,884,138	\$ -	\$ -	-	2,859,515
General revenues:						
Property taxes					166,144,594	-
Grants and contributions not restricted to specific programs					1,068,828	-
Unrestricted investment earnings					393,849	(24,602)
Total general revenues					167,607,271	(24,602)
Change in net assets					573,138	2,834,913
Net assets - beginning					210,266,647	3,154,921
Net assets - ending					\$ 210,839,785	\$ 5,989,834

The notes to the financial statements are an integral part of this statement

TOWN OF WESTPORT, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Sewer Operating Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 28,617,508	\$ 250	\$ 10,637,923	\$ 39,255,681
Investments	-	-	2,302,505	2,302,505
Receivables (net of allowances for collection losses):				
Property taxes	16,611,885	-	-	16,611,885
Sewer	-	6,483,266	-	6,483,266
Intergovernmental and other	2,809,685	-	164,119	2,973,804
Due from other funds	6,097,559	918,846	481,482	7,497,887
Total assets	\$ 54,136,637	\$ 7,402,362	\$ 13,586,029	\$ 75,125,028
Liabilities				
Accounts payable and accruals	\$ 3,389,543	\$ 93,180	\$ 187,929	\$ 3,670,652
Due to other funds	3,205,883	296,775	6,270,990	9,773,648
Deferred revenues	19,050,679	6,483,266	-	25,533,945
Unearned revenues	702,121	-	1,070,905	1,773,026
Total liabilities	26,348,226	6,873,221	7,529,824	40,751,271
Fund balances				
Nonspendable	-	-	16,929	16,929
Restricted	232,935	-	332,434	565,369
Committed	394,952	529,141	9,012,217	9,936,310
Assigned	6,647,675	-	2,326,679	8,974,354
Unassigned	20,512,849	-	(5,632,054)	14,880,795
Total fund balances	27,788,411	529,141	6,056,205	34,373,757
Total liabilities and fund balances	\$ 54,136,637	\$ 7,402,362	\$ 13,586,029	

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

Capital assets, net of accumulated depreciation of \$180,007,165 purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	319,557,553
Deferred revenues are not available, and therefore are not recognized in the funds.	25,533,945
Net Pension Asset.	623,894
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 assets.	2,446,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(169,893,241)
Accrued interest payable is not reported in the funds.	(1,802,367)
Net assets of governmental activities	<u>\$ 210,839,785</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund	Sewer Operating Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 165,268,513	\$ -	\$ -	\$ 165,268,513
Sewer assessments and usage	-	3,826,799	-	3,826,799
Intergovernmental	4,305,131	82,595	2,225,081	6,612,807
Permits, fees and other	16,377,608	87,673	2,291,063	18,756,344
Income from investments	137,845	-	255,637	393,482
Charges for services	6,018,063	-	1,815	6,019,878
Parks and recreation fees	4,533,482	-	-	4,533,482
Total revenues	196,640,642	3,997,067	4,773,596	205,411,305
EXPENDITURES				
Current:				
General government	6,391,138	-	72,063	6,463,201
Public safety	17,895,944	-	2,436,277	20,332,221
Public works	7,467,676	2,086,437	-	9,554,113
Public health	462,459	-	-	462,459
Human services	1,089,693	-	26,656	1,116,349
Library	4,249,027	-	-	4,249,027
Parks and recreation	4,448,612	-	19,463	4,468,075
Education	113,131,404	-	1,584,797	114,716,201
Benefits and other	25,925,636	-	-	25,925,636
Debt service:				
Principal	11,350,803	1,670,929	-	13,021,732
Bond issuance costs	151,050	-	-	151,050
Interest and other charges	5,348,020	717,041	-	6,065,061
Capital outlay	571,612	-	4,318,626	4,890,238
Total expenditures	198,483,074	4,474,407	8,457,882	211,415,363
Revenue over (under) expenditures	(1,842,432)	(477,340)	(3,684,286)	(6,004,058)
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	13,210,000	-	-	13,210,000
Payment to escrow agent	(15,201,508)	-	-	(15,201,508)
Bond premium	2,142,810	-	-	2,142,810
Transfers in	408,000	697,650	280,000	1,385,650
Transfers out	(434,425)	(280,000)	(671,225)	(1,385,650)
Total other financing sources (uses)	124,877	417,650	(391,225)	151,302
Net change in fund balances	(1,717,555)	(59,690)	(4,075,511)	(5,852,756)
FUND BALANCES, beginning	29,505,966	588,831	10,131,716	40,226,513
FUND BALANCES, ending	\$ 27,788,411	\$ 529,141	\$ 6,056,205	\$ 34,373,757

The notes to the financial statements are an integral part of this statement.

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, 2012**

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

Net change in fund balances - total governmental funds \$ (5,852,756)

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. (9,098,185)

Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 451,079

Change in net pension asset 543,894

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 13,064,665

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. (616,495)

The change in net assets in governmental activities of internal service funds is reported with governmental activities. 2,080,936

Change in net assets of governmental activities. \$ 573,138

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2012

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,422,694
Accounts receivable	24,750
Due to other funds	<u>2,275,761</u>
Total assets	<u><u>5,723,205</u></u>
LIABILITIES	
Current liabilities:	
Claims incurred but not reported	<u>3,276,961</u>
Total liabilities	<u><u>3,276,961</u></u>
NET ASSETS	
Unrestricted	<u>2,446,244</u>
Total net assets	<u><u>\$ 2,446,244</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 22,569,955
Total operating revenues	<u>22,569,955</u>
OPERATING EXPENSES	
Claims incurred	19,064,774
Administration	1,424,612
Total operating expenses	<u>20,489,386</u>
Operating income	<u>2,080,569</u>
NONOPERATING REVENUES	
Interest income	367
Total nonoperating revenues	<u>367</u>
Change in net assets	2,080,936
NET ASSETS , beginning	<u>365,308</u>
NET ASSETS , ending	<u>\$ 2,446,244</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Governmental Activities
	Internal Service Funds
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 20,269,444
Cash paid to vendors and beneficiaries	(20,384,174)
Net cash used in operating activities	<u>(114,730)</u>
Cash Flows From Investing Activities	
Interest on cash and cash equivalents	367
Net cash provided by investing activities	<u>367</u>
Net decrease in cash and cash equivalents	(114,363)
Cash and Cash Equivalents	
Beginning	<u>3,537,057</u>
Ending	<u><u>\$ 3,422,694</u></u>
Reconciliation of Operating Income in Net Cash Used in Operating Activities	
Operating income	\$ 2,080,569
Adjustments to reconcile operating income to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(24,750)
Increase in due from other funds	(2,275,761)
Decrease in accounts payable	(16,262)
Increase in claims payable	121,474
Net cash used in operating activities	<u><u>\$ (114,730)</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2012

	Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,447,351	\$ 2,228,303
Investments		
U.S. Government Securities	6,221,415	-
U.S. Government Agencies	553,121	-
Municipal Bonds	1,750,228	-
Corporate Bonds	12,842,306	-
Common Stocks	5,552,922	-
Mutual Funds	96,902,657	-
Other Fixed Income Securities	54,119,649	-
Preferred Convertible Securities	43,450	-
Alternative Investments	32,213,301	-
Total investments	<u>210,199,049</u>	<u>-</u>
Accrued interest	-	-
Pending sales	90,057	-
Total assets	<u>212,736,457</u>	<u>2,228,303</u>
LIABILITIES		
Due to student groups	-	613,738
Payable to others	-	1,614,565
Total liabilities	<u>-</u>	<u>2,228,303</u>
Net Assets Held in Trust	<u>\$ 212,736,457</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2012

	<u>Trust Funds</u>
Additions	
Contributions	
Employer	\$ 14,362,485
Plan members	<u>5,722,536</u>
Total contributions	<u>20,085,021</u>
Investment Income	
Net appreciation in fair value of investments	1,477,519
Interest and dividends	<u>5,418,767</u>
Net investment income	<u>6,896,286</u>
Total additions	<u>26,981,307</u>
Deductions	
Benefits	13,730,374
Management fees and other payments	<u>1,184,474</u>
Total	<u>14,914,848</u>
Change in net assets	12,066,459
Net Assets Held in Trust	
Beginning of year	<u>200,669,998</u>
End of year	<u>\$ 212,736,457</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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 as a result, the component unit discussed below is included in the Town's reporting entity because of its operational significance and financial relationship with the Town.

Discretely presented component unit

The component unit column in the government-wide financial statements includes financial data of the Town's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the Town. The Westport Library Association Investment Fund, Inc. meets the criteria of a discretely presented component unit in that it is fiscally dependent on the Town for the operating budget.

The Westport Library Association Investment Fund, Inc. was established under Connecticut State Statutes to serve the Town of Westport. The Fund is governed by a 20 member Board of Trustees. One-half of the trustees are appointed by Westport's Representative Town Meeting, and one-half are appointed by the Board of Selectmen. Trustees serve a term of four (4) years. The Library provides services to the Town of Westport and its surrounding community. These services relate to the purchase and distribution of educational and recreational materials to the public. It also serves nonresident borrowers through the state-funded Connecticut program. Financial information related to the Westport Library Association Investment Fund, Inc. is available at the Westport Library Association, Inc., 20 Jesup Road, Westport, CT 06880.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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.

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 obligations, 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 and expenditures related thereto.

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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and internal service fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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, Cutwater Class investments and treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

Investments

Investments are stated at fair value 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 and Trust Funds.

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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. Infrastructure assets acquired prior to June 30, 1980 have been reported. 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 fair 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:

Assets	Years
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 an expenditure when purchased and no depreciation expense is reported.

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 \$1,000,000 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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Government-Wide Funds/Activities:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Governmental Accounting Standards Board Statement No. 27. 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 pension asset is recorded as a non-current asset in the government-wide financial statements. The pension obligation is recorded as a non-current liability in the government-wide financial statements.

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.

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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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.

Net Assets

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

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets - 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 Assets - This category represents the net assets of the Town, which are 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).
- **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.
- **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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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.

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 assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. 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	\$ (142,625,922)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	3,485,426
Add: Issuance premium (to be amortized)	(6,588,469)
Claims and judgments	(477,500)
Compensated absences	(2,366,342)
Net pension obligation	(2,911,434)
OPEB obligation	<u>(18,409,000)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (169,893,241)</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 government-wide statement of activities

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

Capital outlay	\$ 2,984,074
Depreciation expense	(12,009,095)
Net loss on disposal of capital assets	<u>(73,164)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (9,098,185)</u>

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Long-term liabilities or incurred	
Issuance of refunding bonds	\$ 13,210,000
Deferred items	1,087,067
Principal repayments:	
General obligation debt	(12,160,224)
Payments to escrow agent for refunding	<u>(15,201,508)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (13,064,665)</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:

Increase in claims and judgment	\$ (200,000)
Increase in compensated absences	(361,086)
Decrease in accrued interest	274,025
Decrease in net pension obligation	904,566
Increase in OPEB obligation	<u>(1,234,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (616,495)</u>

Note 3. Cash 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; (5) Cutwater Class - an investment fund managed by Cutwater Asset Management - Connecticut Class Plus which, according to Cutwater Class, invest only in: (a) high grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

assets based on indices like the prime rate, LIBOR, or a combination of the two; and (b) very short-term, usually overnight, repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefit of the pool's participants. Eligible investments for Connecticut municipalities are determined by C.G.S. Section 7-400 and 7-402.

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 six 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 pension boards have adopted an investment policy to allocate approximately fifty-five percent of fund assets to equities with the balance invested in fixed income securities 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, 2012, \$42,059,150 of the Town's bank balance of \$48,489,555 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, Continued
June 30, 2012

Cash and investments of the Town consist of the following at June 30, 2012:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 46,753,327
Cutwater Asset Management - Connecticut Class Plus	600,702
Total cash and cash equivalents	<u>47,354,029</u>
Investments	
Debt Service Fund:	
U.S. Government Securities	2,302,505 *
Total government investments	<u>2,302,505</u>
Pension Trust Funds:	
U.S. Government Securities	6,221,415 *
U.S. Government Agencies	553,121 *
Municipal Bonds	1,750,228 *
Corporate Bonds	12,842,306 *
Common Stock	5,552,922 *
Mutual Funds	85,327,398
Other Fixed Income Securities	54,119,649 *
Preferred Convertible Securities	43,450
Alternative investments	32,213,301
Total pension investments	<u>198,623,790</u>
OPEB Trust Fund:	
Mutual Funds	11,575,259
Total investments	<u>212,501,554</u>
Total cash, cash equivalents and investments	<u>\$ 259,855,583</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, Continued
June 30, 2012

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

Statement of Net Assets

Cash and cash equivalents	\$ 42,678,375
Investments	2,302,505
	<u>44,980,880</u>

Fiduciary Funds:

Cash and cash equivalents	4,675,654
Investments	210,199,049
	<u>214,874,703</u>

Total cash, cash equivalents and investments \$ 259,855,583

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	\$ 8,523,920	\$ 307,644	\$ 855,406	\$ 1,207,516	\$ 6,153,354
U.S. Government Agencies	553,121	-	-	102,635	450,486
Corporate Bonds	12,842,306	-	355,621	1,546,592	10,940,093
Municipal Bonds	1,750,228	-	-	50,275	1,699,953
Other Fixed Income Securities	54,119,649	-	13,030,347	40,576,387	512,915
Pooled Fixed Income	600,702	600,702	-	-	-
TOTAL	<u>\$ 78,389,926</u>	<u>\$ 908,346</u>	<u>\$ 14,241,374</u>	<u>\$ 43,483,405</u>	<u>\$ 19,756,801</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, Continued
June 30, 2012

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.

Average Rating	Corporate Bonds	Pooled Fixed Income	Municipal Bonds	Other Fixed Income Securities
AAA/m	\$ -	\$ 600,702	\$ -	\$ -
AAA	141,339	-	216,358	-
AA+	364,999	-	370,281	-
AA	349,001	-	237,079	1,574,174
AA-	416,774	-	212,884	1,924,554
A+	849,282	-	273,809	5,274,371
A	1,723,411	-	158,599	5,584,287
A-	2,134,812	-	250,354	3,888,868
BBB+	2,355,258	-	-	16,456,090
BBB	3,359,478	-	-	10,618,204
BBB-	961,490	-	-	8,799,101
BB+	128,675	-	-	-
Unrated	57,787	-	30,864	-
	<u>\$ 12,842,306</u>	<u>\$ 600,702</u>	<u>\$ 1,750,228</u>	<u>\$ 54,119,649</u>

Note 4. Unearned Revenue/Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds 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 deferred revenue and unearned revenue reported in the governmental funds and governmental activities were as follows:

	Deferred Revenue	Unearned Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 16,386,455	\$ -
School construction receivable	1,710,224	-
Other	954,000	702,121
Sewer Operating Fund:		
Fees and accrued interest on delinquent sewer fees	6,483,266	-
Nonmajor Funds:		
Railroad parking permits	-	1,070,905
	<u>\$ 25,533,945</u>	<u>\$ 1,773,026</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 6,097,559	\$ 3,205,883
Sewer Operating Fund	918,846	296,775
Non-Major Governmental Funds	481,482	6,270,990
Internal Service Funds	2,275,761	-
Total	\$ 9,773,648	\$ 9,773,648

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.

Interfund transfers during the year ended June 30, 2012 were as follows:

	Transfers In			Totals
	General Fund	Sewer Operating Fund	Nonmajor and Other Funds	
Transfers out:				
General Fund	\$ -	\$ 434,425	\$ -	\$ 434,425
Sewer Operating Fund	-	-	280,000	280,000
Nonmajor and Other Funds	408,000	263,225	-	671,225
Total	\$ 408,000	\$ 697,650	\$ 280,000	\$ 1,385,650

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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 32,451,861	\$ -	\$ -	\$ -	\$ 32,451,861
Construction in progress	6,893,132	2,332,297	-	(2,252,575)	6,972,854
Total capital assets, not being depreciated	<u>39,344,993</u>	<u>2,332,297</u>	<u>-</u>	<u>(2,252,575)</u>	<u>39,424,715</u>
Capital assets, being depreciated:					
Land improvements	20,054,613	48,624	-	-	20,103,237
Buildings and improvements	303,439,661	89,406	-	-	303,529,067
Machinery and equipment	32,209,690	513,747	(1,068,767)	-	31,654,670
Infrastructure	102,600,454	-	-	2,252,575	104,853,029
Total capital assets being depreciated	<u>458,304,418</u>	<u>651,777</u>	<u>(1,068,767)</u>	<u>2,252,575</u>	<u>460,140,003</u>
Less accumulated depreciation for:					
Land improvements	8,750,855	872,227	-	-	9,623,082
Buildings and improvements	90,010,103	7,205,170	-	-	97,215,273
Machinery and equipment	19,759,173	1,834,510	(995,603)	-	20,598,080
Infrastructure	50,473,542	2,097,188	-	-	52,570,730
Total accumulated depreciation	<u>168,993,673</u>	<u>12,009,095</u>	<u>(995,603)</u>	<u>-</u>	<u>180,007,165</u>
Total capital assets, being depreciated, net	<u>289,310,745</u>	<u>(11,357,318)</u>	<u>(73,164)</u>	<u>2,252,575</u>	<u>280,132,838</u>
Governmental activities capital assets, net	<u>\$ 328,655,738</u>	<u>\$ (9,025,021)</u>	<u>\$ (73,164)</u>	<u>\$ -</u>	<u>\$ 319,557,553</u>

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

Governmental Activities:	
General government services	\$ 336,882
Public safety	1,149,946
Public works, including depreciation of general infrastructure assets	3,789,315
Human services	116,907
Library	253,297
Parks and recreation	824,472
Education	5,538,276
Total depreciation expense – governmental activities	<u>\$ 12,009,095</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
Bonds and notes	\$ 156,777,654	\$ 13,210,000	\$ 27,361,732	\$ 142,625,922	\$ 12,946,392
Add deferred amounts:					
Premiums	5,079,471	2,142,810	633,812	6,588,469	798,644
Less deferred amounts on refunding	(3,063,495)	(861,508)	(439,577)	(3,485,426)	(505,847)
Total bonds payable	158,793,630	14,491,302	27,555,967	145,728,965	13,239,189
Claims and judgments	277,500	477,500	277,500	477,500	477,500
Compensated absences	2,005,256	2,366,342	2,005,256	2,366,342	2,366,342
Net pension obligation	3,816,000	-	904,566	2,911,434	-
OPEB obligations	17,175,000	1,234,000	-	18,409,000	-
Governmental activity long-term liabilities	\$ 182,067,386	\$ 18,569,144	\$ 30,743,289	\$ 169,893,241	\$ 16,083,031

Bonds and notes

As of June 30, 2012, the outstanding long-term indebtedness of the Town was as follows:

	Outstanding Amount
School refunding bond, issue of \$44,730,000, due 8/15/21; annual principal payments ranging from \$993,000 to \$3,883,000; plus interest due semiannually at 3.00% to 5.0%	\$ 29,017,000
Public Improvement refunding bond; issue of \$8,872,000; due 8/15/21; annual principal payments ranging from \$350,000 to \$1,129,000; plus interest due semiannually at 3.00 to 5.0%	7,413,000
Sewer refunding bond; issue of \$2,948,500; due 8/15/21; annual principal payments ranging from \$87,000 to \$350,000; plus interest due semiannually at 3.0% to 5.0%	2,210,000
Sewer bond; issue of \$5,043,000 due 7/15/29; annual principal payments ranging from \$250,000 to \$255,000 plus interest semi-annually at 2.25% to 4.25%	4,535,000
Public Improvement bond; issue of \$1,091,000; due 7/15/24; annual principal payments ranging from \$35,000 to \$95,000 plus interest semi-annually at 2.25% to 4.25%	905,000

TOWN OF WESTPORT, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS, Continued**
June 30, 2012

	<u>Outstanding Amount</u>
School bond; issue of \$34,197,090; due 11/1/12; annual principal payments of \$1,755,240; plus interest due semiannually at 4.00%	1,755,240
Public improvement bond; issue of \$4,743,000; due 11/1/12; annual principal payments of \$243,430; plus interest due semiannually at 4.00%	243,430
Sewer bond; issue of \$1,000,000; due 11/1/12; annual principal payments of \$51,330; plus interest due semiannually at 4.00%	51,330
Public Improvement refunding bond; due 2/1/20; annual principal payments ranging from \$41,230 to \$692,000; plus interest due semiannually at 4.00% to 5.00%	3,207,250
School refunding bond, due 2/1/20; annual principal ranging from \$1,242,940 to \$3,806,000; plus interest due semi-annually at 4.00% to 5.00%	20,673,700
Sewer refunding bond; due 2/1/20; annual principal payments ranging from \$33,610 to \$122,000 plus interest due semi-annually at 4.00% to 5.00%	619,050
Sewer WPCF; issue of \$21,310,112 due 9/1/28; monthly principal payments ranging from \$73,061 to \$1,065,506. Interest due monthly at 2.5%.	17,768,191
Public Improvement; issue of \$7,103,371 due 9/1/28; monthly principal payments ranging from \$24,354 to \$355,169. Interest due monthly at 2.5%.	5,922,731
School bond; issue of \$6,366,00 due 7/15/29; annual principal payments ranging from \$280,000 to \$356,000 plus interest semi-annually at 2.25% to 4.25%	5,660,000
School refunding bond Series A; issue of \$12,866,000 due 2/1/23; annual principal payments ranging from \$501,000 to \$2,137,000 plus semi-annual interest at 3.00% to 5.00%	10,757,000
Sewer refunding bond Series A; issue of \$334,000 due 2/1/23; annual principal payments ranging from \$4,000 to \$96,000 plus semi-annual interest at 3.00% to 5.00%	167,000
Public Improvement refunding bond Series A; issue of \$475,000 due 2/1/23; annual principal payments ranging from \$10,000 to \$325,000 plus semi-annual interest at 3.00% to 5.00%	121,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

	<u>Outstanding Amount</u>
School refunding bond Series B; issue of \$4,863,000 due 2/1/17; annual principal payments ranging from \$1,528,000 to \$1,687,000 plus semi-annual interest at 3.00% to 5.00%	4,863,000
Sewer refunding bond Series B; issue of \$142,000 due 2/1/17; annual principal payments ranging from \$45,000 to \$49,000 plus semi-annual interest at 3.00% to 5.00%	142,000
Public improvement refunding bond Series B; issue of \$675,000 due 2/1/17; annual principal payments ranging from \$212,000 to \$234,000 plus semi-annual interest at 3.00% to 5.00%	675,000
Sewer refunding bond; due 11/1/21; annual principal payments ranging from \$16,000 to \$52,000, plus interest due semi-annually at 2% to 4%.	323,000
School refunding bond; due 11/1/21; annual principal payments ranging from \$320,000 to \$1,768,000, plus interest due semi-annually at 2% to 4%.	10,765,000
Public improvement refunding bond; due 11/1/21; annual principal payments ranging from \$179,000 to \$245,000, plus interest due semi-annually at 2% to 4%.	1,622,000
Public improvement refunding bond; due 7/15/2025; annual principal payments from \$12,000 to \$460,000, plus semi-annual interest at 2.00% to 4.00%	3,142,000
Sewer refunding bond; due 7/15/2025; annual principal payments from \$1,000 to \$71,000	376,000
School refunding bond; due 7/15/2025; annual principal payments from \$22,000 to \$2,154,000	<u>9,692,000</u>
Amount to be financed and paid through the General Fund and Sewer Operating Fund.	<u><u>\$ 142,625,922</u></u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

	Principal	Interest	Total
2013	12,946,392	5,351,270	18,297,662
2014	12,351,550	5,028,860	17,380,410
2015	12,457,215	4,542,080	16,999,295
2016	13,063,398	3,979,147	17,042,545
2017	13,080,110	3,398,610	16,478,720
2018	12,827,359	2,803,590	15,630,949
2019	12,850,162	2,253,454	15,103,616
2020	11,203,525	1,748,914	12,952,439
2021	9,307,460	1,304,229	10,611,689
2022	7,796,978	962,573	8,759,551
2023	6,387,093	709,695	7,096,788
2024	4,837,815	485,498	5,323,313
2025	4,864,158	323,156	5,187,314
2026	2,776,133	202,680	2,978,813
2027	2,178,754	136,260	2,315,014
2028	2,212,033	81,781	2,293,814
2029	955,787	34,876	990,663
2030	530,000	11,263	541,263
	<u>\$ 142,625,922</u>	<u>\$ 33,357,936</u>	<u>\$ 175,983,858</u>

2012 General Obligation Bond – In-Substance Defeasance

On May 25, 2012, the Town issued \$13,210,000 of general obligation refunding bonds with interest rates ranging from 2.0% to 4.0% of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated November, 2004 and June, 2006 (the "Refunding Bonds"). Total proceeds of \$15,352,810 include \$2,142,810 net original issue premium and payment of \$151,302 in underwriters fees and other costs to arrive at net proceeds of \$15,201,508, which was placed in an irrevocable trust fund under an Escrow Agreement dated May 2012 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 premiums on the Refunding 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 \$1,399,599, and a cash savings of \$1,479,790 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$15,201,508 at June 30, 2012. The balance of the defeased bonds was approximately \$14,340,000 at June 30, 2012. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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. As of June 30, 2012, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$43,325,000.

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, 2012 was approximately \$301,000. Additional reimbursements of principal and interest aggregating approximately \$1,998,000 are expected to be received through the bonds' maturity dates.

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2012 is as follows:

Total tax collections (including interest and lien fees and net of refunds and adjustments) for the year ended June 30, 2012	\$ 165,554,566
Reimbursement for revenue loss:	
Tax relief for elderly	<u>-</u>
Base	<u><u>\$ 165,554,566</u></u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$1,158,881,962, 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	\$ 372,497,774	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	744,995,547	-	-	-
3-3/4 times base	-	-	620,829,623	-	-
3-1/4 times base	-	-	-	538,052,340	-
3 times base	-	-	-	-	496,663,698
Total debt limitation	372,497,774	744,995,547	620,829,623	538,052,340	496,663,698
Indebtedness:					
Bonds and notes payable	17,328,680	93,182,940	32,114,302	-	-
Bonds authorized but unissued; issue dates not yet established	-	4,287,927	41,454,000	-	-
Construction grants	-	(1,710,224)	-	-	-
Total indebtedness	17,328,680	95,760,643	73,568,302	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 355,169,094	\$ 649,234,904	\$ 547,261,321	\$ 538,052,340	\$ 496,663,698

Compensated absences

Included in long-term obligations in the government-wide statement of net assets is the estimated obligation for employee compensated absences in the amount of \$2,366,342 as of June 30, 2012. The general fund has typically been used to liquidate the liability for compensated absences.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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 approximately \$477,500. Based upon the advice of the Town Counsel, 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 the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates with eleven other Connecticut municipalities (the twelve constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the Service Agreement, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries to its minimum commitment of 19,500 tons per year and to pay a uniform per ton disposal service payment (the "Service Payment"). The current aggregate fee is \$66.46 per ton. The aggregate minimum commitment of the twelve Contracting Municipalities is 265,000 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its proportionate share of the shortfall of the aggregate minimum commitment (unless it delivered its full portion).

Service Payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the Town, whether or not such solid waste is processed at the facility.

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 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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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 June 30, 2011, the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union
Active	65	64	30	344	85
Terminated-vested	-	-	-	7	2
Members in pay status	73	59	29	204	67
Total	138	123	59	555	154

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 of credited service. 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.

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. They are vested after 10 years of service. 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.

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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

An employee may retire upon reaching age 55 if fully vested; or upon completion of 25 years of credited service without age requirement.

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.

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, or age 60 and completion of 5 Years of Service.

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, plus 1) 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.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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.

Annual Pension Cost and Net Pension Obligation (Asset)

The Town's annual pension cost and net pension obligation (asset) for the Plans for the year ended June 30, 2012 were as follows:

	Police	Fire	Public works	Municipal	Non-Union	Total
Annual required contribution	\$ 2,312,683	\$ 1,310,377	\$ 362,891	\$ 1,762,414	\$ 2,005,359	\$ 7,753,724
Interest on net pension obligation (asset)	74,100	4,725	(6,000)	51,900	155,475	280,200
Adjustment to annual required contribution	(85,400)	(5,414)	10,263	(77,063)	(262,911)	(420,525)
Annual pension cost	2,301,383	1,309,688	367,154	1,737,251	1,897,923	7,613,399
Contributions made	(2,336,000)	(1,946,736)	(337,000)	(2,000,000)	(2,442,123)	(9,061,859)
Increase (decrease) in net pension obligation (asset)	(34,617)	(637,048)	30,154	(262,749)	(544,200)	(1,448,460)
Net pension obligation (asset), beginning of year	988,000	63,000	(80,000)	692,000	2,073,000	3,736,000
Net pension obligation (asset), end of year	\$ 953,383	\$ (574,048)	\$ (49,846)	\$ 429,251	\$ 1,528,800	\$ 2,287,540

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Trend Information

Police

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2010	\$ 1,237,000	73.8%	\$ 1,181,000	\$ 913,000
6/30/2011	1,907,000	110.1%	988,000	2,100,000
6/30/2012	2,301,383	101.5%	953,383	2,336,000

Fire

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2010	\$ 1,032,000	86.7%	\$ 206,000	\$ 895,000
6/30/2011	1,532,000	109.3%	63,000	1,675,000
6/30/2012	1,309,688	148.6%	(574,048)	1,946,736

Public Works

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2010	\$ 250,000	49.6%	\$ (97,000)	\$ 124,000
6/30/2011	382,000	95.5%	(80,000)	365,000
6/30/2012	367,154	91.8%	(49,846)	337,000

Municipal

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2010	\$ 1,014,000	76.0%	\$ 770,000	\$ 771,000
6/30/2011	1,572,000	105.0%	692,000	1,650,000
6/30/2012	1,737,251	115.1%	429,251	2,000,000

Non-Union

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2010	\$ 1,535,000	87.4%	\$ 2,325,000	\$ 1,341,000
6/30/2011	1,998,000	112.6%	2,073,000	2,250,000
6/30/2012	1,897,923	128.7%	1,528,800	2,442,123

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

The following is a summary of certain significant actuarial assumptions and other information that were used to calculate the ARC for June 30, 2012:

	<u>Police</u>	<u>Fire</u>	<u>Public Works</u>	<u>Municipal</u>	<u>Non-Union</u>
Valuation Date	June 30, 2011				
Actuarial cost method	Entry Age Normal				
Remaining amortization Period, closed	Various	Various	N/A	N/A	N/A
Asset valuation method	3-Year Average of Market Value				
Actuarial assumptions:					
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases	4.5%	4.5%	4.5%	4.5%	4.5%
Inflation rate	None	None	None	None	None

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
June 30, 2011	\$ 54,799,778	\$ 66,958,711	\$ (12,158,933)	81.84%	\$ 5,294,796	229.64%
Fire						
June 30, 2011	\$ 42,797,937	\$ 45,554,846	\$ (2,756,909)	93.95%	\$ 4,641,204	59.40%
Public Works						
June 30, 2011	\$ 11,517,093	\$ 12,433,811	\$ (916,718)	92.63%	\$ 1,671,941	54.83%
Municipal Interim						
June 30, 2011	\$ 40,341,669	\$ 42,902,645	\$ (2,560,976)	94.03%	\$ 14,775,146	17.33%
Non-Union						
June 30, 2011	\$ 18,710,081	\$ 28,202,238	\$ (9,492,157)	66.34%	\$ 6,561,689	144.66%
Total	\$ 168,166,558	\$ 196,052,251	\$ (27,885,693)	85.7%	\$ 32,944,776	84.6%

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Subsequent Event: Change in Actuarial Assumption for Fiscal Year June 30, 2013

The Town performed an actuarial valuation as of July 1, 2011 which will be used to determine the June 30, 2013 ARC.

The following is a summary of certain significant actuarial assumptions and other information that were used to calculate the ARC for June 30, 2013 and forward:

	<u>Police</u>	<u>Fire</u>	<u>Public Works</u>	<u>Municipal</u>	<u>Non-Union</u>
Valuation Date	July 1, 2011				
Actuarial cost method	Entry Age Normal				
Amortization method	Level Percent				
Remaining amortization period	25 years				
Asset valuation method	5-Year Smoothed Market Value				
Actuarial assumptions:					
Investment rate of return	6.125%	6.125%	6.125%	6.125%	6.125%
Projected salary increases	Service Dependent	Service Dependent	3.5%	Service Dependent	3.5%
Inflation rate	2.5%	2.5%	2.5%	2.5%	2.5%
Payroll growth rate	3.0	3.0	3.0	3.0	3.0

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
July 1, 2011	\$ 62,550,205	\$ 77,730,716	\$ (15,180,511)	80.50%	\$ 5,338,349	284.40%
Fire						
July 1, 2011	\$ 49,346,676	\$ 59,819,953	\$ (10,473,277)	82.50%	\$ 4,655,430	224.90%
Public Works						
July 1, 2011	\$ 13,191,401	\$ 16,426,604	\$ (3,235,203)	80.30%	\$ 1,701,718	190.10%
Municipal						
July 1, 2011	\$ 46,616,263	\$ 50,331,790	\$ (3,715,527)	92.60%	\$ 15,077,809	24.60%
Non-Union						
July 1, 2011	\$ 22,524,803	\$ 29,140,889	\$ (6,616,086)	77.30%	\$ 6,670,562	99.20%
Total	\$ 194,229,348	\$ 233,449,952	\$ (39,220,604)	83.20%	\$ 33,443,868	117.3%

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

TRUST FUNDS
SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2012

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public	Municipal	Non-Union	OPEB	
			Works				
ASSETS							
Cash and cash equivalents	\$ 777,964	\$ 618,808	\$ 164,454	\$ 589,833	\$ 296,292	\$ -	\$ 2,447,351
Investments, at fair value							
U.S. Government Securities	1,977,664	1,573,071	418,059	1,499,417	753,204	-	6,221,415
U.S. Government Agencies	175,826	139,856	37,168	133,307	66,964	-	553,121
Municipal Bonds	556,362	442,541	117,610	421,821	211,894	-	1,750,228
Corporate Bonds	4,082,312	3,247,149	862,962	3,095,111	1,554,772	-	12,842,306
Common Stocks	1,765,163	1,404,044	373,139	1,338,304	672,272	-	5,552,922
Mutual Funds	27,123,872	21,574,846	5,733,730	20,564,670	10,330,280	11,575,259	96,902,657
Other fixed Income							
Securities	17,203,553	13,684,035	3,636,668	13,043,322	6,552,071	-	54,119,649
Preferred Convertible Securities	13,812	10,986	2,920	10,472	5,260	-	43,450
Alternative Investments	10,239,964	8,145,063	2,164,631	7,763,695	3,899,948	-	32,213,301
Total investments	63,138,528	50,221,591	13,346,887	47,870,119	24,046,665	11,575,259	210,199,049
Accrued interest	-	-	-	-	-	-	-
Pending sales	28,627	22,770	6,052	21,705	10,903	-	90,057
Total Assets	63,945,119	50,863,169	13,517,393	48,481,657	24,353,860	11,575,259	212,736,457
Net Assets Held in Trust	\$ 63,945,119	\$ 50,863,169	\$ 13,517,393	\$ 48,481,657	\$ 24,353,860	\$ 11,575,259	\$ 212,736,457

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

**TRUST FUNDS
SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2012**

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	
Additions							
Contributions:							
Employer	\$ 2,413,000	\$ 1,946,736	\$ 407,000	\$ 2,063,000	\$ 2,442,123	\$ 5,090,626	\$ 14,362,485
Plan members	521,405	495,083	162,105	625,665	254,278	3,664,000	5,722,536
Total contributions	<u>2,934,405</u>	<u>2,441,819</u>	<u>569,105</u>	<u>2,688,665</u>	<u>2,696,401</u>	<u>8,754,626</u>	<u>20,085,021</u>
Investment Income							
Net appreciation in fair value of investments	425,874	336,196	89,384	316,431	152,013	157,621	1,477,519
Interest and dividends	1,584,568	1,219,817	353,222	1,319,573	766,906	174,681	5,418,767
Net investment income	<u>2,010,442</u>	<u>1,556,013</u>	<u>442,606</u>	<u>1,636,004</u>	<u>918,919</u>	<u>332,302</u>	<u>6,896,286</u>
Total	<u>4,944,847</u>	<u>3,997,832</u>	<u>1,011,711</u>	<u>4,324,669</u>	<u>3,615,320</u>	<u>9,086,928</u>	<u>26,981,307</u>
Deductions							
Benefits	3,389,967	2,400,180	592,451	2,150,224	1,533,552	3,664,000	13,730,374
Management fees and other payments	254,913	156,113	113,196	379,597	280,655	-	1,184,474
Net change in net assets	<u>1,299,967</u>	<u>1,441,539</u>	<u>306,064</u>	<u>1,794,848</u>	<u>1,801,113</u>	<u>5,422,928</u>	<u>12,066,459</u>
Net Assets Held in Trust							
Beginning of year	62,645,152	49,421,630	13,211,329	46,686,809	22,552,747	6,152,331	200,669,998
End of year	<u>\$ 63,945,119</u>	<u>\$ 50,863,169</u>	<u>\$ 13,517,393</u>	<u>\$ 48,481,657</u>	<u>\$ 24,353,860</u>	<u>\$ 11,575,259</u>	<u>\$ 212,736,457</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Section 10.183 of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the Plan are available from the Connecticut Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$10,239,000 for the year ended June 30, 2012.

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.

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, 2011 for all participants including eligible Town, Library and non-certified BOE employees. The latest actuarial valuation made for BOE certified employees was June 30, 2011.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Membership in the plan consisted of the following at July 1, 2011 for the Town, and June 30, 2011 for the BOE Certified Employees, the dates of the last actuarial valuations.

	Town	BOE Certified Employees	Total
Retirees and beneficiaries receiving benefits	399	56	455
Active plan members	601	546	1,147
Total	<u>1,000</u>	<u>602</u>	<u>1,602</u>

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. The actuarial accrued liability based on July 1, 2011 valuation is estimated to be \$97,816,000 for all employees excluding BOE certified employees. The actuarial accrued liability for BOE certified employees is \$8,704,000 based on a June 30, 2011 valuation.

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
<u>Town</u>						
July 1, 2011	\$ 6,152,000	\$ 97,816,000	\$ (91,664,000)	6%	N/A	N/A
<u>BOE Certified Employees</u>						
June 30, 2011	-	8,704,000	(8,704,000)	-	N/A	N/A

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
6/30/2012	\$ 9,989,000	\$ 8,755,000	87.65%	\$ 18,409,000
6/30/2011	9,144,000	6,080,000	67.00%	17,175,000
6/30/2010	7,816,000	3,699,000	47.00%	14,111,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

OPEB Obligation

	Town	BOE Certified Employees	Total
Annual required contribution	\$ 9,027,000	\$ 903,000	\$ 9,930,000
Interest on net OPEB obligation	1,052,000	-	1,052,000
Adjustment to annual required contribution	(993,000)	-	(993,000)
Annual OPEB cost	9,086,000	903,000	9,989,000
Contributions made	(8,240,000)	(515,000)	(8,755,000)
Increase in net OPEB liability	846,000	388,000	1,234,000
Net OPEB obligation, beginning of year	16,859,000	316,000	17,175,000
Net OPEB obligation, end of year	<u>\$ 17,705,000</u>	<u>\$ 704,000</u>	<u>\$ 18,409,000</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:

	Town	BOE Certified Employees
Valuation Date	July 1, 2011	June 30, 2011
Actuarial Cost Method:	Projected Unit Credit	Projected Unit Credit
Asset Valuation Method:	Market Value	Market Value
Amortization Method:	Level Percent	Level Percent
Amortization Period	30 Years Decreasing	26 Years
Actuarial Assumptions:		
Discount rate	6.125%	6.125%
Salary increase rate	3.5%	3.5%
Inflation rate	2.5%	2.5%

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2012**

The Board of Education's approximate maximum exposure for the year ended June 30, 2012 was approximately \$15,463,000 of which approximately \$14,148,000 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 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 approximately \$1,427,000 for fiscal year 2012.

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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:				
2012	\$ 1,928,373	\$ 5,181,430	\$ (5,274,656)	\$ 1,835,147
2011	1,586,196	5,876,236	(5,534,059)	1,928,373
Board of Education:				
2012	\$ 1,227,114	\$ 13,606,311	\$ (13,391,611)	\$ 1,441,814
2011	1,227,114	13,675,111	(13,675,111)	1,227,114

Note 11. Fund Deficits

The following funds had fund deficits as of June 30, 2012:

Governmental Funds:

Railroad Parking Fund	\$ 419,821
Dog License Fund	1,818
Municipal Improvements Funds Phase II	3,435,629
Education Facilities Improvement Fund	1,753,640
Education Facilities Improvement Fund - Phase VII	21,146

Internal Service Funds:

Worker's Compensation Fund	803,005
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The Town anticipates financing the deficits in the funds through authorized bond issues/revenues and grants. The Internal Service Fund deficit will be funded in future years from increased premium and/or permanent financing in accordance with the Town's plan to reduce the deficit.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 12. Fund Balance

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2012 for the Town governmental funds:

	General Fund	Sewer Operating Fund	Nonmajor Governmental Funds
Fund balances:			
Non-spendable:			
Permanent fund principal	\$ -	\$ -	\$ 16,929
Total non-spendable	-	-	16,929
Restricted:			
General government	8,422	-	33,361
Public safety	48,123	-	27,342
Public works	5,863	-	271,731
Human services	142,428	-	-
Education	8,536	-	-
Parks and recreation	19,563	-	-
Railroad parking operations	-	-	-
Total restricted	232,935	-	332,434
Committed:			
General government	139,778	-	996,697
Public safety	1,827	-	264,042
Parks and recreation	95,285	-	-
Capital projects	-	-	4,315,676
Railroad parking capital projects	-	-	256,909
Sewer operations	-	529,141	-
Sewer capital projects	158,062	-	3,178,893
Sewer capital reserves	-	-	-
Total committed	394,952	529,141	9,012,217
Assigned:			
General government	766,126	-	-
Public safety	330,412	-	-
Public works	1,534,674	-	-
Education	1,030,753	-	5,986
Parks and recreation	93,386	-	-
Human services	-	-	18,188
Debt service	-	-	2,302,505
Other purposes	92,324	-	-
Future appropriations	2,800,000	-	-
Total assigned	6,647,675	-	2,326,679
Unassigned			
	20,512,849	-	(5,632,054)
Total fund balance	\$ 27,788,411	\$ 529,141	\$ 6,056,205

Significant encumbrances at June 30, 2012 are contained in the above table in both the assigned and committed categories of the General Fund.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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:

- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged
- **GASB Statement No. 66, *Technical Corrections - 2012***, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25, was issued in June 2012***. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2014.

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, was issued in June 2012.*** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2015.

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**Required Supplementary
Information**

TOWN OF WESTPORT, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS – PENSION TRUST FUNDS
June 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Unfunded) Overfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage Covered Payroll
Police						
6/30/2011	\$ 54,799,778	\$ 66,958,711	\$ (12,158,933)	81.84%	\$ 5,294,796	229.64%
7/1/2009	56,989,965	59,578,231	(2,588,266)	95.66%	4,465,940	57.96%
7/1/2007	59,391,179	59,391,179	-	100.00%	4,460,137	0.00%
7/1/2005	53,591,748	53,591,748	-	100.00%	4,361,181	0.00%
7/1/2003	49,705,675	49,705,675	-	100.00%	3,251,410	0.00%
Fire						
6/30/2011	\$ 42,797,937	\$ 45,554,846	\$ (2,756,909)	93.95%	\$ 4,641,204	59.40%
7/1/2009	43,437,725	44,425,708	(987,985)	97.78%	4,413,566	22.39%
7/1/2007	44,956,343	44,956,343	-	100.00%	3,523,133	0.00%
7/1/2005	40,587,158	40,587,158	-	100.00%	3,354,697	0.00%
7/1/2003	37,358,077	37,358,077	-	100.00%	2,789,902	0.00%
Public Works						
6/30/2011	\$ 11,517,093	\$ 12,433,811	\$ (916,718)	92.63%	\$ 1,671,941	54.83%
7/1/2009	11,732,056	11,419,178	312,878	102.74%	1,732,762	0.00%
7/1/2007	11,957,887	9,891,459	2,066,428	120.80%	1,883,376	0.00%
7/1/2005	10,573,871	10,573,871	-	100.00%	1,691,264	0.00%
7/1/2003	9,758,316	9,758,316	-	100.00%	1,683,567	0.00%
Municipal Interim						
6/30/2011	\$ 40,341,669	\$ 42,902,645	\$ (2,560,976)	94.03%	\$ 14,775,146	17.33%
7/1/2009	39,993,159	36,416,904	3,756,255	109.82%	15,556,333	0.00%
7/1/2007	43,337,870	35,872,425	7,465,445	120.81%	12,664,307	0.00%
7/1/2005	37,590,990	33,225,563	(4,365,427)	100.00%	11,560,277	(37.76%)
7/1/2003	33,582,137	31,497,817	(2,084,320)	100.00%	11,560,277	(18.03%)
Non-Union						
6/30/2011	\$ 18,710,081	\$ 28,202,238	\$ (9,492,157)	66.34%	\$ 6,561,689	144.66%
7/1/2009	17,940,684	25,826,733	(7,886,049)	69.47%	6,825,610	115.54%
7/1/2007	19,805,032	22,616,298	(2,811,266)	87.57%	6,113,598	45.98%
7/1/2005	17,364,336	18,414,013	(1,049,677)	100.00%	4,777,631	(21.97%)
7/1/2003	16,630,394	17,473,318	(842,924)	100.00%	4,777,631	(2.41%)

TOWN OF WESTPORT, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION TRUST FUNDS
June 30, 2012**

Year Ended June 30,	Police		Fire		Public Works	
	Annual	Percentage	Annual	Percentage	Annual	Percentage
	Required Contribution	Contributed	Required Contribution	Contributed	Required Contribution	Contributed
2012	\$ 2,312,683	101.0%	\$ 1,310,377	148.6%	\$ 362,891	92.9%
2011	1,922,000	109.3%	1,535,000	109.1%	378,000	96.6%
2010	1,257,648	72.6%	1,034,423	86.5%	243,485	50.9%
2009	815,000	4.4%	93,000	153.9%	124,000	39.5%
2008	792,258	4.4%	771,469	12.4%	118,381	45.6%
2007	-	>100%	-	>100%	-	>100%

Year Ended June 30,	Municipal Interim		Non-Union	
	Annual	Percentage	Annual	Percentage
	Required Contribution	Contributed	Required Contribution	Contributed
2012	\$ 1,762,414	113.5%	\$ 2,005,359	121.8%
2011	1,620,000	101.9%	2,144,000	104.9%
2010	1,051,966	73.3%	1,698,683	78.9%
2009	607,000	32.6%	1,376,000	34.30%
2008	581,171	34.6%	1,316,926	37.74%
2007	174,691	>100%	472,006	67.74%

TOWN OF WESTPORT, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS TRUST
June 30, 2012**

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)
June 30, 2009	\$ -	\$ 122,274,000	\$ (122,274,000)	0.00%	N/A	N/A
June 30, 2009	2,400,000	83,666,000	(81,266,000)	2.95%	N/A	N/A
June 30, 2010	3,082,000	90,562,000	(87,480,000)	3.04%	N/A	N/A
* July 1, 2011	6,152,000	106,520,000	(100,368,000)	5.78%	N/A	N/A

* Actuarial valuation was dated July 1, 2011 for all Town employees, excluding BOE Certified employees. The actuarial valuation date for BOE Certified employees was June 30, 2011.

Schedule of Employer Contributions - OPEB

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 9,930,000	\$ 8,755,000	88.17%
2011	9,013,000	6,080,000	67.46%
2010	7,614,000	3,699,000	48.60%
2009	7,064,000	4,847,000	68.61%
2008	9,613,000	1,999,999	20.80%

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES - BUDGETARY
BASIS - BUDGET AND ACTUAL - GENERAL FUND AND SEWER OPERATING FUND
For the Year Ended June 30, 2012

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis	
	Original	Final		
REVENUES				
Property taxes	\$ 158,675,899	\$ 162,595,720	\$ 164,245,578	\$ 1,649,858
Education	2,249,000	2,391,412	2,444,868	53,456
Parks and recreation	4,700,311	4,700,311	4,647,243	(53,068)
Income from investments	125,000	125,000	102,845	(22,155)
Intergovernmental	1,647,400	1,647,400	1,611,365	(36,035)
Permits, fees and other	7,364,000	7,364,000	7,759,908	395,908
Total revenues	174,761,610	178,823,843	180,811,807	1,987,964
EXPENDITURES				
General government	4,997,808	5,147,148	4,972,669	174,479
Public safety and protection	18,038,922	18,533,817	18,102,450	431,367
Public works	8,186,261	8,338,868	7,697,988	640,880
Public health	462,459	462,459	462,459	-
Human services	963,989	987,568	966,440	21,128
Education	112,425,806	112,568,218	112,369,806	198,412
Library	4,214,815	4,290,815	4,249,027	41,788
Parks and recreation	4,138,365	4,215,980	4,227,739	(11,759)
Other	21,491,466	25,846,821	25,696,069	150,752
Debt service	3,026,259	3,026,259	2,986,266	39,993
Capital outlay	508,535	550,153	540,557	9,596
Total expenditures	178,454,685	183,968,106	182,271,470	1,696,636
Revenues over (under) expenditures	(3,693,075)	(5,144,263)	(1,459,663)	3,684,600
OTHER FINANCING SOURCES (USES)				
Transfers in	552,500	552,500	408,000	(144,500)
Transfers out	(434,425)	(434,425)	(434,425)	-
Total other financing sources (uses)	118,075	118,075	(26,425)	(144,500)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,575,000)	\$ (5,026,188)	\$ (1,486,088)	\$ 3,540,100

See note to required supplementary information.

Sewer Operating Fund

Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,223,070	4,258,573	3,997,067	(261,506)
<u>4,223,070</u>	<u>4,258,573</u>	<u>3,997,067</u>	<u>(261,506)</u>
-	-	-	-
-	-	-	-
2,173,374	2,208,877	2,044,498	164,379
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,467,346	2,467,346	2,387,971	79,375
-	-	-	-
<u>4,640,720</u>	<u>4,676,223</u>	<u>4,432,469</u>	<u>243,754</u>
<u>(417,650)</u>	<u>(417,650)</u>	<u>(435,402)</u>	<u>(17,752)</u>
697,650	697,650	697,650	-
(280,000)	(280,000)	(280,000)	-
<u>417,650</u>	<u>417,650</u>	<u>417,650</u>	<u>-</u>
\$ -	\$ -	\$ (17,752)	\$ (17,752)

TOWN OF WESTPORT, CONNECTICUT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2012

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, 2012 aggregated approximately \$5,513,000 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, Continued
June 30, 2012

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	\$ 212,401,452	\$ 214,119,007	\$ 4,754,407
Special Revenue Funds rolled into the General Fund	(5,589,835)	(5,795,302)	-
State Teachers' Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(10,239,000)	(10,239,000)	-
Issuance cost	-	(151,050)	-
Issuance of refunding bonds	(13,210,000)	-	-
Payment to escrow agent	-	(15,201,508)	-
Bond premium	(2,142,810)	-	-
Unliquidated prior year encumbrances	-	56,777	49,111
Encumbrances:			
June 30, 2011	-	(260,509)	(235,137)
June 30, 2012		524,396	144,088
Continued in force:			
June 30, 2011	-	(2,338,143)	-
June 30, 2012	-	1,991,227	-
Balance, budgetary basis	<u>\$ 181,219,807</u>	<u>\$ 182,705,895</u>	<u>\$ 4,712,469</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, railroad parking, and Wakeman Town Farm 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.

TOWN OF WESTPORT, CONNECTICUT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued
June 30, 2012

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.

**SUPPLEMENTAL AND COMBINING
FUND STATEMENTS AND SCHEDULES**

General Fund

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND REVENUES AND TRANSFERS IN -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES				
Current levy	\$ 157,275,899	\$ 161,195,720	\$ 162,785,158	\$ 1,589,438
Prior levies	1,400,000	1,400,000	1,460,420	60,420
Total property taxes	158,675,899	162,595,720	164,245,578	1,649,858
EDUCATION				
Staples trust fund	19,000	19,000	16,372	(2,628)
Sundries	-	142,412	190,708	48,296
Tuition	250,000	250,000	222,108	(27,892)
Total education	269,000	411,412	429,188	17,776
PARKS AND RECREATION	4,700,311	4,700,311	4,647,243	(53,068)
INCOME FROM INVESTMENTS	125,000	125,000	102,845	(22,155)
INTERGOVERNMENTAL				
Elderly tax relief	100,000	100,000	113,444	13,444
Emergency management	10,000	10,000	-	(10,000)
Historical Preservation Grant	30,000	30,000	32,688	2,688
Housing Authority Pilot Grant	35,000	35,000	-	(35,000)
In lieu of taxes	790,000	790,000	792,737	2,737
Miscellaneous state grants	175,000	175,000	27,900	(147,100)
Pequot Indian grant	24,000	24,000	24,611	611
School construction grants	375,000	375,000	540,037	165,037
Shellfish Commission	3,000	3,000	-	(3,000)
State education grants	1,980,000	1,980,000	2,015,680	35,680
Veterans' exemption	5,400	5,400	7,624	2,224
Municipality video	100,000	100,000	72,324	(27,676)
Total intergovernmental	3,627,400	3,627,400	3,627,045	(355)
PERMITS, FEES AND OTHER				
Licenses and Permits				
Building Inspector	1,200,000	1,200,000	1,150,191	(49,809)
Burglar alarms	60,000	60,000	50,320	(9,680)
Conservation Commission	115,000	115,000	102,857	(12,143)
Fire Department permits, etc.	4,000	4,000	698	(3,302)
Planning and Zoning	375,000	375,000	293,485	(81,515)
Town Clerk conveyance tax	1,400,000	1,400,000	1,446,529	46,529
Town Clerk licenses	10,000	10,000	26,100	16,100
Zoning Board of Appeals	12,000	12,000	20,070	8,070
Total licenses and permits	3,176,000	3,176,000	3,090,250	(85,750)

(Continued)

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND REVENUES AND TRANSFERS IN -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
PERMITS, FEES AND OTHER, Continued				
Fines and Penalties				
Tax Collector - interest/liens	900,000	900,000	1,022,934	122,934
Police fines	180,000	180,000	229,660	49,660
Total fines and penalties	1,080,000	1,080,000	1,252,594	172,594
Current Service Charges				
Bulky waste charges	30,000	30,000	29,116	(884)
EMS reimbursements	820,000	820,000	938,896	118,896
Fire Department Commercial Plan Review	40,000	40,000	60,863	20,863
Housing Authority loan payment	115,000	115,000	115,821	821
Housing Authority PILOT - Canal St.	35,000	35,000	37,080	2,080
Police Vehicle Reimbursement	10,000	10,000	21,914	11,914
Public Works permits, etc.	45,000	45,000	39,771	(5,229)
Public Works refuse collection	15,000	15,000	18,290	3,290
Rental of facilities	945,000	945,000	945,026	26
Solid waste tipping fees	250,000	250,000	318,681	68,681
Town attorney reimbursement	5,000	5,000	27,697	22,697
Town Clerk recording fees	350,000	350,000	362,110	12,110
Workers' compensation payments	100,000	100,000	185,852	85,852
Youth services	7,000	7,000	15,900	8,900
Total current services charges	2,767,000	2,767,000	3,117,017	350,017
Miscellaneous				
Insurance Reimbursement	185,000	185,000	98,441	(86,559)
Other	51,000	51,000	72,570	21,570
Sale of surplus property	5,000	5,000	21,490	16,490
Telephone access line grant	100,000	100,000	107,546	7,546
Total miscellaneous	341,000	341,000	300,047	(40,953)
Total permits, fees and other	7,364,000	7,364,000	7,759,908	395,908
TRANSFERS IN	552,500	552,500	408,000	(144,500)
Total	\$ 175,314,110	\$ 179,376,343	\$ 181,219,807	\$ 1,843,464

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
 BUDGETARY BASIS - BUDGET AND ACTUAL
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Representative Town Meeting	\$ 39,142	\$ 40,216	\$ 39,828	\$ 388
Selectmen	236,391	254,379	253,171	1,208
Probate Court	15,910	15,910	6,509	9,401
Registrars	104,634	107,701	91,323	16,378
Elections	91,477	90,375	87,474	2,901
Board of Finance	1,600	2,400	2,399	1
Finance Department	755,531	774,728	774,629	99
Audit	169,200	170,589	169,899	690
Personnel	188,634	195,245	191,471	3,774
Assessor	428,758	444,133	437,474	6,659
Tax Collector	292,653	305,295	301,266	4,029
Information services	654,980	662,806	618,810	43,996
Board of Assessment Appeal	1,725	1,725	776	949
Town Attorney	758,267	777,887	728,028	49,859
Town Clerk	353,695	363,340	363,336	4
Historic District	55,107	59,199	59,015	184
Conservation	322,311	337,065	334,417	2,648
Planning and Zoning	503,353	519,267	487,956	31,311
Zoning Board of Appeals	24,440	24,888	24,888	-
Total general government	4,997,808	5,147,148	4,972,669	174,479
PUBLIC SAFETY AND PROTECTION				
Police Department	7,482,923	7,517,785	7,210,605	307,180
Police Vehicle Maintenance	335,508	335,508	328,970	6,538
Dog Warden	121,695	127,339	118,356	8,983
Emergency Medical Service	1,141,975	1,141,975	1,111,989	29,986
Fire Department	7,529,444	7,968,909	7,954,105	14,804
Water Service - Fire	1,035,000	1,035,000	1,000,267	34,733
Building inspection	275,165	287,856	284,959	2,897
Public Site and Building Commission	78,951	80,736	76,703	4,033
Westport emergency management	38,261	38,709	16,496	22,213
Total public safety and protection	18,038,922	18,533,817	18,102,450	431,367
PUBLIC WORKS				
Engineering	762,597	795,648	789,743	5,905
Highway	1,546,762	1,617,057	1,616,990	67
Equipment maintenance	320,603	331,886	324,681	7,205
Roadway maintenance	1,094,000	1,094,000	1,090,782	3,218
Street lighting	250,000	250,000	238,852	11,148

(Continued)

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS, Continued				
Solid waste disposal	2,264,024	2,278,694	1,796,510	482,184
Building maintenance	1,191,154	1,214,462	1,138,990	75,472
Building custodians	315,465	315,465	304,591	10,874
Maintenance of property	21,000	21,000	20,893	107
Maintenance parks and recreation	324,412	324,412	280,326	44,086
Tree maintenance	96,244	96,244	95,630	614
Total public works	8,186,261	8,338,868	7,697,988	640,880
PUBLIC HEALTH				
Health District	458,759	458,759	458,759	-
Health Services	3,700	3,700	3,700	-
Total public health	462,459	462,459	462,459	-
HUMAN SERVICES				
Youth Services	254,912	255,195	246,364	8,831
Social Services	301,329	314,914	313,554	1,360
Commission for the Elderly	407,748	417,459	406,522	10,937
Total human services	963,989	987,568	966,440	21,128
EDUCATION				
Board of Education	98,353,496	98,353,496	98,227,084	126,412
BOE Rentals/ Reimbursement	-	142,412	142,412	-
Aid to Pvt & Parochial Sc	288,005	288,005	288,005	-
Debt service - Long Term	13,712,305	13,712,305	13,712,305	-
Debt service - Bond Antic.	72,000	72,000	-	72,000
Total education	112,425,806	112,568,218	112,369,806	198,412
LIBRARY	4,214,815	4,290,815	4,249,027	41,788
PARKS AND RECREATION				
Administration	521,332	542,400	528,133	14,267
Guest Services	212,711	212,262	201,012	11,250
Maintenance and Development	442,959	497,554	497,524	30
Boating	178,600	180,588	358,495	(177,907)
Parks Maintenance	370,369	365,371	358,394	6,977
Golf	799,385	801,318	731,681	69,637
Athletic Fields Maintenance	290,810	290,810	287,891	2,919
Tennis	67,400	69,700	69,572	128
Skating	36,500	37,504	37,503	1
Beach and Pool	251,710	255,282	255,042	240
Miscellaneous Programs	958,189	954,791	894,155	60,636
Memorial Day	8,400	8,400	8,337	63
Total parks and recreation	4,138,365	4,215,980	4,227,739	(11,759)

(Continued)

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER				
Pensions	10,149,918	14,562,593	14,562,591	2
Insurance	9,677,855	9,731,512	9,622,048	109,464
Social Security	1,020,000	1,020,315	999,371	20,944
Unemployment compensation	80,000	100,412	100,411	1
Earthplace	81,560	81,560	81,560	-
Miscellaneous	95,850	95,850	83,805	12,045
Transportation Service	241,158	241,158	241,158	-
Reserve: Salary Adjustments	133,125	1,421	-	1,421
Employee Productivity	7,000	7,000	5,125	1,875
Accrued Vacation	5,000	5,000	-	5,000
Total other	21,491,466	25,846,821	25,696,069	150,752
DEBT SERVICE				
Interest on Bonds	948,166	948,173	948,173	-
Bond Anticipation Financing	40,000	39,993	-	39,993
Bond Principal Payments	2,038,093	2,038,093	2,038,093	-
Total debt service	3,026,259	3,026,259	2,986,266	39,993
CAPITAL OUTLAY				
General Government	45,450	50,450	49,728	722
Public Safety	278,985	260,593	253,498	7,095
Public Works	72,200	72,200	71,422	778
Recreation	111,900	166,910	165,909	1,001
Total capital outlay	508,535	550,153	540,557	9,596
TRANSFERS OUT	434,425	434,425	434,425	-
Total	\$ 178,889,110	\$ 184,402,531	\$ 182,705,895	\$ 1,696,636

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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 and Nonrecurring Fund - accounts for various acquisitions, renovations and construction projects, as outlined in the State of Connecticut statutes.

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.

Educational Facilities Improvement - Fund Phase IV – is used to account for borrowed funds which are used to pay for the fourth phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase V – is used to account for borrowed funds which are used to pay for the fifth phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase VII – is used to account for borrowed funds which are used to pay for the seventh phase of educational facility 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, 2012

	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	\$ 34,264	\$ 407,188	\$ 1,120,871	\$ 4,423	\$ 329,524	\$ 20,863	\$ 199,815
Investments	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	150,279	3,692	-	-	-
Total assets	\$ 34,264	\$ 407,188	\$ 1,271,150	\$ 8,115	\$ 329,524	\$ 20,863	\$ 199,815
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	\$ 887	\$ -	\$ 127,917	\$ 933	\$ -	\$ 1,660	\$ 8,415
Unearned revenue	-	-	1,070,905	-	-	-	-
Due to other funds	16	150,279	492,149	9,000	57,793	1,015	185,414
Total liabilities	903	150,279	1,690,971	9,933	57,793	2,675	193,829
Fund balances (deficits)							
Nonspendable	-	-	-	-	-	-	-
Restricted	33,361	-	-	-	271,731	-	-
Committed	-	256,909	-	-	-	-	-
Assigned	-	-	-	-	-	18,188	5,986
Unassigned	-	-	(419,821)	(1,818)	-	-	-
Total fund balances (deficits)	33,361	256,909	(419,821)	(1,818)	271,731	18,188	5,986
Total liabilities and fund balances (deficits)	\$ 34,264	\$ 407,188	\$ 1,271,150	\$ 8,115	\$ 329,524	\$ 20,863	\$ 199,815

Special Revenue				Capital Projects			
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Farm Fund	Real Property Fund	Sewer Reserve Fund	Capital and Nonrecurring Fund	Municipal Improvements Fund Phase II
\$ 27,342	\$ 996,888	\$ 97,423	\$ 30,835	\$ 725,596	\$ 2,921,927	\$ 3,625,901	\$ 71,277
-	-	-	-	-	-	-	-
-	-	164,119	-	-	-	-	-
-	-	-	-	-	296,775	7,584	-
<u>\$ 27,342</u>	<u>\$ 996,888</u>	<u>\$ 261,542</u>	<u>\$ 30,835</u>	<u>\$ 725,596</u>	<u>\$ 3,218,702</u>	<u>\$ 3,633,485</u>	<u>\$ 71,277</u>
\$ -	\$ 191	\$ -	\$ 1,940	\$ -	\$ -	\$ 43,405	\$ -
-	-	-	-	-	-	-	-
-	-	26,395	-	-	39,809	-	3,506,906
-	191	26,395	1,940	-	39,809	43,405	3,506,906
-	-	-	-	-	-	-	-
27,342	-	-	-	-	-	-	-
-	996,697	235,147	28,895	725,596	3,178,893	3,590,080	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(3,435,629)
<u>27,342</u>	<u>996,697</u>	<u>235,147</u>	<u>28,895</u>	<u>725,596</u>	<u>3,178,893</u>	<u>3,590,080</u>	<u>(3,435,629)</u>
<u>\$ 27,342</u>	<u>\$ 996,888</u>	<u>\$ 261,542</u>	<u>\$ 30,835</u>	<u>\$ 725,596</u>	<u>\$ 3,218,702</u>	<u>\$ 3,633,485</u>	<u>\$ 71,277</u>

TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	Capital Projects			
	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase IV	Educational Facilities Improvement Fund-Phase V	Educational Facilities Improvement Fund-Phase VII
ASSETS				
Cash and cash equivalents	\$ 4,296	\$ -	\$ -	\$ -
Investments	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	14,608	4,441	4,103	-
Total assets	\$ 18,904	\$ 4,441	\$ 4,103	\$ -
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 2,581	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-
Due to other funds	1,769,963	4,441	4,103	21,146
Total liabilities	1,772,544	4,441	4,103	21,146
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(1,753,640)	-	-	(21,146)
Total fund balances (deficits)	(1,753,640)	-	-	(21,146)
Total liabilities and fund balances (deficits)	\$ 18,904	\$ 4,441	\$ 4,103	\$ -

Debt Service	Permanent Funds		
Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	Totals
\$ -	\$ 16,865	\$ 2,625	\$ 10,637,923
2,302,505	-	-	2,302,505
-	-	-	164,119
-	-	-	481,482
<u>\$ 2,302,505</u>	<u>\$ 16,865</u>	<u>\$ 2,625</u>	<u>\$ 13,586,029</u>

\$ -	\$ -	\$ -	\$ 187,929
-	-	-	1,070,905
-	2,116	445	6,270,990
-	2,116	445	7,529,824
-	14,749	2,180	16,929
-	-	-	332,434
-	-	-	9,012,217
2,302,505	-	-	2,326,679
-	-	-	(5,632,054)
<u>2,302,505</u>	<u>14,749</u>	<u>2,180</u>	<u>6,056,205</u>
<u>\$ 2,302,505</u>	<u>\$ 16,865</u>	<u>\$ 2,625</u>	<u>\$ 13,586,029</u>

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	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	\$ -	\$ -	\$ -	\$ -	\$ 193,642	\$ 29,640	\$ 1,593,581
Permits, fees and other	17,057	-	1,279,709	-	-	-	-
Income from investments	-	-	-	-	-	-	-
Charges for services	-	-	-	1,815	-	-	-
Total revenues	17,057	-	1,279,709	1,815	193,642	29,640	1,593,581
EXPENDITURES							
General government	19,368	-	-	-	-	-	-
Public safety	-	37,500	1,776,368	3,633	-	-	-
Human services	-	-	-	-	-	26,656	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	1,584,797
Capital outlay	-	-	-	-	603,297	-	-
Total expenditures	19,368	37,500	1,776,368	3,633	603,297	26,656	1,584,797
Total revenues over (under) expenditures	(2,311)	(37,500)	(496,659)	(1,818)	(409,655)	2,984	8,784
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances (deficits)	(2,311)	(37,500)	(496,659)	(1,818)	(409,655)	2,984	8,784
FUND BALANCES (DEFICITS), beginning	35,672	294,409	76,838	-	681,386	15,204	(2,798)
FUND BALANCES (DEFICITS), ending	\$ 33,361	\$ 256,909	\$ (419,821)	\$ (1,818)	\$ 271,731	\$ 18,188	\$ 5,986

Special Revenue				Capital Projects			
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Town Farm Fund	Real Property Fund	Sewer Reserve Fund	Capital and Nonrecurring Fund	Municipal Improvements Fund Phase II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,218	\$ -
-	34,068	884,345	48,358	-	-	27,526	-
22	3,433	-	-	1,789	1,569	13,214	-
-	-	-	-	-	-	-	-
22	37,501	884,345	48,358	1,789	1,569	448,958	-
-	52,695	-	-	-	-	-	-
-	-	618,776	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	19,463	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	216,914	1,182,690	979,781
-	52,695	618,776	19,463	-	216,914	1,182,690	979,781
22	(15,194)	265,569	28,895	1,789	(215,345)	(733,732)	(979,781)
-	-	-	-	-	280,000	-	-
-	-	(100,000)	-	-	(263,225)	-	-
-	-	(100,000)	-	-	16,775	-	-
22	(15,194)	165,569	28,895	1,789	(198,570)	(733,732)	(979,781)
27,320	1,011,891	69,578	-	723,807	3,377,463	4,323,812	(2,455,848)
\$ 27,342	\$ 996,697	\$ 235,147	\$ 28,895	\$ 725,596	\$ 3,178,893	\$ 3,590,080	\$ (3,435,629)

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	Capital Projects			
	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase IV	Educational Facilities Improvement Fund-Phase V	Educational Facilities Improvement Fund-Phase VII
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Permits, fees and other	-	-	-	-
Income from investments	-	-	-	-
Charges for services	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Human services	-	-	-	-
Parks and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	1,335,944	-	-	-
Total expenditures	1,335,944	-	-	-
Total revenues over (under) expenditures	(1,335,944)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	(1,335,944)	-	-	-
FUND BALANCES (DEFICITS), beginning	(417,696)	-	-	(21,146)
FUND BALANCES (DEFICITS), ending	\$ (1,753,640)	\$ -	\$ -	\$ (21,146)

Debt Service	Permanent Funds		
Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	Totals
\$ -	\$ -	\$ -	\$ 2,225,081
-	-	-	2,291,063
235,610	-	-	255,637
-	-	-	1,815
<u>235,610</u>	<u>-</u>	<u>-</u>	<u>4,773,596</u>
-	-	-	72,063
-	-	-	2,436,277
-	-	-	26,656
-	-	-	19,463
-	-	-	1,584,797
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,318,626</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,457,882</u>
235,610	-	-	(3,684,286)
-	-	-	280,000
<u>(308,000)</u>	<u>-</u>	<u>-</u>	<u>(671,225)</u>
<u>(308,000)</u>	<u>-</u>	<u>-</u>	<u>(391,225)</u>
(72,390)	-	-	(4,075,511)
<u>2,374,895</u>	<u>14,749</u>	<u>2,180</u>	<u>10,131,716</u>
<u>\$ 2,302,505</u>	<u>\$ 14,749</u>	<u>\$ 2,180</u>	<u>\$ 6,056,205</u>

TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND
 TRANSFERS - BUDGETARY BASIS - BUDGET AND ACTUAL
 SEWER OPERATING FUND
 For the Year Ended June 30, 2012

	Sewer Operating Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES AND TRANSFERS				
Sewer assessment - current	\$ 600,000	\$ 600,000	\$ 531,471	\$ (68,529)
Sewer user charges - current	3,158,000	3,193,503	3,051,974	(141,529)
Sewer dumping fees - connection permits	75,000	75,000	57,019	(17,981)
Sewer interest	50,070	50,070	56,339	6,269
Sewer carrying charges	225,000	225,000	187,014	(37,986)
General Fund Debt Service contribution	434,425	434,425	434,425	-
General Fund Sewer Operations contribution	263,225	263,225	263,225	-
Sewer Other Revenues	115,000	115,000	113,250	(1,750)
Total revenues	4,920,720	4,956,223	4,694,717	(261,506)
EXPENDITURES AND TRANSFERS OUT				
Interest on bonds	717,042	717,042	717,042	-
Insurance	326,635	328,289	326,635	1,654
Bond principal payments	1,670,929	1,670,929	1,670,929	-
Bond anticipation-financial	79,375	79,375	-	79,375
Sewage treatment budget	1,149,770	1,170,717	1,050,568	120,149
Sewer collection budget	586,969	599,871	557,295	42,576
Pension	110,000	110,000	110,000	-
Transfers out	280,000	280,000	280,000	-
Total expenditures	4,920,720	4,956,223	4,712,469	243,754
Revenues and transfers in over (under) expenditures and transfers out	\$ -	\$ -	\$ (17,752)	\$ (17,752)

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 ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
June 30, 2012

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
ASSETS				
Cash and cash equivalents	\$ 409,154	\$ 516,078	\$ 2,497,462	\$ 3,422,694
Accounts receivable	24,750	-	-	24,750
Due from other funds	2,275,761	-	-	2,275,761
Total assets	2,709,665	516,078	2,497,462	5,723,205
LIABILITIES				
Claims incurred but not reported	516,064	1,319,083	1,441,814	3,276,961
Total liabilities	516,064	1,319,083	1,441,814	3,276,961
Net Assets (Deficits)	\$ 2,193,601	\$ (803,005)	\$ 1,055,648	\$ 2,446,244

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
OPERATING REVENUES				
Charges for services	\$ 7,860,800	\$ -	\$ 14,709,155	\$ 22,569,955
Total operating revenues	7,860,800	-	14,709,155	22,569,955
OPERATING EXPENSES				
Claims incurred	5,289,720	(108,290)	13,883,344	19,064,774
Administration	692,322	-	732,290	1,424,612
Total operating expenses	5,982,042	(108,290)	14,615,634	20,489,386
Operating income	1,878,758	108,290	93,521	2,080,569
NONOPERATING INCOME				
Interest income	183	64	120	367
Total nonoperating income	183	64	120	367
Change in net assets (deficits)	1,878,941	108,354	93,641	2,080,936
NET ASSETS (DEFICITS), beginning	314,660	(911,359)	962,007	365,308
NET ASSETS (DEFICITS), ending	\$ 2,193,601	\$ (803,005)	\$ 1,055,648	\$ 2,446,244

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2012

	Town Health Insurance	Workers' Compensation	Board of Education Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 5,560,289	\$ -	\$ 14,709,155	\$ 20,269,444
Cash paid to vendors and beneficiaries	(5,983,240)	-	(14,400,934)	(20,384,174)
Net cash (used in) provided by operating activities	(422,951)	-	308,221	(114,730)
CAPITAL FLOWS FROM INVESTING ACTIVITIES				
Interest on cash and cash equivalents	183	64	120	367
Net cash provided by investing activities	183	64	120	367
Net (decrease) increase in cash and cash equivalents	(422,768)	64	308,341	(114,363)
CASH AND CASH EQUIVALENTS				
Beginning	831,922	516,014	2,189,121	3,537,057
Ending	\$ 409,154	\$ 516,078	\$ 2,497,462	\$ 3,422,694
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,878,758	\$ 108,290	\$ 93,521	\$ 2,080,569
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable	(24,750)	-	-	(24,750)
Increase in due from other funds	(2,275,761)	-	-	(2,275,761)
Decrease in accounts payable	(16,262)	-	-	(16,262)
Increase (decrease) in claims payable	15,064	(108,290)	214,700	121,474
Net cash (used in) provided by operating activities	\$ (422,951)	\$ -	\$ 308,221	\$ (114,730)

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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, 2012

	Agency Funds						Total Agency Funds
	P&Z Escrow	Senior Citizen Escrow	Tri- Centennial Fund	Student Activities	Performance Bonds	Hillspoint School Escrow	
ASSETS							
Cash and cash equivalents	\$ 1,177,421	\$ 74,887	\$ 4,576	\$ 613,738	\$ 235,575	\$ 122,106	\$ 2,228,303
Total assets	\$ 1,177,421	\$ 74,887	\$ 4,576	\$ 613,738	\$ 235,575	\$ 122,106	\$ 2,228,303
LIABILITIES							
Liabilities							
Due to student groups	\$ -	\$ -	\$ -	\$ 613,738	\$ -	\$ -	\$ 613,738
Payable to others	1,177,421	74,887	4,576	-	235,575	122,106	1,614,565
Total liabilities	\$ 1,177,421	\$ 74,887	\$ 4,576	\$ 613,738	\$ 235,575	\$ 122,106	\$ 2,228,303

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
STUDENT ACTIVITIES FUNDS				
Assets				
Cash	\$ 579,597	\$ 1,499,169	\$ (1,465,028)	\$ 613,738
Liabilities				
Due to student groups	\$ 579,597	\$ 1,499,169	\$ (1,465,028)	\$ 613,738
OTHER FUNDS				
Assets				
Cash	\$ 1,862,121	\$ 893,095	\$ (1,140,651)	\$ 1,614,565
Liabilities				
Payable to others	\$ 1,862,121	\$ 893,095	\$ (1,140,651)	\$ 1,614,565
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 2,441,718	\$ 2,392,264	\$ (2,605,679)	\$ 2,228,303
Liabilities				
Due to student groups	\$ 579,597	\$ 1,499,169	\$ (1,465,028)	\$ 613,738
Payable to others	1,862,121	893,095	(1,140,651)	1,614,565
	\$ 2,441,718	\$ 2,392,264	\$ (2,605,679)	\$ 2,228,303

**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, 2012

Governmental funds capital assets:	
Land	\$ 32,451,861
Buildings	303,529,067
Land improvements	20,103,237
Infrastructure	104,853,029
Machinery and equipment	31,654,670
Construction in progress	6,972,854
Total governmental funds capital assets	\$ 499,564,718

TOWN OF WESTPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2012

	Land	Buildings	Land Improvements	Infrastructure	Machinery and Equipment	Construction in Progress	Total
General Government	\$ 1,105,000	\$ 2,635,714	\$ 292,842	\$ -	\$ 3,531,364	\$ -	\$ 7,564,920
Public Safety	318,501	6,063,232	537,540	-	13,471,778	31,074	20,422,125
Public Works/Sewer	13,570,157	54,252,970	1,041,995	101,530,129	6,750,721	5,303,531	182,449,503
Human Services	-	4,366,435	-	-	126,827	-	4,493,262
Education	991,503	222,277,928	7,409,936	-	4,553,030	1,638,249	236,870,646
Library	-	9,365,905	161,743	-	692,317	-	10,219,965
Parks and Recreation	16,466,700	4,566,883	10,659,181	3,322,900	2,528,633	-	37,544,297
Total	\$ 32,451,861	\$ 303,529,067	\$ 20,103,237	\$ 104,853,029	\$ 31,654,670	\$ 6,972,854	\$ 499,564,718

TOWN OF WESTPORT, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES
For the Year Ended June 30, 2012**

	Governmental Funds			Governmental Funds
	Capital Assets	Additions/ Transfers	Deletions/ Transfers	Capital Assets
	July 1, 2011			June 30, 2012
General Government	\$ 7,513,422	\$ 51,498	\$ -	\$ 7,564,920
Public Safety	20,259,112	323,250	160,237	20,422,125
Public Works	181,403,370	1,046,133	-	182,449,503
Human Services	4,493,262	-	-	4,493,262
Education	236,322,782	1,440,274	892,410	236,870,646
Library	10,214,246	5,719	-	10,219,965
Parks and Recreation	37,443,217	117,200	16,120	37,544,297
Total	\$ 497,649,411	\$ 2,984,074	\$ 1,068,767	\$ 499,564,718

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Other Schedules

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TOWN OF WESTPORT, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2012

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
ASSETS			
Cash and cash equivalents	\$ 26,037,084	\$ 489,998	\$ 29,448
Receivables (net of allowances for collection losses):			
Property taxes	16,611,885	-	-
Intergovernmental and other receivables	2,767,977	-	-
Due from other funds	6,108,180	-	(2,240)
Total assets	\$ 51,525,126	\$ 489,998	\$ 27,208
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ 3,224,953	\$ -	\$ 250
Deferred revenue	19,050,679	-	-
Unearned revenue	215,139	-	-
Due to other funds	3,205,883	-	-
Total liabilities	25,696,654	-	250
FUND BALANCES			
Restricted	-	-	-
Committed	-	-	-
Assigned	5,315,623	489,998	26,958
Unassigned	20,512,849	-	-
Total fund balances	25,828,472	489,998	26,958
Total liabilities and fund balances	\$ 51,525,126	\$ 489,998	\$ 27,208

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
\$ 624,299	\$ 750,738	\$ 685,941	\$ 28,617,508
-	-	-	16,611,885
-	41,708	-	2,809,685
-	-	(8,381)	6,097,559
<u>\$ 624,299</u>	<u>\$ 792,446</u>	<u>\$ 677,560</u>	<u>\$ 54,136,637</u>
\$ 4,145	\$ 157,105	\$ 3,090	\$ 3,389,543
-	-	-	19,050,679
486,982	-	-	702,121
-	-	-	3,205,883
<u>491,127</u>	<u>157,105</u>	<u>3,090</u>	<u>26,348,226</u>
-	-	232,935	232,935
-	-	394,952	394,952
133,172	635,341	46,583	6,647,675
-	-	-	20,512,849
<u>133,172</u>	<u>635,341</u>	<u>674,470</u>	<u>27,788,411</u>
<u>\$ 624,299</u>	<u>\$ 792,446</u>	<u>\$ 677,560</u>	<u>\$ 54,136,637</u>

TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BY ACCOUNT - GENERAL FUND
 For the Year Ended June 30, 2012

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
REVENUES			
Property taxes	\$ 165,268,513	\$ -	\$ -
Intergovernmental	3,911,613	-	-
Permits, fees and other	15,193,230	10,000	45,689
Income from investments	102,845	-	-
Charges for services	2,041,124	-	-
Parks and recreation fees	4,533,482	-	-
Total revenues	191,050,807	10,000	45,689
EXPENDITURES			
General government	5,019,487	34,907	-
Public safety	17,837,344	-	-
Public works	7,467,676	-	-
Public health	462,459	-	-
Human services	968,152	-	-
Library	4,249,027	-	-
Parks and recreation	4,246,433	-	43,559
Education	109,090,073	-	-
Benefits and other	25,925,636	-	-
Debt service:			
Principal	11,350,803	-	-
Interest and other charges	5,348,020	-	-
Bond issuance costs	151,050	-	-
Capital outlay	571,612	-	-
Total expenditures	192,687,772	34,907	43,559
Revenues over (under) expenditures	(1,636,965)	(24,907)	2,130
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds	13,210,000	-	-
Payment to escrow agent	(15,201,508)	-	-
Bond premium	2,142,810	-	-
Transfers in	408,000	-	-
Transfers out	(434,425)	-	-
Net other financing sources (uses)	124,877	-	-
Net change in fund balances	(1,512,088)	(24,907)	2,130
FUND BALANCES, beginning of year	27,340,560	514,905	24,828
FUND BALANCES, end of year	\$ 25,828,472	\$ 489,998	\$ 26,958

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
\$ -	\$ -	\$ -	\$ 165,268,513
-	187,130	206,388	4,305,131
-	-	1,128,689	16,377,608
54	6	34,940	137,845
1,144,670	2,714,849	117,420	6,018,063
-	-	-	4,533,482
<u>1,144,724</u>	<u>2,901,985</u>	<u>1,487,437</u>	<u>196,640,642</u>
-	-	1,336,744	6,391,138
-	-	58,600	17,895,944
-	-	-	7,467,676
-	-	-	462,459
-	-	121,541	1,089,693
-	-	-	4,249,027
-	-	158,620	4,448,612
1,459,720	2,581,611	-	113,131,404
-	-	-	25,925,636
-	-	-	11,350,803
-	-	-	5,348,020
-	-	-	151,050
-	-	-	571,612
<u>1,459,720</u>	<u>2,581,611</u>	<u>1,675,505</u>	<u>198,483,074</u>
(314,996)	320,374	(188,068)	(1,842,432)
-	-	-	13,210,000
-	-	-	(15,201,508)
-	-	-	2,142,810
-	-	-	408,000
-	-	-	(434,425)
-	-	-	124,877
(314,996)	320,374	(188,068)	(1,717,555)
<u>448,168</u>	<u>314,967</u>	<u>862,538</u>	<u>29,505,966</u>
<u>\$ 133,172</u>	<u>\$ 635,341</u>	<u>\$ 674,470</u>	<u>\$ 27,788,411</u>

TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2012

Grand List Year	Balance Uncollected July 1, 2011	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2010	\$ -	\$ 165,950,582	\$ 621,829	\$ 505,359	\$ -	\$ 166,067,052
2009	3,368,049	-	50,984	49,629	152,004	3,217,400
2008	1,741,774	-	37,358	55,985	-	1,723,147
2007	1,320,456	-	47,103	100,712	-	1,266,847
2006	916,201	-	598	31,313	-	885,486
2005	705,705	-	66	15,707	-	690,064
2004	480,648	-	-	256	-	480,392
2003	387,875	-	-	161	-	387,714
2002	386,019	-	-	9,395	-	376,624
2001	323,724	-	588	-	-	324,312
2000	185,351	-	296	8,048	-	177,599
1999	128,048	-	46,982	-	-	175,030
1998	104,336	-	-	4,450	-	99,886
1997	84,042	-	5	5,948	-	78,099
1996	79,811	-	-	8,797	-	71,014
	<u>\$ 10,212,039</u>	<u>\$ 165,950,582</u>	<u>\$ 805,809</u>	<u>\$ 795,760</u>	<u>\$ 152,004</u>	<u>\$ 176,020,666</u>

Collections from Deferral Program Prior to Grand List Year 1996
Suspense Collections

Collections						Balance Uncollected June 30, 2012
Taxes	Refunds	Interest	Fees	Total		
\$ 162,662,577	\$ 249,901	\$ 542,122	\$ 22,357	\$ 162,977,155	\$	3,404,475
1,367,095	23,272	200,280	6,058	1,550,161		1,850,305
322,082	6,391	93,792	585	410,068		1,401,065
110,278	2,679	34,201	264	142,064		1,156,569
60,759	-	22,670	96	83,525		824,727
53,990	-	13,023	72	67,085		636,074
28,817	-	7,184	48	36,049		451,575
7,956	-	3,564	48	11,568		379,758
11,510	-	5,456	48	17,014		365,114
16,663	-	9,630	50	26,343		307,649
7,716	-	3,370	48	11,134		169,883
3,785	-	3,658	48	7,491		171,245
5,105	-	2,540	48	7,693		94,781
4,829	-	2,604	48	7,481		73,270
4,363	-	3,241	-	7,604		66,651
<u>\$ 164,667,525</u>	<u>\$ 282,243</u>	<u>\$ 947,335</u>	<u>\$ 29,818</u>	<u>\$ 165,362,435</u>	<u>\$</u>	<u>11,353,141</u>
8,606	-	7,892	-	16,498		
65,095	-	36,181	1,242	102,518		
<u>\$ 164,741,226</u>	<u>\$ 282,243</u>	<u>\$ 991,408</u>	<u>\$ 31,060</u>	<u>\$ 165,481,451</u>		

Grand List Year	ACTIVE Balance Uncollected June 30, 2012	DEFERRED Balance Uncollected June 30, 2012	TOTAL Balance Uncollected June 30, 2012
2010	\$ 1,970,988	\$ 1,433,487	\$ 3,404,475
2009	525,381	1,324,924	1,850,305
2008	265,131	1,135,934	1,401,065
2007	113,023	1,043,546	1,156,569
2006	42,984	781,743	824,727
2005	7,233	628,841	636,074
2004	3,589	447,986	451,575
2003	3,189	376,569	379,758
2002	3,063	362,051	365,114
2001	2,487	305,162	307,649
2000	3,753	166,130	169,883
1999	4,838	166,407	171,245
1998	2,051	92,730	94,781
1997	67	73,203	73,270
1996	58	66,593	66,651
	<u>\$ 2,947,835</u>	<u>\$ 8,405,306</u>	<u>\$ 11,353,141</u>

(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, 2012

	Balance Uncollected July 1, 2011	Current Year Levy	Lawful Corrections	Adjusted Amount Collectible	Assessments Collections
SEWER ASSESSMENTS:					
Project #1	\$ 72,214	\$ 17,245	\$ -	89,459	\$ 9,056
Project #2	39,877	(8,485)	-	31,392	3,056
Project #3	37,332	5,052	-	42,384	5,396
Project #4	501,865	5,808	-	507,673	49,909
Project #5	345,185	36,933	-	382,118	28,160
Project #6	(19,156)	22,511	-	3,355	277
Project #7	9,758	1,381	-	11,139	1,536
Project #8	4,021	4,646	-	8,667	1,670
Project #9	171,374	(34,416)	-	136,958	25,771
Project #10	288,381	57,537	-	345,918	75,206
Project #11	697,819	79,712	-	777,531	102,121
Project #12	774,250	96,030	-	870,280	96,767
Project #13	136,560	93,853	-	230,413	20,841
Project #14	722,973	23,083	-	746,056	56,492
Project #15	839,081	33,156	-	872,237	41,815
Project #80	108,797	63,637	-	172,434	13,403
Non	(8,236)	11,662	-	3,426	1,196
Total	4,722,095	509,345	-	5,231,440	532,672
SEWER USE CHARGES:					
Non-Designated Project	(395)	13,967	-	13,572	11,530
Project #1	89,558	947,140	-	1,036,698	890,087
Project #2	27,991	348,854	-	376,845	325,050
Project #3	37,839	466,778	-	504,617	446,430
Project #4	30,245	497,256	-	527,501	473,041
Project #5	37,229	381,423	-	418,652	384,126
Project #6	1,579	45,183	-	46,762	43,336
Project #7	3,094	15,725	-	18,819	14,116
Project #8	1,644	38,412	-	40,056	36,703
Project #9	10,065	61,245	-	71,310	64,005
Project #10	10,554	131,125	-	141,679	120,926
Project #11	13,819	125,768	-	139,587	118,752
Project #12	6,602	74,410	-	81,012	73,283
Project #13	828	14,800	-	15,628	14,246
Project #14	1,853	31,046	-	32,899	28,860
Project #15	(21)	3,758	-	3,737	3,487
Non	3,199	2,197	-	5,396	2,758
Total	275,683	3,199,087	-	3,474,770	3,050,736
CARRYING CHARGES					
Project #3	506	1,625	-	2,131	1,439
Project #4	9,241	18,702	-	27,943	16,284
Project #5	2,898	13,799	-	16,697	12,876
Project #6	-	185	-	185	185
Project #7	10,407	602	-	11,009	154
Project #8	32	388	-	420	420
Project #9	3,405	5,295	-	8,700	7,432
Project #10	9,733	14,605	-	24,338	13,139
Project #11	10,355	35,867	-	46,222	33,256
Project #12	12,908	35,326	-	48,234	35,658
Project #13	549	9,438	-	9,987	8,792
Project #14	1,768	26,677	-	28,445	25,985
Project #15	2,785	29,292	-	32,077	24,851
Project #80	79	26,689	-	26,768	24,851
Non	1,546	4,997	-	6,543	6,543
Total	66,212	223,487	-	289,699	211,865
SHERWOOD MILL POND					
	25,016	-	-	25,016	25,016
Total	25,016	-	-	25,016	25,016
	\$ 5,089,006	\$ 3,931,919	\$ -	\$ 9,020,925	\$ 3,820,289

Refunds	Charges Waived	Balance Uncollected June 30, 2012
\$ 66	\$ -	\$ 80,469
-	-	28,336
-	-	36,988
124	-	457,888
110	-	354,068
-	-	3,078
-	-	9,603
296	-	7,293
1,343	-	112,530
827	-	271,539
837	-	676,247
196	-	773,709
-	-	209,572
-	-	689,564
-	-	830,422
-	-	159,031
-	-	2,230
<u>3,799</u>	<u>-</u>	<u>4,702,567</u>
-	-	2,042
2,458	-	149,069
698	-	52,493
1,201	-	59,388
3,093	-	57,553
3,135	-	37,661
-	-	3,426
-	-	4,703
-	-	3,353
307	-	7,612
1,809	-	22,562
493	-	21,328
-	-	7,729
-	-	1,382
-	-	4,039
-	-	250
-	-	2,638
<u>13,194</u>	<u>-</u>	<u>437,228</u>
-	-	692
-	-	11,659
-	-	3,821
-	-	-
-	-	10,855
-	-	-
-	-	1,268
-	-	11,199
-	-	12,966
-	-	12,576
-	-	1,195
-	-	2,460
-	-	7,226
-	-	1,917
-	-	-
<u>-</u>	<u>-</u>	<u>77,834</u>
-	-	-
<u>\$ 16,993</u>	<u>\$ -</u>	<u>\$ 5,217,629</u>

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

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 112,345	\$ 114,566	\$ 116,904	\$ 145,846
Restricted	-	-	-	-
Unrestricted	44,185	50,781	57,936	43,258
Total governmental activities net assets	\$ 156,530	\$ 165,347	\$ 174,840	\$ 189,104

Source: Town CAFR.

* As restated for OPEB calculation.

Fiscal Year					
2007	2008	2009	2010*	2011	2012
\$ 173,215	\$ 157,894	\$ 161,774	\$ 162,494	\$ 169,862	\$ 173,829
-	-	-	-	1,036	565
30,187	50,670	47,252	44,081	39,369	36,446
\$ 203,402	\$ 208,564	\$ 209,026	\$ 206,575	\$ 210,267	\$ 210,840

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2003	2004	2005	2006
Expenses:				
Governmental activities:				
General Government	\$ 5,457,409	\$ 7,968,215	\$ 10,578,056	\$ 9,578,299
Education	77,742,983	87,973,022	91,603,615	98,379,924
Public safety	17,681,452	17,189,469	17,793,738	18,217,392
Public works	14,353,685	12,341,834	13,527,504	14,433,874
Public Health	411,412	423,529	436,124	449,097
Human Services	1,172,228	1,326,081	1,218,509	1,377,170
Library	3,366,414	3,548,942	3,651,598	3,774,015
Parks and recreation	4,628,100	4,939,551	4,884,069	4,946,083
Interest on long-term debt	1,576,276	1,415,937	1,532,186	1,710,093
Total governmental activities expenses	126,389,959	137,126,580	145,225,399	152,865,947
Program revenue:				
Charges for services:				
General Government	3,682,323	4,824,791	5,372,582	4,804,010
Education	5,850,706	5,974,481	6,144,753	8,956,477
Public safety	2,080,628	2,337,513	2,575,690	2,884,667
Public works	158,368	185,228	597,533	1,546,324
Public health	-	-	-	-
Human Services	-	-	-	-
Library	-	-	-	-
Parks and recreation	3,333,952	3,473,490	3,638,076	3,759,047
Operating grants and contributions:				
General Government	1,344,580	1,378,640	1,376,913	1,369,154
Education	1,126,525	1,179,206	1,404,301	1,470,077
Public safety	317,142	334,080	91,801	105,008
Public works	210,936	23,568	166,785	292,508
Public health	-	-	-	-
Human services	21,466	21,485	22,042	22,131
Library	-	-	-	-
Parks and recreation	-	1,550	-	-
Capital grants and contributions:				
General Government	-	864,764	238,202	4,156,661
Education	1,441,479	3,050,558	5,201,524	2,153,502
Public safety	-	-	-	-
Public works	104,671	82,957	130,764	445,452
Public Health	-	-	-	-
Human Services	500,000	500,000	-	-
Total governmental activities program revenue	20,172,776	24,232,311	26,960,966	31,965,018
Net expense: Governmental activities	(106,217,183)	(112,894,269)	(118,264,433)	(120,900,929)

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2003	2004	2005	2006
General revenues and other changes in net assets:				
Property taxes	106,845,615	119,056,374	123,861,301	131,735,933
Grants and contributions not restricted to specific programs	2,239,464	1,962,855	2,277,121	1,972,129
Investment earnings	1,160,965	1,205,179	1,619,190	1,457,328
Loss on disposal	(670,348)	(513,534)	-	-
Total governmental activities general revenue	109,575,696	121,710,874	127,757,612	135,165,390
Changes in Net Assets:	3,358,513	8,816,605	9,493,179	14,264,461
Governmental activities	\$ 3,358,513	\$ 8,816,605	\$ 9,493,179	\$ 14,264,461

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Expenses:						
Governmental activities:						
General Government	\$ 11,567,492	\$ 12,617,158	\$ 9,852,083	\$ 10,975,715	\$ 11,374,983	\$ 11,073,562
Education	96,186,377 *	110,101,139 *	110,630,097 *	118,321,399	120,367,980	121,730,173
Public safety	21,342,572	24,331,387	27,957,161	29,151,534	31,177,644	32,872,330
Public works	11,370,516	14,724,492	15,495,836	17,477,526	17,830,375	19,327,263
Public Health	462,469	380,154	462,459	919,000	942,487	462,459
Human Services	1,727,457	1,757,647	1,761,349	1,364,063	1,478,767	2,182,077
Library	3,983,028	3,749,404	4,360,884	4,456,497	4,550,012	4,491,987
Parks and recreation	5,901,674	6,069,819	6,622,664	6,684,295	6,947,130	7,401,911
Interest on long-term debt	7,416,503	7,099,026	7,862,532	7,041,180	6,330,128	5,747,851
Total governmental activities expenses	159,958,088	180,830,226	185,005,065	196,391,209	200,999,506	205,289,613
Program revenue:						
Charges for services:						
General Government	4,462,553	7,591,913	4,045,980	4,643,601	4,239,889	4,681,842
Education	9,581,462	11,012,028	12,059,075	11,413,044	11,676,409	14,389,227
Public safety	2,476,645	2,938,472	2,809,108	2,920,687	2,011,739	3,463,743
Public works	1,623,047	4,240,155	4,204,845	6,247,419	7,288,085	5,618,961
Public health	-	-	2,888	-	-	-
Human Services	22,206	-	25,282	100,000	-	117,420
Library	-	-	8,477	-	-	-
Parks and recreation	4,140,193	4,753,945	4,389,314	4,699,734	5,483,119	4,741,290
Operating grants and contributions:						
General Government	1,405,417	1,489,903	53,835	239,989	469,109	262,960
Education	1,581,764	1,503,541	3,428,646	4,663,949	5,030,762	4,265,942
Public safety	191,988	224,424	48,233	-	-	-
Public works	457,758	104,704	270,911	278,084	302,341	276,237
Public health	-	-	29,925	-	-	-
Human services	-	32,379	2,856	25,000	-	29,640
Library	-	-	8,518	-	-	-
Parks and recreation	-	-	11,310	53,464	29,469	-
Capital grants and contributions:						
General Government	3,925,456	1,347,245	802,670	294,034	-	-
Education	483,327	143,057	1,054,194	-	-	-
Public safety	-	-	183,000	-	-	-
Public works	193,137	193,142	-	-	1,792,479	408,218
Public Health	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Total governmental activities program revenue	30,544,953	35,574,908	33,439,067	35,579,005	38,323,401	38,255,480
Net expense: Governmental activities	(129,413,135)	(145,255,318)	(151,565,998)	(160,812,204)	(162,676,105)	(167,034,133)

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets:						
Property taxes	137,853,097	142,537,842	151,356,844	158,085,030	164,625,209	166,144,594
Grants and contributions not restricted to specific programs	3,156,030	1,696,180	1,317,643	1,031,079	1,466,953	1,068,828
Investment earnings	2,701,593	2,683,477	1,487,694	610,670	275,678	393,849
Loss on disposal	-	-	-	-	-	-
Total governmental activities general revenue	143,710,720	146,917,499	154,162,181	159,726,779	166,367,840	167,607,271
Changes in Net Assets:	14,297,585	1,662,181	2,596,183	(1,085,425)	3,691,735	573,138
Governmental activities	\$ 14,297,585	\$ 1,662,181	\$ 2,596,183	\$ (1,085,425)	\$ 3,691,735	\$ 573,138

* Amounts restated for inclusion in BOE OPEB.

TOWN OF WESTPORT CONNECTICUT

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

Function / Program	Fiscal Year			
	2003	2004	2005	2006
Primary government:				
General Government	\$ 5,026,903	\$ 7,068,195	\$ 6,987,697	\$ 10,329,825
Education	8,418,710	10,204,245	12,750,578	12,580,056
Public safety	2,397,770	2,671,593	2,667,491	2,989,675
Public works	473,975	291,753	895,082	2,284,284
Public health	-	-	-	-
Human Services	521,466	521,485	22,042	22,131
Library	-	-	-	-
Parks and recreation	3,333,952	3,475,040	3,638,076	3,759,047
Total governmental activities program revenue	\$ 20,172,776	\$ 24,232,311	\$ 26,960,966	\$ 31,965,018

Source: Town CAFR

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 9,793,426	\$ 10,429,061	\$ 4,902,485	\$ 5,177,624	\$ 4,708,998	\$ 4,944,802
11,646,553	12,658,626	16,541,915	16,076,993	16,707,171	18,655,169
2,668,633	3,162,896	3,040,341	2,920,687	2,011,739	3,463,743
2,273,942	4,538,001	4,475,756	6,525,503	9,382,905	6,303,416
-	-	32,813	-	-	-
22,206	32,379	11,333	125,000	-	147,060
-	-	33,800	-	-	-
4,140,193	4,753,945	4,400,624	4,753,198	5,512,588	4,741,290
\$ 30,544,953	\$ 35,574,908	\$ 33,439,067	\$ 35,579,005	\$ 38,323,401	\$ 38,255,480

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved or designated	3,360,600	4,736,196	5,414,238	6,787,491
Unreserved, undesignated	10,259,259	11,225,239	12,869,982	11,889,515
Total General Fund	\$ 13,619,859	\$ 15,961,435	\$ 18,284,220	\$ 18,677,006
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved or designated	14,435,386	44,275,606	44,835,997	21,185,851
Unreserved, undesignated, reported in:				
Special revenue funds	3,051,206	3,068,128	4,645,164	5,493,908
Debt service funds	2,699,642	2,324,452	3,617,937	2,975,179
Capital projects funds	20,953,658	(35,496,494)	(31,627,218)	(24,782,912)
Permanent fund	16,897	16,897	16,897	16,897
Total all other government funds	\$ 41,156,789	\$ 14,188,589	\$ 21,488,777	\$ 4,888,923

* GASB 54 was implemented in Fiscal Year 2011.

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	214,547	232,935
-	-	-	-	601,408	394,952
-	-	-	-	7,398,103	6,647,675
-	-	-	-	21,291,908	20,512,849
7,261,103	7,618,009	6,442,444	1,168,017	-	-
14,024,019	15,914,778	15,789,521	23,992,884	-	-
\$ 21,285,122	\$ 23,532,787	\$ 22,231,965	\$ 25,160,901	\$ 29,505,966	\$ 27,788,411
\$ -	\$ -	\$ -	\$ -	\$ 16,929	\$ 16,929
-	-	-	-	821,216	332,434
-	-	-	-	10,389,791	9,541,358
-	-	-	-	2,390,099	2,326,679
-	-	-	-	(2,897,488)	(5,632,054)
4,683,349	3,991,911	2,236,997	5,910,888	-	-
5,483,489	4,848,524	5,307,584	4,985,328	-	-
2,896,537	2,898,033	2,709,664	2,614,784	-	-
(22,325,764)	(24,821,250)	721,256	5,357,426	-	-
16,897	16,897	16,897	16,929	-	-
\$ (9,245,492)	\$ (13,065,885)	\$ 10,992,398	\$ 18,885,355	\$ 10,720,547	\$ 6,585,346

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2003	2004	2005	2006
Revenues:				
Property taxes, interest and liens, net	\$ 102,751,594	\$ 114,641,421	\$ 121,001,803	\$ 126,695,262
Intergovernmental	4,764,697	7,025,221	7,855,848	10,180,367
Charges for services	4,736,018	4,891,213	5,377,348	5,890,472
Interest and dividends	1,124,070	1,171,923	1,534,717	1,278,005
Other	17,206,609	17,825,732	19,945,476	22,005,740
Total revenues	130,582,988	145,555,510	155,715,192	166,049,846
Expenditures:				
General Government	5,630,980	7,943,478	5,492,124	5,779,470
Public safety	13,668,339	14,132,320	13,949,133	14,974,359
Public works	8,389,036	8,616,639	9,771,595	10,936,896
Public health	411,412	423,529	436,124	449,097
Human services	736,888	780,471	791,203	928,662
Library	2,987,656	3,165,258	3,292,008	3,447,396
Parks and recreation	3,354,424	3,517,889	3,562,901	3,769,340
Education	69,909,013	77,823,624	82,111,476	88,987,874
Benefits and other	7,228,520	7,500,819	9,115,590	9,265,366
Capital outlay	14,539,228	31,882,835	42,133,902	37,360,753
Debt service:				
Principal	6,915,000	8,050,000	8,915,000	10,270,000
Interest and other charges	5,928,806	6,345,271	7,326,017	7,792,701
Total expenditures	139,699,302	170,182,133	186,897,073	193,961,914
Excess of revenues (under) expenditures	(9,116,314)	(24,626,623)	(31,181,881)	(27,912,068)
Other financing sources (uses):				
Transfers in	2,899,851	5,252,517	3,162,981	2,614,886
Transfers out	(2,899,851)	(5,252,517)	(3,162,981)	(2,614,886)
Issuance of long-term debt	32,045,000	-	39,940,000	11,705,000
Proceeds of refunding bonds	44,730,000	-	-	-
Payment to refunded bond escrow agent	(48,857,408)	-	-	-
Premium (discount) on long-term debt	4,361,735	-	864,854	-
Total other financing sources (uses)	32,279,327	-	40,804,854	11,705,000
Net changes in fund balance	\$ 23,163,013	\$ (24,626,623)	\$ 9,622,973	\$ (16,207,068)
Debt service as a percentage of noncapital expenditures	11.4%	11.6%	12.6%	13.0%

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 132,883,582	\$ 141,064,308	\$ 151,452,153	\$ 155,340,454	\$ 161,327,432	\$ 165,268,513	
7,940,238	6,872,673	7,777,703	6,886,580	9,392,095	6,612,807	
6,435,494	6,978,208	5,955,655	6,314,037	6,089,241	6,019,878	
2,312,735	2,560,532	1,453,765	599,902	270,912	393,482	
22,973,310	24,415,887	21,392,514	23,271,793	24,522,633	27,116,625	
172,545,359	181,891,608	188,031,790	192,412,766	201,602,313	205,411,305	
6,386,543	6,193,465	5,928,650	6,358,457	6,244,699	6,463,201	
17,122,350	17,895,446	20,574,482	19,368,191	19,794,054	20,332,221	
7,485,342	10,564,915	10,583,559	10,476,953	9,990,477	9,554,113	
462,469	380,154	462,459	919,000	942,487	462,459	
958,565	996,016	1,217,726	610,357	573,881	1,116,349	
3,681,562	3,940,588	3,978,035	4,068,152	4,144,510	4,249,027	
4,079,103	4,347,801	4,635,087	4,262,817	4,188,641	4,468,075	
92,539,559	101,335,131	103,600,802	108,825,724	110,943,544	114,716,201	
10,186,912	10,195,795	13,135,461	14,759,082	21,328,147	25,925,636	
22,952,033	9,160,999	11,707,853	4,518,529	7,919,336	4,890,238	
10,974,850	11,355,000	11,155,000	13,768,269	12,777,560	13,021,732	
7,428,580	7,099,026	6,708,698	7,003,393	6,582,926	6,216,111	
184,257,868	183,464,336	193,687,812	194,938,924	205,430,262	211,415,363	
(11,712,509)	(1,572,728)	(5,656,022)	(2,526,158)	(3,827,949)	(6,004,058)	
2,395,446	2,471,423	1,639,535	1,848,484	1,192,416	1,385,650	
(2,395,446)	(2,471,423)	(1,639,535)	(1,148,484)	(1,192,416)	(1,385,650)	
-	-	28,413,483	12,500,000	-	-	
26,460,000	-	-	19,575,000	13,235,000	13,210,000	
(28,026,668)	-	-	(21,374,493)	(14,476,654)	(15,201,508)	
1,752,878	-	-	1,947,544	1,249,860	2,142,810	
186,210	-	28,413,483	13,348,051	8,206	151,302	
\$ (11,526,299)	\$ (1,572,728)	\$ 22,757,461	\$ 10,821,893	\$ (3,819,743)	\$ (5,852,756)	
12.9%	11.8%	10.9%	12.2%	10.9%	10.3%	

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
2003	n/a	n/a	n/a	\$ 101,646,031
2004	105,789,192	2,328,034	5,036,963	113,154,189
2005	110,027,984	2,512,436	5,926,843	118,467,263
2006	116,003,174	2,545,936	6,336,320	124,885,430
2007	125,024,706	1,554,710	4,180,033	130,759,449
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
Change 2004-2012	44.68%	83.37%	12.33%	44.03%

Source: Town Tax Office

n/a: Information not available.

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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
2003	\$ 4,505,369,500	\$ 679,535,200	\$ 28,916,000	\$ 148,949,231	\$ 271,397,174
2004	4,586,423,006	676,699,800	27,885,100	134,850,106	274,873,192
2005	4,676,605,410	694,643,210	24,010,200	136,130,010	268,720,359
2006	4,808,448,212	681,905,830	69,645,000	130,420,696	288,870,284
2007*	8,356,731,869	1,373,342,900	179,582,758	129,621,182	294,529,873
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

Source: Assessor's Office

* Revaluation

	Total Taxable Assessed Value	Actual Taxable Value	Value as a Percentage of Actual Value
\$	5,634,167,105	\$ 8,048,810,150	70.00%
	5,700,731,204	8,143,901,720	70.00%
	5,800,109,189	8,285,870,270	70.00%
	5,979,290,022	8,541,842,889	70.00%
	10,333,808,582	14,762,583,689	70.00%
	10,415,436,116	14,879,194,451	70.00%
	10,625,982,493	15,179,974,990	70.00%
	10,772,214,638	15,388,878,054	70.00%
	10,920,004,285	15,600,006,121	70.00%
	9,557,877,321	13,654,110,450	70.00%

TOWN OF WESTPORT CONNECTICUT

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power	\$ 117,338,760	1	1.23%	\$ 26,022,860	2	0.85%
Nayala Farms Inc.	78,272,660	2	0.82%	61,382,410	1	1.99%
Lasry M & C	22,607,600	3	0.24%	-	-	0.00%
Riverside Office 285 & 355 LLC	21,990,600	4	0.23%	-	-	0.00%
Estate of R & S Heyman	19,994,700	5	0.21%	-	-	0.00%
Roseville Estates, Inc.	19,832,540	6	0.21%	-	-	0.00%
Allianz Life Insurance Company	19,075,500	7	0.20%	-	-	0.00%
125 Main Street Assoc., LLC	17,958,400	8	0.19%	-	-	0.00%
Bridgewater Associates Inc	17,950,170	9	0.19%	-	-	0.00%
Byelas Irving Irrevocable Trust	17,112,200	10	0.18%	863,680	8	0.03%
TIAA Realty, Inc.	-	-	0.00%	19,849,700	3	0.64%
Metropolitan Life Ins. Co.	-	-	0.00%	19,845,920	4	0.64%
Heyman, Samuel J. Trustee	-	-	0.00%	14,473,500	5	0.47%
Greens Farm LLC	-	-	0.00%	13,158,000	6	0.43%
BP Westport Inn, LLC & Benenson Westport Trust	-	-	0.00%	8,542,100	9	0.28%
Davis L.W.	-	-	0.00%	8,476,600	10	0.28%
Bridgeport Hydraulic Co.	-	-	0.00%	10,875,140	7	0.35%
Total	\$ 352,133,130		3.68%	\$ 183,489,910		5.96%

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
2003	2001	\$ 103,373,250	\$ 101,899,188	98.57%
2004	2002	115,426,930	113,508,921	98.34%
2005	2003	120,604,962	119,073,865	98.73%
2006	2004	126,810,765	125,227,654	98.75%
2007	2005	132,608,291	131,361,637	99.06%
2008	2006	141,781,985	140,244,615	98.92%
2009	2007	152,132,101	149,667,754	98.38%
2010	2008	154,608,436	152,062,370	98.35%
2011	2009	161,361,769	158,440,196	98.19%
2012	2010	166,067,052	162,978,853	98.14%

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
\$ 1,061,774	\$ 102,960,962	99.60%
1,457,575	114,966,496	99.60%
1,046,299	120,120,164	99.60%
1,013,105	126,240,759	99.55%
533,154	131,894,791	99.46%
618,782	140,863,397	99.35%
1,200,638	150,868,392	99.17%
1,019,208	153,081,578	99.01%
929,623	159,369,819	98.77%
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	Net Debt Per Capita ⁽²⁾
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt ⁽¹⁾		
2003	\$ 152,710,000	\$ 2,699,642	\$ 150,010,358	1.864%	\$ 5,699.48
2004	144,660,000	2,324,452	142,335,548	1.743%	5,358.21
2005	175,685,000	3,617,937	172,067,063	2.079%	6,477.45
2006	177,120,000	2,975,179	174,144,821	1.172%	6,555.67
2007*	165,865,000	2,820,143	163,044,857	1.097%	6,119.84
2008	154,530,000	2,976,675	151,553,325	1.020%	5,705.21
2009	171,788,483	2,709,664	169,078,819	1.114%	6,460.16
2010	169,880,214	2,614,784	167,265,430	1.082%	6,222.00
2011	156,777,654	2,374,895	154,402,759	0.990%	5,850.58
2012	142,625,922	2,524,395	140,101,527	1.026%	5,308.69

* Revaluation

⁽¹⁾ Non-restricted assets.

⁽²⁾ State of Connecticut Department of Public Health July 1, 2009.

TOWN OF WESTPORT CONNECTICUT

**Direct Governmental Activities Debt
For the Year Ended June 30, 2012
(Unaudited)**

Governmental Unit	Debt Outstanding
General obligation debt	\$ 142,652,922
Less school construction grants receivable - principal portion only	<u>(1,710,224)</u>
Total direct debt	<u><u>\$ 140,942,698</u></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)**

	2003	2004	2005	2006
Debt limit	\$ 721,115	\$ 812,127	\$ 850,737	\$ 894,388
Total net debt applicable to limit	145,874	143,536	174,172	174,167
Legal debt margin	\$ 575,241	\$ 668,591	\$ 676,565	\$ 720,221
Total net debt applicable to the limit as a percentage of debt limit	25.359%	21.468%	25.744%	24.182%

2007	2008	2009	2010	2011	2012
\$ 937,237	\$ 993,171	\$ 1,056,150	\$ 1,086,199	\$ 1,124,514	\$ 1,158,882
162,407	151,351	169,175	167,568	154,812	140,943
\$ 774,830	\$ 841,820	\$ 886,975	\$ 918,631	\$ 969,702	\$ 1,017,939
20.960%	17.979%	19.073%	18.241%	15.965%	13.846%

TOWN OF WESTPORT CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMITATION

June 30, 2012

Total tax collections (including interest and lien fees) for the year ended June 30, 2011	\$ 165,554,566
Reimbursement for revenue loss: Tax relief for Elderly Homeowner Freeze	<u>-</u>
Base	<u>\$ 165,554,566</u>
Debt limit	<u><u>\$ 1,158,881,962</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 372,497,774	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	744,995,547	-	-	-
3-3/4 times base	-	-	620,829,623	-	-
3-1/4 times base	-	-	-	538,052,340	-
3 times base	-	-	-	-	496,663,698
Total debt limitation	<u>372,497,774</u>	<u>744,995,547</u>	<u>620,829,623</u>	<u>538,052,340</u>	<u>496,663,698</u>
Debt as defined by statute:					
Bonds payable	17,328,680	93,182,940	32,114,302	-	-
Bond anticipation notes payable	-	-	-	-	-
Capital leases	-	-	-	-	-
Bonds authorized but not issued, issue dates not yet established	-	4,287,927	41,454,000	-	-
Construction grants	-	(1,710,224)	-	-	-
Total indebtedness	<u>17,328,680</u>	<u>95,760,643</u>	<u>73,568,302</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 355,169,094</u></u>	<u><u>\$ 649,234,904</u></u>	<u><u>\$ 547,261,321</u></u>	<u><u>\$ 538,052,340</u></u>	<u><u>\$ 496,663,698</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	
2003	\$ 2,633,605	\$ 1,355,077	\$ 1,278,528	\$ 785,050	\$ 436,320	96%
2004	2,813,059	1,689,808	1,123,251	606,500	362,140	86%
2005	2,802,051	1,447,814	1,354,237	773,900	373,065	85%
2006	3,290,784	1,617,336	1,673,448	789,950	507,602	77%
2007	3,377,640	1,783,179	1,594,461	794,410	657,915	91%
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%

* 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
2003	26,320	73,664	39.4	5,225	4.0%
2004	26,564	73,664	39.4	5,281	3.8%
2005	26,615	73,664	39.4	5,460	3.8%
2006	26,642	73,664	39.4	5,573	3.4%
2007	26,508	73,664	39.4	5,618	3.2%
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%

*State of Connecticut Dept of Health (July 1 Data)

** Source: CERC.

***City-Data.com (2009)

n/a: Information not available.

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TOWN OF WESTPORT CONNECTICUT

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

<u>Functions/Program</u>	Full-Time Equivalent Employees as of June 30,			
	2003	2004	2005	2006
Governmental Services:				
Selectmans Office	4	4	4	4
Town Clerk	5	5	5	5
Finance	10	11	11	11
Internal Audit	-	-	-	-
Information Technology	3	3	3	4
Legal	1	1	1	1
Building Department	5	5	5	5
Personnel	3	3	3	3
Planning & Zoning	8	8	8	8
Historic District	-	-	-	-
Conservation	4	4	4	4
Human Services	9	9	9	9
Assessor	6	6	6	7
Tax collector	5	5	5	5
Registrar	1	1	1	1
Parks and Recreation:				
General & Administrative	8	8	8	8
Program managers	2	2	2	2
Field Maintenance	4	4	4	4
Park Maintenance	3	3	3	3
Maintenance & development	5	5	5	5
Golf Course(s)	7	7	7	7
Boating	1	1	1	1
Police:				
Officers	70	69	64	67
Civilians	18	15	16	17
Fire:				
Firefighters and Officers	58	56	56	55
Civilians	8	8	8	8
Public Works:				
Engineering	11	11	11	11
Highway	18	18	18	18
Equipment Maintenance	2	2	2	2
Solid waste disposal	4	4	4	4
Building Maintenance	6	6	6	6
Custodians	6	6	7	7
Sewage treatment	5	4	4	5
Sewage collection	3	3	3	3
Other Programs/Functions:				
Library	50	49	49	49
Total	353	346	343	349

Sources: Town and Library Records

Full-Time Equivalent as of June 30,					
2007	2008	2009	2010	2011	2012
4	4	4	4	2	2
5	5	5	6	5	5
10	11	9	9	8	8
-	-	-	1	1	1
3	2	3	3	2	2
1	1	1	1	1	1
5	5	5	4	4	4
3	3	3	3	3	3
9	9	9	8	7	7
-	-	1	1	1	1
5	5	5	5	5	5
12	14	14	14	14	14
7	7	8	7	6	6
5	5	5	5	5	5
1	1	1	1	1	1
9	8	8	8	6	6
1	2	2	2	2	2
4	4	4	4	4	4
3	4	4	2	2	2
4	4	4	4	3	3
8	8	7	6	6	5
1	1	1	1	1	1
65	70	70	70	67	64
22	22	24	24	24	23
60	63	67	66	66	67
7	7	7	8	6	6
10	11	11	10	9	9
17	18	18	18	16	16
2	2	2	1	2	2
3	4	4	3	3	3
6	6	6	6	6	6
7	7	7	6	4	3
4	5	5	5	5	5
3	3	3	3	3	3
49	53	52	51	52	53
355	374	379	370	352	348

TOWN OF WESTPORT CONNECTICUT

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

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
Police:					
Calls for service	21,671	20,837	19,646	19,828	22,540
Adult arrest	841	796	701	637	893
Juvenile referrals	32	46	23	33	55
Speeding citations only	901	550	403	455	923
Traffic citations	2,746	2,448	2,196	2,670	4,904
EMS Patients	2,156	2,005	2,250	1,613	1,705
Fire:					
Total emergency service calls	2,554	3,198	3,578	2,721	3,668
Property loss	\$ 465,326	\$ 222,955	\$ 263,076	\$ 438,125	\$ 190,196
Building safety:					
Total building permits	3,974	4,296	4,268	3,980	3,797
Total value all permits (\$000)	\$ 145,064	\$ 180,867	\$ 155,988	\$ 134,279	\$ 127,895
Library, volumes in collection	220,889	226,703	220,819	224,235	223,025
Public works:					
Solid waste collected (ton)	16,314	16,735	16,974	18,735	18,906
Recycle collected (ton)	5,068	5,518	6,217	6,792	6,571
Parks and Recreation:					
Recreation program attendance	5,933	6,059	6,684	9,832	9,744
Aquatics program attendance	663	697	710	683	764
Golf rounds played	39,914	41,769	38,992	36,351	35,005

Source: Town Records

n/a: Information not available.

* Based on calendar year.

		Fiscal Year				
		2008	2009	2010	2011	2012
		21,707	21,304	24,718	24,920	25,094
		895	839	822	723	628
		38	14	42	38	18
		1,303	999	621	582	958
		2,482	5,709	6,208	5,911	5,100
		1,989	1,680	1,807	1,737	1,832
		3,730	3,354	3650*	3,971*	3,971*
		n/a	n/a	n/a	n/a	n/a
		3,897	2,754	3,325	4,198	4,972
\$		169,305	\$ 70,872	\$ 96,925	\$ 122,111	\$ 110,952
		225,704	224,094	224,094	231,577	204,813
		19,566	18,222	19,163	17,892	14,615
		4,215	1,358	1,312	1,268	3,417
		9,866	9,561	10,048	10,370	10,493
		698	714	951	883	904
		36,332	36,969	37,756	34,456	36,744

TOWN OF WESTPORT CONNECTICUT

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

Function/Program	2003	2004	2005	2006	2007
Police:					
Stations	1	1	1	1	1
Fire, Fire Stations	4	4	4	4	4
Public Works:					
Public Works Vehicles	50	50	50	50	50
Streets (Miles)	123	123	124	124	124
Traffic Signals	2	2	2	2	2
Parks & Recreation:					
Acreage	419	419	419	419	419
Parks	22	22	22	22	22
Golf Course	1	1	1	1	1
Baseball/Softball Diamonds	22	22	24	24	24
Soccer/Football Fields	12	12	12	12	12
Basketball Courts	2	2	2	2	2
Tennis Courts	26	23	23	23	23
Swimming pools	2	2	2	2	2
Parks with Playground Equipment	4	4	4	4	4
Picnic Shelters	2	2	2	2	2
Library:					
Facilities	1	1	1	1	1
Volumes	220,889	226,703	220,819	224,235	223,025
Wastewater:					
Sanitary Sewers (miles)	70	72	73	74	75
Storm Sewers (miles)	44	44	44	44	44

Source: Town Records

n/a: Information not available.

2008	2009	2010	2011	2012
1	1	1	1	1
4	4	4	4	4
50	49	49	49	49
124	124	124	124	124
2	2	4	4	4
419	419	419	419	419
22	22	22	22	22
1	1	1	1	1
24	24	24	24	24
12	12	12	12	12
2	2	2	2	2
23	23	23	23	23
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
225,704	224,094	226,417	225,615	204,813
76	81	81	86	86
44	44	45	45	45

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