

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



For the Fiscal Year Ended June 30, 2014

The Town of Westport, Connecticut

Comprehensive Annual Financial Report

For

The Fiscal Year Ended June 30, 2014

Prepared By:

**Town of Westport
Finance Department**

**Gary G. Conrad
Finance Director**

Contents

	<u>Page</u>
I. INTRODUCTORY SECTION – unaudited	
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 - unaudited	3-9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	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 Position – Proprietary Funds.....	16
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18

Contents

II. FINANCIAL SECTION, Continued

Statement of Fiduciary Net Position - Fiduciary Funds.....	19
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	20
Notes to Financial Statements	21-58

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

Schedule of Funding Progress – Pension Trust Funds.....	59
Schedule of Employer Contributions – Pension Trust Funds	60
Schedules of Funding Progress and Employer Contributions – Other Post- Employment Benefits Trust.....	61
Schedule of Changes in the Town’s Net Pension (Asset) Liability and Related Ratios.....	62
Statement of Revenues, Expenditures and Encumbrances – Budgetary Basis – Budget and Actual – General Fund and Sewer Operating Fund.....	64-65
Note to Required Supplementary Information.....	66-67

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND OTHER 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.....	76-78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits).....	80-82
Schedule of Revenues, Expenditures and Transfers – Budgetary Basis – Budget and Actual – Sewer Operating Fund.....	83

Contents

INTERNAL SERVICE FUNDS

Combining Statement of Net Position (Deficits)	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Position (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

Contents

III. STATISTICAL SECTION – unaudited

Net Position by Component - Governmental Activities	106-107
Changes in Net Position - Governmental Activities	108-111
Program Revenues by Function/Program	112-113
Fund Balances, Governmental Funds	114-115
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 18, 2014

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

State law requires that all general purpose local governments publish at the end of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

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 unmodified ("clean") opinion on the Town of Westport, Connecticut's financial statements for the year ended June 30, 2014. 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 2013. 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 62 and 67-71 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 63 and 82.

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, 2014 was 4.7% compared to Fairfield county and the State respectively of 5.8% and 6.4%. Bureau of Census data estimates Median Family Income in Westport as \$189,392.

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 2019. 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 \$80,826,118. Financing, net of state and federal project grants, for these projects will be provided through debt proceeds of approximately \$59,801,590, while an additional \$23,024,528 is scheduled to be funded through annual appropriation in the General Fund, Sewer Fund and/or Capital and Non-Recurring Fund.

Other major projects that may be bonded, net of grants, in the plan include: recreation facilities improvements (\$18,280,000); Library replacement (\$7,909,000); various school upgrades (\$18,126,590); public safety and protection (\$10,900,528); public works (\$14,985,000); and general government (\$10,625,000).

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 limits.

The Town's Internal Auditor, under the direction of the Board of Finance, has conducted a number of departmental and/or functional audits during the fiscal year, including an audit of payroll time & attendance and an audit of capital projects. Final internal audit reports can be accessed through the Town's website.

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 2013-2014 were \$11,029,208.

As of June 30, 2014, the fair market value of the Defined Benefit Master Trust for assets in these five (5) funds was \$261,229,103.

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 investment policy approved 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 fixed income, domestic and international equities, real estate trusts, and alternative investments.

The contributions into the newly established 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 \$117,580,000. In fiscal year 2009, an irrevocable trust was established to begin funding of that liability. As of June 30, 2014 the trust maintains assets of \$28,241,077. 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, 2013. This was the eleventh 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,



Gary Conrad
Finance Director



Government Finance Officers Association

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

Presented to

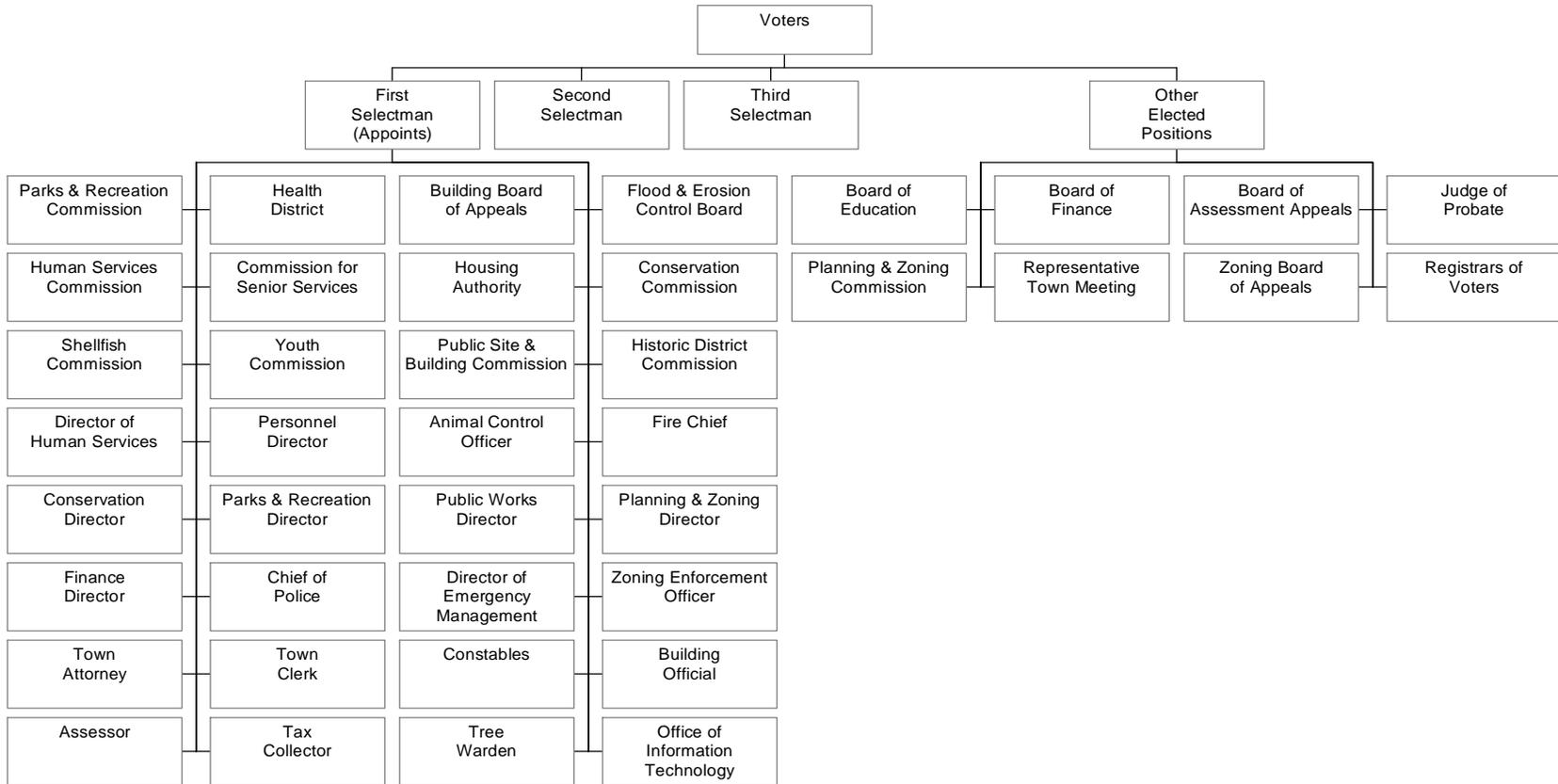
**Town of Westport
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Town of Westport, Connecticut



Town of Westport, Connecticut

**Principal Town Officials
As of June 30, 2014**

First Selectman	James S. Marpe
Selectman	Avi Kaner
Selectwoman.....	Helen Garten
Chair, Board of Finance	John Pincavage
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

This page intentionally left blank.

Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Westport, Connecticut (the "Town") as of and for the fiscal year ended June 30, 2014, and the related notes thereto which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3–9, the schedules of funding progress and employer contributions on pages 59-61, the schedule of changes in net pension liability (asset) and related ratios on page 62, and the budgetary comparison information on pages 64-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



New Haven, Connecticut
December 18, 2014

TOWN OF WESTPORT, CONNECTICUT
Management's Discussion and Analysis - *unaudited*
June 30, 2014
(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, 2014. 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 2015, 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 position 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 \$227,725 (net position). Of this amount, \$47,998 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the end of the current fiscal year, the Town of Westport's governmental funds reported combined ending fund balances of \$47,379. The Board of Finance has recommended 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 was \$26,132 a decrease of \$26 from the prior year. The key factors to this decrease are the planned use of \$4,400 that has been classified as assigned fund balance for use in the 2014/2015 General Fund Budget to reduce taxes which was offset by revenues over budget in the conveyance tax and building permit line items in the current year. This unassigned fund balance at June 30, 2014 is 12.4% of general fund expenditures and operating transfers out.

The Town's long-term debt outstanding experienced a net decrease of approximately \$15,245 during the fiscal year. General obligation bonds payable decreased by \$13,037.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 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 four categories: governmental funds, proprietary funds, internal service funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Westport maintains twenty-two (22) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Operating Fund and the Capital Nonrecurring Fund. Eleven (11) special revenue funds, five (5) capital project funds, three (3) 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, the sewer operating fund, railroad parking fund and Wakeman farm fund. A budgetary comparison statement has been provided for the general fund and the sewer operating fund to demonstrate compliance with this budget.

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

The basic fiduciary fund financial statements can be found on pages 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 21-58 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 59-68 of this report.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westport, assets exceeded liabilities by \$229,527 at the close of the most recent fiscal year. This is an increase of \$4,355 from the previous year.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY STATEMENT OF NET POSITION
June 30, 2014 and 2013**

	Governmental Activities	
	2014	2013
Current and Other Assets	\$ 83,133	\$ 88,969
Capital Assets	308,392	311,445
Total Assets	391,525	400,414
Deferred Charge on Refundings	3,170	4,473
Total Deferred Outflows of Resources	3,170	4,473
Long-Term Liabilities	154,187	169,493
Other Liabilities	10,959	10,222
Total Liabilities	165,146	179,715
Advance tax collections	21	-
Total Deferred Inflows of Resources	21	-
Net Position:		
Net Investment in capital assets	179,785	172,067
Restricted	1,942	5,721
Unrestricted	47,800	47,384
Total Net Position	\$ 229,527	\$ 225,172

The largest portion of the Town's net position (78.3%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. 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 \$1,942 of restricted net position. The largest portion of restricted Net Position relates to \$36 in contributions for the construction of Levitt Pavilion which is used for various performances during the summer season, Public Works current capital projects account for \$875, Education for \$791 and Human Service contributions, used for various social services, accounted for \$143, the balance of \$97 relates to General Government and Public safety.

The Town's unrestricted net position of \$47,800 may be used to meet the Town's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the Town's net position by \$4,355, thereby accounting for a 2% growth. The increase of \$4,355 of net position is due to better than expected revenues in the conveyance taxes, building permits and charges for services. The Town also received capital grants of \$1,893 which is \$642 more than the prior year's amount of \$1,251.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES
Years Ended June 30, 2014 and 2013**

	2014	2013
Revenues:		
Charges for services	\$ 35,371	\$ 40,240
Operating grants and contributions	5,889	5,558
Capital grants and contributions	1,893	1,251
General Revenues:		
Property taxes	175,948	175,403
Grants and contributions not restricted to specific programs	171	42
Unrestricted investment earnings	288	38
Total Revenues	219,561	222,532
Expenses:		
General Government	10,440	10,327
Public Safety	37,092	34,483
Public Works	20,915	20,209
Health and Human Services	3,035	2,667
Library	4,167	4,727
Education	128,051	123,891
Parks and Recreation	7,881	7,378
Debt Service	3,625	4,518
Total Expenses	215,206	208,200
Increase in net position	4,355	14,332
Net Position, beginning	225,172	210,840
Net Position, ending	\$ 229,527	\$ 225,172

Key elements of this increase are as follows:

Seventy-nine percent (80%) of the revenues of the Town were derived from property taxes, followed by eighteen percent (16%) from program revenues, then three 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 2014 reflect an increase in the Town's net taxable grand list approximating 1.5% due to growth. The tax rate increased to a mill rate of 18.07 mills. Total collections for the year exceeded budgetary expectations by \$1.5%.

Investment earnings increased to \$288 in the fiscal year from \$38 in the prior fiscal year due to more favorable use of funds.

For Governmental Activities, 61% of the Town's expenses relate to education and library, 19% relate to public safety, health and welfare, more than 10% relate to public works/operations, 4% to Parks and Recreation activities, 2% 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 \$4,160 for the fiscal year mainly due to an increase of \$3,000 in on-behalf payments from the State of Connecticut.

Insurance costs increased by approximately \$991, but is offset by an increase in the Town's medical insurance fund balance of \$1,868.

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 \$47,379, a decrease of \$2,725 as of June 30, 2014. This decrease is due to the timing of spending of bond proceeds received in the prior fiscal year for certain Capital Projects Funds expended in the current fiscal year.

General fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$26,132 (compared to \$26,158 in the prior year), while total fund balance reached \$35,888. 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 12.4% of total general fund expenditures and operating transfers out, while total fund balance represents 17.1% of that same amount. The unassigned fund balance of the Town's general fund decreased by \$26 during the current fiscal year.

Strength in the local housing market provided strong building permit revenue of \$1,577 and conveyance tax revenue of \$2,654 well in excess of budgeted amounts of \$1,100 and \$1,500, respectively.

Sewer operating fund. The fund balance has increased by \$68.

Internal service funds. The Town maintains three Internal Service funds with a net position of \$3,450.

Fiduciary funds. The Town has implemented GASB 67 and may be seen in Footnote 9 in the Notes to Financial Statements. The Net Pension liability for all five of the plans approximates \$22,284 and indicates a funded ratio of Police 87%, Fire 90%, Public Works 94%, Municipal 105% and Non Union 87%.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,782 and can be briefly summarized as follows:

- \$700 increase allocated to Board of Education for capital;
- \$81 increase in Library
- \$266 increase in Public Works;
- \$216 increase in General Government expenditures;
- \$204 increase in Public Safety;
- \$136 increase in Park and Recreation expenditures and
- \$162 in net increases allocated to all other budgetary departments.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$308,392 (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	
	2014	2013
Land	\$ 32,452	\$ 32,452
Buildings and system	307,376	303,538
Improvements other than buildings	20,382	20,103
Machinery and equipment	30,395	31,926
Infrastructure	109,746	105,316
Construction in Progress	9,154	9,415
Total	\$ 509,505	\$ 502,750

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

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$121,613, a decrease of \$13,037 from the prior year. Of this amount, \$95,443 comprises debt backed by the full faith and credit of the government, and \$26,170 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	
	2014	2013
General obligation bonds	\$ 95,443	\$ 106,557
Public improvement bonds with government commitment	26,170	28,093
Total	\$ 121,613	\$ 134,650

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 \$1,248,031 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, 2014 is 4.7 percent and compares favorably to the State's average unemployment rate of 8.1 percent and the Fairfield County Labor Market of 5.8 percent.

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

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 110 Myrtle Avenue, Westport, CT 06880.

This page intentionally left blank.

Basic Financial Statements

Town of Westport, Connecticut

Statement of Net Position

June 30, 2014

	Primary Government <u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 51,515,536
Investments	7,709,098
Receivables (net of allowance for collection losses):	
Property taxes	15,038,917
Sewer	5,766,035
Intergovernmental and other	1,323,999
Pension asset	240,697
Restricted cash	358,827
Long-term intergovernmental receivable	1,180,432
Capital assets, non-depreciable	41,605,702
Capital assets, net of accumulated depreciation	<u>266,786,154</u>
Total assets	<u>391,525,397</u>
Deferred Outflows of Resources	
Deferred charge on bond refundings	<u>3,169,435</u>
Liabilities	
Accounts payable and accruals	7,223,474
Accrued interest payable	1,556,718
Unearned revenues	2,179,033
Long-term liabilities:	
Due within one year	16,617,222
Due in more than one year	<u>137,570,202</u>
Total liabilities	<u>165,146,649</u>
Deferred Inflows of Resources	
Advance property tax collections	<u>20,875</u>
Net Position	
Net investment in capital assets	179,785,068
Restricted:	
General Government	26,105
Human Services	142,808
Public Works	874,483
Education	790,529
Public Safety	71,158
Parks and Recreation	36,650
Unrestricted	<u>47,800,507</u>
Total net position	<u><u>\$ 229,527,308</u></u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Changes in Net Position
				Primary Government	
				Total	
Primary government:					
Governmental activities:					
General government services	\$ 10,439,729	\$ 1,968,761	\$ 1,097,037	\$ -	\$ (7,373,931)
Public safety	37,092,494	4,637,324	50,927	-	(32,404,243)
Public works	20,914,735	6,892,404	934,619	1,603,199	(11,484,513)
Public health	490,398	-	-	-	(490,398)
Human services	2,544,263	167,641	28,528	-	(2,348,094)
Library	4,167,223	-	-	-	(4,167,223)
Parks and recreation	7,881,271	4,508,593	52,094	-	(3,320,584)
Education	128,050,923	17,196,606	3,726,161	290,111	(106,838,045)
Interest on long-term debt	3,624,476	-	-	-	(3,624,476)
Total primary government	\$ 215,205,512	\$ 35,371,329	\$ 5,889,366	\$ 1,893,310	(172,051,507)
General revenues:					
Property taxes				175,947,875	
Grants and contributions not restricted to specific programs				170,614	
Unrestricted investment earnings				288,244	
Total general revenues				176,406,733	
Change in net position				4,355,226	
Net position - beginning				225,172,082	
Net position - ending				\$ 229,527,308	

See Notes to Financial Statements.

Town of Westport, Connecticut

Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 40,623,926	\$ 250	\$ 2,107,017	\$ 5,384,950	\$ 48,116,143
Investments	1,001,914	-	5,017,011	1,690,173	7,709,098
Receivables (net of allowances for collection losses):					
Property taxes	15,038,917	-	-	-	15,038,917
Sewer	-	5,766,035	-	-	5,766,035
Intergovernmental and other	2,223,316	-	-	220,914	2,444,230
Restricted Cash	-	-	-	358,827	358,827
Due from other funds	892,908	600,367	-	3,358,536	4,851,811
Total assets	\$ 59,780,981	\$ 6,366,652	\$ 7,124,028	\$ 11,013,400	\$ 84,285,061
Liabilities					
Accounts payable and accruals	\$ 3,187,468	\$ 91,392	\$ 19,028	\$ 1,133,227	\$ 4,431,115
Due to other funds	3,071,184	16,775	3,643,951	901,562	7,633,472
Unearned revenues	759,548	-	-	1,419,485	2,179,033
Total liabilities	7,018,200	108,167	3,662,979	3,454,274	14,243,620
Deferred inflows of resources					
Unavailable revenues - property taxes	\$ 14,776,090	\$ -	\$ -	\$ -	\$ 14,776,090
Unavailable revenues - sewer assessments	-	5,766,035	-	-	5,766,035
Unavailable revenues - collections in advance	-	20,875	-	-	20,875
Unavailable revenues - school construction grant	1,180,432	-	-	-	1,180,432
Unavailable revenues - other	918,627	-	-	-	918,627
Total deferred inflows of resources	16,875,149	5,786,910	-	-	22,662,059
Fund balances					
Nonspendable	-	-	-	16,897	16,897
Restricted	274,652	-	-	1,031,783	1,306,435
Committed	290,922	471,575	3,461,049	5,947,770	10,171,316
Assigned	9,189,698	-	-	1,708,812	10,898,510
Unassigned	26,132,360	-	-	(1,146,136)	24,986,224
Total fund balances	35,887,632	471,575	3,461,049	7,559,126	47,379,382
Total liabilities, deferred inflows of resources and fund balances	\$ 59,780,981	\$ 6,366,652	\$ 7,124,028	\$ 11,013,400	

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

Capital assets, net of accumulated depreciation of \$196,331,329 purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	308,391,856
Other long-term assets are not available, and therefore are not recognized in the funds.	22,641,184
Deferred charge on bond refundings	3,169,435
Net Pension Asset.	240,697
Internal service funds are used by management to charge the costs of Risk Management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,448,896
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(154,187,424)
Accrued interest payable is not reported in the funds.	(1,556,718)
Net Position of governmental activities	<u>\$ 229,527,308</u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 For the Year Ended June 30, 2014

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 178,097,978	\$ -	\$ -	\$ -	\$ 178,097,978
Sewer assessments and usage	-	4,243,580	-	-	4,243,580
Intergovernmental	4,098,193	102,587	1,603,199	2,378,342	8,182,321
Permits, fees and other	20,023,267	73,773	68,700	3,842,951	24,008,691
Income from investments	74,808	-	68,602	132,785	276,195
Charges for services	5,728,640	-	-	1,865	5,730,505
Parks and recreation fees	4,286,485	-	-	-	4,286,485
Total revenues	212,309,371	4,419,940	1,740,501	6,355,943	224,825,755
Expenditures					
Current:					
General government	5,320,124	-	-	101,662	5,421,786
Public safety	18,949,983	-	-	2,901,878	21,851,861
Public works	9,138,504	2,165,806	-	-	11,304,310
Public health	490,398	-	-	-	490,398
Human services	1,281,327	-	-	27,674	1,309,001
Library	4,463,377	-	-	-	4,463,377
Parks and recreation	4,572,698	-	-	91,584	4,664,282
Education	121,252,479	-	-	1,517,782	122,770,261
Benefits and other	27,920,503	-	-	-	27,920,503
Debt service:					
Principal	10,875,277	1,866,272	-	-	12,741,549
Interest and other charges	4,029,643	702,606	-	-	4,732,249
Capital outlay	745,107	-	2,621,355	6,513,716	9,880,178
Total expenditures	209,039,420	4,734,684	2,621,355	11,154,296	227,549,755
Excess (deficiency) of revenue over (under) expenditures	3,269,951	(314,744)	(880,854)	(4,798,353)	(2,724,000)
Other Financing Sources (Uses)					
Transfers in	483,039	383,136	1,000,000	17,654	1,883,829
Transfers out	(1,400,790)	-	-	(483,039)	(1,883,829)
Total other financing sources (uses)	(917,751)	383,136	1,000,000	(465,385)	-
Net change in fund balances	2,352,200	68,392	119,146	(5,263,738)	(2,724,000)
Fund Balances, beginning	33,535,432	403,183	3,341,903	12,822,864	50,103,382
Fund Balances, ending	\$ 35,887,632	\$ 471,575	\$ 3,461,049	\$ 7,559,126	\$ 47,379,382

See Notes to Financial Statements.

Town of Westport, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

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

Net change in fund balances - total governmental funds \$ (2,724,000)

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. (3,053,176)

Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (5,260,887)

Change in net pension asset (384,366)

Change in claims and judgements (197,500)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 13,941,468

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. 165,628

The change in net position in governmental activities of internal service funds is reported with governmental activities. 1,868,059

Change in net position of governmental activities. \$ 4,355,226

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2014

	Governmental Activities
	<u>Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 3,399,393
Accounts receivable	60,201
Due from other funds	<u>2,781,661</u>
Total assets	<u><u>6,241,255</u></u>
Liabilities	
Current liabilities:	
Accounts payable	68,043
Claims incurred but not reported	<u>2,724,316</u>
Total liabilities	<u><u>2,792,359</u></u>
Net Position	
Unrestricted	<u>3,448,896</u>
Total net position	<u><u>\$ 3,448,896</u></u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Charges for services	\$ 27,822,430
Total operating revenues	<u>27,822,430</u>
Operating Expenses	
Claims incurred	24,127,649
Administration	1,892,553
Total operating expenses	<u>26,020,202</u>
Operating income	<u>1,802,228</u>
Nonoperating Revenues	
Interest income	65,831
Total nonoperating revenues	<u>65,831</u>
Change in net position	1,868,059
Net Position, beginning	<u>1,580,837</u>
Net Position, ending	<u><u>\$ 3,448,896</u></u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities
	Internal Service Funds
<hr/>	
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 26,729,835
Cash paid to vendors and beneficiaries	(26,388,319)
Net cash provided by operating activities	<u>341,516</u>
Cash Flows From Investing Activities	
Interest on cash and cash equivalents	65,831
Net cash provided by investing activities	<u>65,831</u>
Net increase in cash and cash equivalents	407,347
Cash and Cash Equivalents	
Beginning	<u>2,992,046</u>
Ending	<u><u>\$ 3,399,393</u></u>
Reconciliation of Operating Income in Net Cash Provided by Operating Activities	
Operating income	\$ 1,802,228
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	63,921
Increase in due from other funds	(1,077,181)
Decrease in accounts payable	(79,335)
Decrease in claims payable	(368,117)
Net cash provided by operating activities	<u><u>\$ 341,516</u></u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,166,390	\$ 2,429,885
Investments: (Note 3)		
Common Stock	21,463,784	-
Mutual Funds	117,739,660	-
Other Fixed Income Securities	63,294,893	-
Alternative Investments	84,851,482	-
Total investments	<u>287,349,819</u>	<u>-</u>
Pending sales	(46,029)	-
Total assets	<u>289,470,180</u>	<u>2,429,885</u>
Liabilities		
Due to student groups	-	614,680
Payable to others	-	1,815,205
Total liabilities	<u>-</u>	<u>2,429,885</u>
Net Position - Restricted for Benefits	<u>\$ 289,470,180</u>	<u>\$ -</u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2014

	Trust Funds
Additions	
Contributions	
Employer	\$ 16,275,503
Plan members	6,519,050
Total contributions	<u>22,794,553</u>
Investment Income	
Net appreciation in fair value of investments	30,499,737
Interest and dividends	10,608,965
Net investment income	<u>41,108,702</u>
Total additions	<u>63,903,255</u>
Deductions	
Benefits	15,465,207
Management fees and other payments	885,682
Total	<u>16,350,889</u>
Change in net position	47,552,366
Net Position - Restricted for Benefits	
Beginning of year	<u>241,917,814</u>
End of year	<u>\$ 289,470,180</u>

See Notes to Financial Statements.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies

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

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

Accounting Standards Adopted in the Current Year: The Town adopted *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, which was implemented as of July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refundings were required to be reclassified to Deferred Outflows of Resources. In addition, amounts previously classified as unavailable revenue were reclassified as deferred inflows of resources.

The Town adopted *GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*, issued in June 2012, which became effective for the Town as of July 1, 2013. This Statement replaces the requirements of *Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement 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 *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 implementation of this statement did not have a material impact on the Town's financial statements.

The Town adopted *GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the Town's financial statements.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds. Agency fund financial statements are on the accrual basis with no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 from sewer assessment and usage charges billed to taxpayers and expenditures related thereto.

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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.

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 as follows:

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

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

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.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

Capital Assets: In the government-wide financial statements, capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 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 \$215,000 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

Note 1. Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, sewer assessments, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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

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

Pension Plan Accounting:

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

Governmental Fund and Governmental 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.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

Other Post Employment Obligations (OPEB) Accounting:

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

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

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

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

Restricted Assets: At June 30, 2014, the Town had approximately \$358,827 in restricted assets. The amount relates to monies restricted for a specific purpose by a third party.

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

Net Investment in Capital Assets: This category groups all capital assets, including infrastructure, into one component of net position. 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 Position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

- Nonspendable Fund Balance: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance: This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (Town of Westport Representative Town Meeting) in the form of a resolution. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.
- Assigned Fund Balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Board of Finance has the authority to authorize the Director of Finance to assign amounts for a specific purpose.
- Unassigned Fund Balance: Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

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

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position: The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	\$ (121,612,981)
Add: Issuance premium (to be amortized)	(6,992,358)
Claims and judgments	(675,000)
Compensated absences	(2,261,574)
Net pension obligation	(1,955,137)
OPEB obligation	<u>(20,690,374)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u><u>\$ (154,187,424)</u></u>

Town of Westport, Connecticut

Notes to Financial Statements

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

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

Capital outlay	\$ 9,420,463
Depreciation expense	(11,563,224)
Net loss on disposal of capital assets	<u>(910,415)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,053,176)</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 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Long-term liabilities or incurred	
Deferred premiums	\$ 2,208,761
Deferred charge on refunding	(1,303,843)
Principal repayments:	
General obligation debt	<u>13,036,550</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 13,941,468</u>

Town of Westport, Connecticut

Notes to Financial Statements

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

Another element of that reconciliation states that “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 compensated absences	\$ (3,982)
Increase in accrued interest	(92,147)
Decrease in net pension obligation	961,757
Increase in OPEB obligation	<u>(700,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 165,628</u>

Note 3. Cash, Cash Equivalents and Investments

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

Investments: The Operating and Working Capital funds are invested in accordance with the guidelines of the “Investment Policy” upon the direction of the Finance Director in the following short-term investments: (1) various certificates of deposit (C.D.) with Connecticut banks (prior to acquiring a C.D., the Finance Director requires prospective bank depositories to provide written evidence that the bank meets the collateral, risk based capital and other requirements of Qualified Public Depositories as defined in Connecticut General Statutes Section 36-382); (2) money market accounts; (3) U.S. Government Treasury Obligations; (4) Repurchase Agreements collateralized by U.S. Government Agency Obligations; (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 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 seven trust funds are carried out by the “Investment Committee” (consisting of the Chair of the Board of Finance, the Finance Director, and a third person chosen by the two and approved by each pension board of the various funds). The Investment Committee makes investment decisions based on guidelines and investment policy established by the pension board of each of the pension funds.

Town of Westport, Connecticut

Notes to Financial Statements

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

The Investment Committee has currently allocated a target of 52.25% of fund assets to equities with the balance invested in fixed income, alternative investments and cash equivalents.

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

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

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$50,506,396 of the Town's bank balance of \$57,202,967 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Town of Westport, Connecticut

Notes to Financial Statements

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

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2014:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 56,470,638
Total cash and cash equivalents	<u>56,470,638</u>

Investments

General Fund:

Other Fixed Income Securities	1,001,914 *
Total government investments	<u>1,001,914</u>

Capital and Nonrecurring Fund:

Common Stock	2,031,481
Mutual Funds	584,270
U.S. Government Securities	1,569,646 *
Other Fixed Income Securities	831,614 *
Total government investments	<u>5,017,011</u>

Debt Service Fund:

U.S. Government Securities	1,690,173 *
Total government investments	<u>1,690,173</u>

Pension Trust Funds:

Common Stock	21,463,784 *
Mutual Funds	89,501,524
Other Fixed Income Securities	63,294,893 *
Alternative investments	84,851,482
Total pension investments	<u>259,111,683</u>

OPEB Trust Fund:

Mutual Funds	<u>28,238,136</u>
--------------	-------------------

Total investments **295,058,917**

Total cash, cash equivalents and investments **\$ 351,529,555**

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

Town of Westport, Connecticut

Notes to Financial Statements

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

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

Statement of Net Position

Cash and cash equivalents	\$ 51,874,363
Investments	7,709,098
	<u>59,583,461</u>

Fiduciary Funds:

Cash and cash equivalents	4,596,275
Investments	287,349,819
	<u>291,946,094</u>

Total cash, cash equivalents and investments \$ 351,529,555

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Securities	\$ 3,259,819	\$ 187,837	\$ 1,885,168	\$ 848,901	\$ 337,913
Other Fixed Income Securities	65,128,421	64,049,596	428,398	460,483	189,944
Total	<u>\$ 68,388,240</u>	<u>\$ 64,237,433</u>	<u>\$ 2,313,566</u>	<u>\$ 1,309,384</u>	<u>\$ 527,857</u>

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

Town of Westport, Connecticut

Notes to Financial Statements

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

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

Average Rating	Other Fixed Income Securities
A+	\$ 189,944
A	92,281
A-	184,466
BBB+	180,845
BBB-	184,077
Unrated	64,296,808
	<u>\$ 65,128,421</u>

Note 4. Unearned Revenue/Unavailable Revenue

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

	Unavailable Revenue	Unearned Revenue
General Fund		
Taxes and accrued interest on delinquent property taxes	\$ 14,776,090	\$ -
School construction receivable	1,180,432	-
Other	918,627	759,548
Sewer Operating Fund		
Fees and accrued interest on delinquent sewer fees	5,766,035	-
Advance sewer fee collections	20,875	-
Nonmajor Funds		
Educational grants	-	279,179
Railroad parking permits	-	1,140,306
	<u>\$ 22,662,059</u>	<u>\$ 2,179,033</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2014, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 892,908	\$ 3,071,184
Sewer Operating Fund	600,367	16,775
Capital Nonrecurring Fund	-	3,643,951
Non-Major Governmental Funds	3,358,536	901,562
Internal Service Funds	2,781,661	-
Total	\$ 7,633,472	\$ 7,633,472

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, 2014 were as follows:

	Transfers In				Totals
	General Fund	Sewer Operating Fund	Capital Nonrecurring Fund	Nonmajor and Other Funds	
Transfers out:					
General Fund	\$ -	\$ 383,136	\$ 1,000,000	\$ 17,654	\$ 1,400,790
Nonmajor and Other Funds	483,039	-	-	-	483,039
Total	\$ 483,039	\$ 383,136	\$ 1,000,000	\$ 17,654	\$ 1,883,829

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

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2014 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	9,414,760	8,252,940	(246,228)	(8,267,631)	9,153,841
Total capital assets, not being depreciated	41,866,621	8,252,940	(246,228)	(8,267,631)	41,605,702
Capital assets, being depreciated:					
Land improvements	20,103,237	304,076	(25,000)		20,382,313
Buildings and improvements	303,537,774	-		3,837,842	307,375,616
Machinery and equipment	31,926,304	863,447	(2,395,115)		30,394,636
Infrastructure	105,315,822	-	-	4,429,789	109,745,611
Total capital assets being depreciated	460,883,137	1,167,523	(2,420,115)	8,267,631	467,898,176
Less accumulated depreciation for:					
Land improvements	10,490,234	852,416	(14,375)	-	11,328,275
Buildings and improvements	104,389,207	6,888,631		-	111,277,838
Machinery and equipment	21,757,476	1,697,093	(1,741,553)	-	21,713,016
Infrastructure	54,667,809	2,125,084	-	-	56,792,893
Total accumulated depreciation	191,304,726	11,563,224	(1,755,928)	-	201,112,022
Total capital assets, being depreciated, net	269,578,411	(10,395,701)	(664,187)	8,267,631	266,786,154
Governmental activities capital assets, net	\$ 311,445,032	\$ (2,142,761)	\$ (910,415)	\$ -	\$ 308,391,856

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

Governmental Activities:	
General government services	\$ 332,291
Public safety	1,067,921
Public works, including depreciation of general infrastructure assets	3,776,296
Human services	118,442
Library	6,910
Parks and recreation	811,578
Education	5,449,786
Total depreciation expense – governmental activities	\$ 11,563,224

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
Bonds and notes	\$ 134,649,531	\$ -	\$ 13,036,550	\$ 121,612,981	\$ 12,767,215
Add deferred amounts:					
Premiums	9,201,119	-	2,208,761	6,992,358	913,433
Total bonds payable	143,850,650	-	15,245,311	128,605,339	13,680,648
Claims and judgments	477,500	197,500	-	675,000	675,000
Compensated absences	2,257,592	2,261,574	2,257,592	2,261,574	2,261,574
Net pension obligation	2,916,894	-	961,757	1,955,137	-
OPEB obligations	19,990,374	700,000	-	20,690,374	-
Governmental activity long-term liabilities	\$ 169,493,010	\$ 3,159,074	\$ 18,464,660	\$ 154,187,424	\$ 16,617,222

Bonds and Notes: As of June 30, 2014, the outstanding long-term indebtedness of the Town was as follows:

	Outstanding Amount
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%	\$ 4,025,000
Public Improvement bond; issue of \$1,091,000; due 7/15/29; annual principal payments ranging from \$35,000 to \$95,000 plus interest semi-annually at 2.25% to 4.25%	715,000
Public Improvement refunding bond; due 2/1/20; annual principal payments ranging from \$343,450 to \$692,000; plus interest due semi-annually at 4.00% to 5.00%	2,769,350
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%	15,463,820
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%	436,830

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

	<u>Outstanding Amount</u>
Sewer WPCF; issue of \$21,310,112 due 9/1/28; monthly principal payments ranging from \$78,746 to \$106,624. Interest due monthly at 2.5%.	15,879,735
Public Improvement WPCF; issue of \$7,103,371 due 9/1/28; monthly principal payments ranging from \$26,249 to \$35,541. Interest due monthly at 2.5%.	5,293,246
School bond; issue of \$6,366,000 due 7/15/29; annual principal payments ranging from \$280,000 to \$356,000 plus interest semi-annually at 2.25% to 4.25%	4,960,000
School refunding bond Series A; issue of \$12,866,000 due 2/1/23; annual principal payments ranging from \$1,565,000 to \$1,769,000 plus semi-annual interest at 3.00% to 5.00%	8,119,000
Sewer refunding bond Series A; issue of \$334,000 due 2/1/23; annual principal payments ranging from \$4,000 to \$5,000 plus semi-annual interest at 3.00% to 5.00%	22,000
Public Improvement refunding bond Series A; issue of \$475,000 due 2/1/23; annual principal payments ranging from \$10,000 to \$11,000 plus semi-annual interest at 3.00% to 5.00%	54,000
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 \$51,000 to \$52,000, plus interest due semi-annually at 2% to 4%.	259,000
School refunding bond; due 11/1/21; annual principal payments ranging from \$1,755,000 to \$1,768,000, plus interest due semi-annually at 2% to 4%.	8,797,000
Public improvement refunding bond; due 11/1/21; annual principal payments ranging from \$243,000 to \$245,000, plus interest due semi-annually at 2% to 4%.	1,219,000
Public improvement refunding bond; due 7/15/2025; annual principal payments from \$12,000 to \$460,000, plus semi-annual interest at 2.00% to 4.00%	3,123,000

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

	<u>Outstanding Amount</u>
Sewer refunding bond; due 7/15/2025; annual principal payments from \$1,000 to \$71,000, plus semi-annual interest at 2.00% to 4.00%.	374,000
School refunding bond; due 7/15/2025; annual principal payment from \$22,000 to \$2,154,000, plus semi-annual interest at 2.00% to 4.00%.	9,658,000
School bond; due 2/1/2033; annual principal payments ranging from \$128,000 to \$207,000, plus semi-annual interest at 2.00% to 2.55%	3,139,000
Sewer bond; due 2/1/2033; annual principal payments ranging from \$182,000 to \$183,000, plus semi-annual interest at 2.00% to 2.55%	3,461,000
Public improvement refunding bond; due 8/15/2021; annual principal payments ranging from \$248,000 to \$994,000, plus semi annual interest at 1.75% to 5.00%	5,089,000
School refunding bond; due 8/15/2021; annual principal payments ranging from \$705,000 to \$3,823,000, plus semi annual interest at 1.75% to 5.00%	21,506,000
Sewer refunding bond; due 8/15/2021; annual principal payments ranging from \$62,000 to \$339,000, plus semi annual interest at 1.75% to 5.00%	<u>1,570,000</u>
Amount to be financed and paid through the General Fund and Sewer Operating Fund.	<u><u>\$ 121,612,981</u></u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

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

	Principal	Interest	Total
2015	\$ 12,767,215	\$ 4,337,393	\$ 17,104,608
2016	13,288,398	3,850,109	17,138,507
2017	13,265,110	3,304,741	16,569,851
2018	12,917,359	2,795,815	15,713,174
2019	12,875,163	2,302,054	15,177,217
2020-2024	40,192,872	5,564,522	45,757,394
2025-2029	14,536,864	1,026,754	15,563,618
2030-2033	1,770,000	87,988	1,857,988
	<u>\$ 121,612,981</u>	<u>\$ 23,269,376</u>	<u>\$ 144,882,357</u>

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, 2014, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$68,110,000.

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, 2014 was approximately \$290,000. Additional reimbursements of principal and interest aggregating approximately \$1,325,000 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, 2014 is as follows:

Total tax collections (including interest and lien fees and net of refunds and adjustments) for the year ended June 30, 2014	\$ 178,195,694
Reimbursement for revenue loss:	
Tax relief for elderly	94,410
Base	<u>\$ 178,290,104</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$1,248,030,728, 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	\$ 401,152,734	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	802,305,468	-	-	-
3-3/4 times base	-	-	668,587,890	-	-
3-1/4 times base	-	-	-	579,442,838	-
3 times base	-	-	-	-	534,870,312
Total debt limitation	401,152,734	802,305,468	668,587,890	579,442,838	534,870,312
Indebtedness:					
Bonds and notes payable	18,937,596	76,505,820	26,169,565	-	-
Bonds authorized but unissued; issue dates not yet established	1,935,587	935,281	151,000	-	-
Construction grants	-	(1,622,749)	-	-	-
Total indebtedness	20,873,183	75,818,352	26,320,565	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 380,279,551	\$ 726,487,116	\$ 642,267,325	\$ 579,442,838	\$ 534,870,312

Compensated Absences: Included in long-term obligations in the government-wide statement of net position is the estimated obligation for employee compensated absences in the amount of \$2,261,574 as of June 30, 2014. The general fund has typically been used to liquidate the liability for compensated absences.

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.

Town of Westport, Connecticut

Notes to Financial Statements

Note 8. Commitments and Contingencies (Continued)

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 \$675,000. 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 Wheelabrator Bridgeport, L.P. pursuant to which it participates with nine other Connecticut municipalities (the nine constituting the "Contracting Municipalities"), in the Greater Bridgeport Regional Solid Waste Interlocal Committee.

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

Note 9. Employee Retirement Plans

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

As of July 1, 2013, the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union
Active	64	67	30	356	86
Terminated-vested	-	1	-	20	2
Members in pay status	76	56	29	213	76
Total	140	124	59	589	164

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

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

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

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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, 2014 were as follows:

	Police	Fire	Public works	Municipal	Non-Union	Total
Annual required contribution	\$ 2,793,151	\$ 2,389,263	\$ 410,976	\$ 2,090,487	\$ 1,373,057	\$ 9,056,934
Interest on net pension obligation (asset)	58,504	(35,226)	(3,059)	26,341	93,815	140,375
Adjustment to annual required contribution	(58,305)	35,107	3,048	(26,251)	(93,496)	(139,897)
Annual pension cost	2,793,350	2,389,144	410,965	2,090,577	1,373,376	9,057,412
Contributions made	(2,478,948)	(1,962,573)	(453,170)	(2,234,564)	(2,505,548)	(9,634,803)
Increase (decrease) in net pension obligation (asset)	314,402	426,571	(42,205)	(143,987)	(1,132,172)	(577,391)
Net pension obligation (asset), beginning of year	955,171	(575,124)	(49,939)	430,056	1,531,667	2,291,831
Net pension obligation (asset), end of year	\$ 1,269,573	\$ (148,553)	\$ (92,144)	\$ 286,069	\$ 399,495	\$ 1,714,440

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Trend Information:

Police

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2012	2,301,383	101.5%	953,383	2,336,000
6/30/2013	2,299,640	99.9%	955,171	2,297,852
6/30/2014	2,793,151	88.8%	1,269,573	2,478,948

Fire

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2012	1,309,688	148.6%	(574,048)	1,946,736
6/30/2013	1,869,351	100.1%	(575,124)	1,870,427
6/30/2014	2,389,263	82.1%	(148,553)	1,962,573

Public Works

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2012	367,154	91.8%	(49,846)	337,000
6/30/2013	406,277	100.0%	(49,939)	406,370
6/30/2014	410,976	110.3%	(92,144)	453,170

Municipal

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2012	1,737,251	115.1%	429,251	2,000,000
6/30/2013	2,024,821	100.0%	430,056	2,024,016
6/30/2014	2,090,487	106.9%	286,069	2,234,564

Non-Union

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2012	1,897,923	128.7%	1,528,800	2,442,123
6/30/2013	1,198,299	99.8%	1,531,667	1,195,432
6/30/2014	1,373,057	182.5%	399,495	2,505,548

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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, 2013	\$ 69,005,609	\$ 90,686,630	\$ (21,681,021)	76.09%	\$ 5,075,048	427.21%
Fire						
July 1, 2013	\$ 55,451,720	\$ 70,110,556	\$ (14,658,836)	79.09%	\$ 5,075,235	288.83%
Public Works						
July 1, 2013	\$ 14,696,976	\$ 17,796,510	\$ (3,099,534)	82.58%	\$ 1,770,145	175.10%
Municipal						
July 1, 2013	\$ 53,169,919	\$ 56,645,483	\$ (3,475,564)	93.86%	\$ 14,938,949	23.27%
Non-Union						
July 1, 2013	\$ 26,347,720	\$ 35,812,397	\$ (9,464,677)	73.57%	\$ 6,587,342	143.68%
Total	\$ 218,671,944	\$ 271,051,576	\$ (52,379,632)	80.68%	\$ 33,446,719	117.3%

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

The following is a summary of certain significant actuarial assumptions and other information that were used to calculate the actuarial required contribution as required by GASB 27:

	Police	Fire	Public Works	Municipal	Non-Union
Valuation date	July 1, 2013				
Actuarial cost method	Entry Age Normal				
Amortization method	Level Percent				
Remaining amortization period	23 years-Closed				
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	Age Dependent	Service Dependent	Age Dependent
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll growth rate	3.0	3.0	3.0	3.0	3.0

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

**Trust Funds
Schedule of Plan Net Position
June 30, 2014**

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	
Assets							
Cash and cash equivalents	\$ 676,301	\$ 547,389	\$ 144,551	\$ 526,079	\$ 269,129	\$ 2,941	\$ 2,166,390
Investments, at fair value							
Common stock	6,709,649	5,430,702	1,434,102	5,219,277	2,670,054	-	21,463,784
Mutual funds	27,978,467	22,645,406	5,980,043	21,763,788	11,133,820	28,238,136	117,739,660
Other fixed Income securities	19,786,189	16,014,684	4,229,047	15,391,209	7,873,764	-	63,294,893
Alternative investments	26,524,849	21,468,867	5,669,350	20,633,053	10,555,363	-	84,851,482
Total investments	80,999,154	65,559,659	17,312,542	63,007,327	32,233,001	28,238,136	287,349,819
Pending sales	(14,389)	(11,646)	(3,075)	(11,193)	(5,726)	-	(46,029)
Total assets	81,661,066	66,095,402	17,454,018	63,522,213	32,496,404	28,241,077	289,470,180
Net Position - Restricted for Benefits	\$ 81,661,066	\$ 66,095,402	\$ 17,454,018	\$ 63,522,213	\$ 32,496,404	\$ 28,241,077	\$289,470,180

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Trust Funds
Schedule of Changes in Plan Net Position
Year Ended June 30, 2014

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	
Additions							
Contributions:							
Employer	\$ 2,478,948	\$ 1,962,573	\$ 453,170	\$ 2,234,564	\$ 2,505,548	\$ 6,640,700	\$ 16,275,503
Plan members	541,723	481,582	154,939	623,885	280,921	4,436,000	6,519,050
Total contributions	3,020,671	2,444,155	608,109	2,858,449	2,786,469	11,076,700	22,794,553
Investment Income							
Net appreciation in fair value of investments	8,875,158	7,126,614	1,892,269	6,837,584	3,392,081	2,376,031	30,499,737
Interest and dividends	2,908,871	2,336,435	619,277	2,239,576	1,110,499	1,394,307	10,608,965
Net investment income	11,784,029	9,463,049	2,511,546	9,077,160	4,502,580	3,770,338	41,108,702
Total	14,804,700	11,907,204	3,119,655	11,935,609	7,289,049	14,847,038	63,903,255
Deductions							
Benefits	3,706,662	2,477,391	666,373	2,447,798	1,730,983	4,436,000	15,465,207
Management fees and other payments	176,698	153,293	59,234	429,000	67,457	-	885,682
Net change in net position	10,921,340	9,276,520	2,394,048	9,058,811	5,490,609	10,411,038	47,552,366
Net Position - Restricted for Benefits							
Beginning of year	70,739,726	56,818,882	15,059,970	54,463,402	27,005,795	17,830,039	241,917,814
End of year	\$ 81,661,066	\$ 66,095,402	\$ 17,454,018	\$ 63,522,213	\$ 32,496,404	\$ 28,241,077	\$289,470,180

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Investments:

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2014.

Asset Class	Pension Funds Allocation %
Core Fixed Income	19.20%
Non-US Fixed Income	5.50%
Inflation-Indexed Bonds	0.30%
Broad US Equities	30.00%
Small Cap US Equities	10.00%
Developed Foreign Equities	20.00%
Emerging Market Equities	5.00%
Hedge Funds / Absolute Return	5.00%
Real Estate (Property)	2.50%
Real Estate (REITS)	2.50%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Police	Fire	Public Works	Municipal	Non-Union
Rate of Return	16.55%	16.51%	16.51%	16.22%	16.13%

Net Pension Liability (Asset) of the Town: The components of the net pension liability (asset) of the Town at June 30, 2014 were as follows:

Net Pension Liability (Asset) as of June 30, 2014	Police	Fire	Public Works	Municipal	Non-Union	Total
Total Pension Liability	\$ 93,952,611	\$ 73,403,678	\$ 18,530,537	\$ 60,444,724	\$ 37,181,681	\$ 283,513,231
Plan Fiduciary Net Position	81,661,066	66,095,402	17,454,018	63,522,214	32,496,403	261,229,103
Net Pension Liability (Asset)	12,291,545	7,308,276	1,076,519	(3,077,490)	4,685,278	22,284,128
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	87%	90%	94%	105%	87%	92%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Actuarial Assumptions (GASB 67): The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2013, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2014. There have been no significant changes between the valuation date and the fiscal year end.

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

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

Assumed Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2013, and the final vestment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return - Portfolio	Long-Term Expected Geometric Real Return - Portfolio
Core Fixed Income	2.20%	1.95%
Non-US Fixed Income	1.32%	0.73%
Inflation-Indexed Bonds	0.96%	0.88%
Broad US Equities	6.12%	4.49%
Small Cap US Equities	7.64%	4.63%
Developed Foreign Equities	6.29%	4.39%
Emerging Market Equities	8.94%	4.88%
Hedge Funds / Absolute Return	3.37%	2.93%
Real Estate (Property)	4.43%	3.66%
Real Estate (REITS)	5.59%	3.90%
Assumed Inflation - Mean	2.75%	2.75%
Assumed Inflation - Standard Deviation	2.00%	2.00%
Portfolio Real Mean Return	5.22%	4.41%
Portfolio Nominal Mean Return	8.00%	7.16%
Portfolio Standard Deviation		13.57%
Long-Term Expected Rate of Return		6.125%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

	1% Decrease	Current	1% Increase
	5.125%	Discount Rate	7.125%
Net Pension Liability (Asset)		6.125%	
Police	\$ 27,103,070	\$ 12,291,545	\$ 1,228,569
Fire	19,441,318	7,308,276	(1,613,975)
Public Works	3,608,294	1,076,519	(920,935)
Municipal	3,731,467	(3,077,490)	(9,669,541)
Non-Union	9,197,926	4,685,278	1,216,205

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 \$13,049,000 for the year ended June 30, 2014.

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.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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, 2012 for all participants including eligible Town, Library and certified and non-certified BOE employees.

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

Membership in the plan consisted of the following at July 1, 2012, the date of the last actuarial valuations.

	Town	BOE Certified Employees	Total
Retirees and beneficiaries receiving benefits	395	53	448
Active plan members	579	548	1,127
Total	974	601	1,575

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, 2013 valuation is estimated to be \$107,538,526 for all employees.

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
July 1, 2012	\$ 11,575,000	\$ 117,580,000	\$ (106,005,000)	9.8%	N/A	N/A

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

Fiscal Year Ended	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 11,801,000	\$ 11,101,000	94.07%	\$ 20,690,374
6/30/2013	10,701,000	9,119,626	85.22%	19,990,374
6/30/2012	9,989,000	8,755,000	87.65%	18,409,000

OPEB Obligation

Annual required contribution	\$ 11,797,000
Interest on net OPEB obligation	1,224,000
Adjustment to annual required contribution	<u>(1,220,000)</u>
Annual OPEB cost	11,801,000
Contributions made	<u>(11,101,000)</u>
Increase in net OPEB liability	700,000
Net OPEB obligation, beginning of year	<u>19,990,374</u>
Net OPEB obligation, end of year	<u><u>\$ 20,690,374</u></u>

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

Valuation Date	July 1, 2012
Actuarial Cost Method:	Projected Unit Credit Cost Method
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent
Amortization Period	30 Years Decreasing
Actuarial Assumptions:	
Discount rate	6.125%
Salary increase rate	3.0%
Inflation rate	Various
Health cost trend rates	Town average annual healthcare cost trend rates are assumed to be as follows:
Medical inflation rate:	
Initial inflation rate:	7.20%
Ultimate inflation rate:	4.70%
Years until ultimate inflation rate:	4 years

Note 10. Risk Management

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

Town: Under the Town's current medical insurance policy, the plan covers all employee claims submitted with an individual stop loss coverage for claims in excess of \$175,000, determined by Blue Cross/Blue Shield at the beginning of each contract. The Town also offers a Health Maintenance Organization (HMO) as an alternative to all employees with specific limits for maximum annual benefits and co-payments.

The Town's approximate maximum exposure for the year ended June 30, 2014 was approximately \$8,126,000 of which approximately \$7,609,000 was paid.

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

The Board of Education's approximate maximum exposure for the year ended June 30, 2014 was approximately \$14,996,000 of which approximately \$14,088,000 was paid.

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

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

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

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

The Town is self-insured for worker's compensation claims. The Town recognizes a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town's potential liability under this Plan is approximately \$1,319,000 for fiscal year 2014.

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

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

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
Town:				
2014	\$ 1,785,033	\$ 9,502,115	\$ (9,471,065)	\$ 1,816,083
2013	1,835,147	7,546,073	(7,596,187)	1,785,033
Board of Education:				
2014	\$ 1,307,400	\$ 16,518,087	\$ (16,917,254)	\$ 908,233
2013	1,441,814	16,288,107	(16,422,521)	1,307,400

Town of Westport, Connecticut

Notes to Financial Statements

Note 11. Fund Deficits

The following funds had fund deficits as of June 30, 2014:

Governmental Funds:

Railroad Parking Fund	\$ 75,864
Municipal Improvements Fund Phase II	1,070,272

Internal Service Funds:

Worker's Compensation Fund	550,252
----------------------------	---------

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 12. Fund Balance

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2014 for the Town governmental funds:

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Fund	Nonmajor Governmental Funds
Fund Balances (Deficits):				
Non-spendable:				
Permanent fund principal	\$ -	\$ -	\$ -	\$ 16,897
Total non-spendable	-	-		16,897
Restricted:				
General government	12,231	-	-	13,874
Public safety	43,707	-	-	27,451
Public works- road improvements	30,720	-	-	843,763
Human services	142,808	-	-	-
Education	8,536	-	-	146,695
Parks and recreation	36,650	-	-	-
Total restricted	274,652	-	-	1,031,783
Committed:				
General government	147,327	-	-	971,959
Public safety	1,641	-	-	567,408
Parks and recreation	105,385	-	-	77,627
Education	-	-	-	-
Capital projects	-	-	3,461,049	802,694
Railroad parking capital projects	-	-	-	256,909
Sewer operations	-	471,575	-	-
Sewer capital projects	36,569	-	-	-
Sewer capital reserves	-	-	-	3,271,173
Total committed	290,922	471,575	3,461,049	5,947,770
Assigned:				
General government	877,690	-	-	-
Public safety	59,306	-	-	-
Public works- road improvements	1,625,407	-	-	-
Education- cafeteria and supplies	1,551,625	-	-	-
Education- security project	500,000	-	-	-
Parks and recreation	122,485	-	-	-
Human services	15,999	-	-	18,639
Debt service	-	-	-	1,690,173
Future Appropriations	4,437,186	-	-	-
Total assigned	9,189,698	-	-	1,708,812
Unassigned	26,132,360	-	-	(1,146,136)
Total fund balance	\$ 35,887,632	\$ 471,575	\$ 3,461,049	\$ 7,559,126

Significant encumbrances at June 30, 2014 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

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, with the exception of GASB 68, which will have a material impact on the government-wide financial statements. The impact of GASB 68 as of June 30, 2014 would be a decrease to governmental activities net position of approximately \$22,000,000.

- **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. This Statement is effective for fiscal years beginning after June 15, 2014.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.** The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

**Required Supplementary
Information - *unaudited***

Town of Westport, Connecticut

**Required Supplementary Information- unaudited
Schedule of Funding Progress – Pension Trust Funds
June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Unfunded) Overfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
7/1/2013	\$ 69,005,609	\$ 90,686,630	\$ (21,681,021)	76.09%	\$ 5,075,048	427.21%
7/1/2012	65,505,405	88,121,396	(22,615,991)	74.34%	5,075,048	445.63%
7/1/2011	62,550,205	77,730,716	(15,180,511)	80.47%	5,294,796	286.71%
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						
7/1/2013	\$ 55,451,720	\$ 70,110,556	\$ (14,658,836)	79.09%	\$ 5,075,235	288.83%
7/1/2012	52,102,440	67,455,852	(15,353,412)	77.24%	5,075,235	302.52%
7/1/2011	49,346,676	59,819,953	(10,473,277)	82.49%	4,641,204	225.66%
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						
7/1/2013	\$ 14,696,976	\$ 17,796,510	\$ (3,099,534)	82.58%	\$ 1,770,145	175.10%
7/1/2012	13,848,548	16,570,176	(2,721,628)	83.58%	1,790,720	151.99%
7/1/2011	13,191,401	16,426,604	(3,235,203)	80.31%	1,671,941	193.50%
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						
7/1/2013	\$ 53,169,919	\$ 56,645,483	\$ (3,475,564)	93.86%	\$ 14,938,949	23.27%
7/1/2012	49,666,190	53,043,338	(3,377,148)	93.63%	14,938,949	22.61%
7/1/2011	46,616,263	50,331,790	(3,715,527)	92.62%	14,775,146	25.15%
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						
7/1/2013	\$ 26,347,720	\$ 35,812,397	\$ (9,464,677)	73.57%	\$ 6,587,342	143.68%
7/1/2012	24,949,815	33,888,375	(8,938,560)	73.62%	6,587,342	135.69%
7/1/2011	22,524,803	29,140,889	(6,616,086)	77.30%	6,561,689	100.83%
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- unaudited
Schedule of Employer Contributions – Pension Trust Funds
June 30, 2014**

Year Ended June 30,	Police		Fire		Public Works	
	Annual	Percentage Contributed	Annual	Percentage Contributed	Annual	Percentage Contributed
	Required Contribution		Required Contribution		Required Contribution	
2014	\$ 2,336,000	101.5%	\$ 1,946,736	148.6%	\$ 337,000	91.8%
2013	2,297,852	100.0%	1,870,427	100.0%	406,370	100.0%
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%
2006	-	>100%	-	>100%	-	>100%
2005	-	>100%	-	>100%	-	>100%

Year Ended June 30,	Municipal Interim		Non-Union	
	Annual	Percentage Contributed	Annual	Percentage Contributed
	Required Contribution		Required Contribution	
2014	\$ 2,000,000	115.1%	\$ 2,442,123	128.7%
2013	2,024,016	100.0%	1,195,432	100.0%
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	67.64%
2006	167,168	>100%	451,681	40.55%
2005	248,955	3.2%	319,748	45.2%

Town of Westport, Connecticut

**Required Supplementary Information – unaudited
Schedules of Funding Progress and Employer Contributions –
Other Post-Employment Benefits Trust
June 30, 2014**

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, 2008	\$ -	\$ 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, 2011	6,152,000	97,551,000	(91,399,000)	3.04%	N/A	N/A
* July 1, 2011	6,152,000	106,520,000	(100,368,000)	5.78%	N/A	N/A
July 1, 2012	11,575,000	117,580,000	(106,005,000)	9.84%	N/A	N/A

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

Schedule of Employer Contributions - OPEB

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

Town of Westport, Connecticut

Required Supplementary Information - unaudited
 Schedule of Changes in the Town's Net Pension (Asset) Liability and Related Ratios
 June 30, 2014

	Police	Fire	Public Works	Municipal Interim	Non-Union
Changes in Net Pension Liability (Asset)					
Total Pension Liability (Asset)					
Service cost	\$ 1,917	\$ 1,909	\$ 390	\$ 2,558	\$ 1,090
Interest on total pension liability (asset)	5,560	4,336	1,093	3,544	2,209
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(505)	(463)	(61)	439	(198)
Effect of assumption changes or inputs	-	-	-	-	-
Benefit payments	(3,707)	(2,489)	(688)	(2,741)	(1,731)
Net change in total pension liability (asset)	3,265	3,293	734	3,800	1,370
Total Pension Liability, beginning	90,687	70,111	17,797	56,645	35,812
Total pension liability (asset), ending (a)	93,952	73,404	18,531	60,445	37,182
Fiduciary Net Position					
Employer contributions	\$ 2,479	\$ 1,963	\$ 453	\$ 2,235	\$ 2,506
Member contributions	542	482	155	624	281
Investment income net of investment expenses	11,607	9,321	2,474	8,941	4,435
Benefit payments	(3,707)	(2,489)	(688)	(2,741)	(1,731)
Administrative expenses	-	-	-	-	-
Net change in plan fiduciary net position	10,921	9,277	2,394	9,059	5,491
Fiduciary Net Position, beginning	70,740	56,819	15,060	54,463	27,006
Fiduciary net position, ending (b)	81,661	66,096	17,454	63,522	32,497
Net pension liability asset, ending = (a) - (b)	\$ 12,291	\$ 7,308	\$ 1,077	\$ (3,077)	\$ 4,685
Fiduciary net position as a % of total pension liability	86.92%	90.04%	94.19%	105.09%	87.40%
Covered payroll	\$ 5,075	\$ 5,075	\$ 1,791	\$ 14,939	\$ 6,587
Net pension liability (asset) as a % of covered payroll	242.19%	144.00%	60.13%	(20.60)%	71.12%

NOTE: As 2014 is the implementation year, only 2014 information is available.

This page intentionally left blank.

Town of Westport, Connecticut
 Required Supplementary Information - unaudited

Statement of Revenues, Expenditures and Encumbrances - Budgetary Basis -
 Budget and Actual - General Fund and Sewer Operating Fund
 For the Year Ended June 30, 2014

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis	
	Original	Final		
Revenues				
Property taxes	\$ 174,298,344	\$ 174,298,344	\$ 176,824,810	\$ 2,526,466
Education	2,232,255	2,232,255	2,359,651	127,396
Parks and recreation	4,894,485	4,894,485	4,364,559	(529,926)
Income from investments	60,000	60,000	74,808	14,808
Intergovernmental	1,482,789	1,482,789	1,557,761	74,972
Permits, fees and other	7,605,400	7,605,400	9,471,320	1,865,920
Total revenues	190,573,273	190,573,273	194,652,909	4,079,635
Expenditures				
General government	5,350,636	5,566,370	5,328,512	237,858
Public safety and protection	19,087,533	19,291,741	18,704,548	587,193
Public works	9,182,674	9,449,350	9,025,420	423,930
Public health	490,398	490,398	490,398	-
Human services	1,011,394	1,028,234	992,362	35,872
Education	117,382,406	117,507,663	116,920,248	587,415
Library	4,382,571	4,463,377	4,463,377	-
Parks and recreation	4,396,828	4,532,580	4,525,874	6,706
Other	26,725,418	26,770,641	26,351,323	419,318
Debt service	2,729,540	2,729,540	2,729,540	-
Storms	-	-	44,870	(44,870)
Capital outlay	878,239	1,569,626	1,557,928	11,698
Total expenditures	191,617,637	193,399,520	191,134,400	2,265,121
Excess deficiency of revenues over (under) expenditures	(1,044,364)	(2,826,247)	3,518,509	6,344,756
Other Financing Sources (Uses)				
Transfers in	627,500	627,500	461,385	(166,115)
Transfers out	(1,383,136)	(1,383,136)	(1,383,136)	-
Total other financing sources (uses)	(755,636)	(755,636)	(921,751)	(166,115)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,800,000)	\$ (3,581,883)	\$ 2,596,758	\$ 6,178,641

See Note to Required Supplementary Information.

Sewer Operating Fund

Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
4,423,000	4,423,000	4,419,939	(3,061)
<u>4,423,000</u>	<u>4,423,000</u>	<u>4,419,939</u>	<u>(3,061)</u>
-	-	-	-
-	-	-	-
2,247,720	2,252,286	2,198,635	53,651
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,568,878	2,568,878	2,568,878	-
-	-	-	-
-	-	-	-
<u>4,816,598</u>	<u>4,821,164</u>	<u>4,767,513</u>	<u>53,651</u>
<u>(393,598)</u>	<u>(398,164)</u>	<u>(347,574)</u>	<u>50,590</u>
673,598	673,598	383,136	(290,462)
(280,000)	(280,000)	-	280,000
<u>393,598</u>	<u>393,598</u>	<u>383,136</u>	<u>(10,462)</u>
<u>\$ -</u>	<u>\$ (4,566)</u>	<u>\$ 35,562</u>	<u>\$ 40,128</u>

Town of Westport, Connecticut

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

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

- A. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means to be utilized to finance them.
- B. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of \$20,000 per year. Additional appropriations aggregating more than \$20,000 per fiscal year must be approved by the Representative Town Meeting.
- C. Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.
- D. Budgeted amounts shown are as amended by a Representative Town Meeting or by the Board of Finance during the course of the year. Additional appropriations for the year ended June 30, 2014 aggregated approximately \$1,657,000 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)

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	\$ 212,792,410	\$ 210,440,210	\$ 4,734,684
Special Revenue Funds rolled into the General Fund	(4,629,116)	(4,447,256)	-
State Teachers' Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(13,049,000)	(13,049,000)	-
Encumbrances:			
June 30, 2013	-	(2,283,006)	(1,200)
June 30, 2014	-	2,833,792	33,439
Continued in force:			
June 30, 2013	-	(1,498,279)	(32,000)
June 30, 2014	-	521,075	32,590
Balance, budgetary basis	<u>\$ 195,114,294</u>	<u>\$ 192,517,536</u>	<u>\$ 4,767,513</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.

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.

This page intentionally left blank.

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

General Fund

Town of Westport, Connecticut

General Fund Revenues and Transfers in - Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Property Taxes				
Current levy	\$ 172,798,344	\$ 172,798,344	\$ 174,541,441	\$ 1,743,097
Prior levies	1,500,000	1,500,000	2,283,369	783,369
Total property taxes	174,298,344	174,298,344	176,824,810	2,526,466
Education				
Staples trust fund	19,000	19,000	-	(19,000)
Sundries	50,000	50,000	125,257	75,257
Tuition	175,000	175,000	241,211	66,211
Total education	244,000	244,000	366,468	122,468
Parks and Recreation	4,894,485	4,894,485	4,364,559	(529,926)
Income From Investments	60,000	60,000	74,808	14,808
Intergovernmental				
Boat registration	125,000	125,000	-	(125,000)
Elderly tax relief	100,000	100,000	94,410	(5,590)
Emergency management	10,000	10,000	-	(10,000)
Historical Preservation Grant	10,000	10,000	5,000	(5,000)
Housing Authority Pilot Grant	34,000	34,000	-	(34,000)
In lieu of taxes	796,078	796,078	939,770	143,692
Miscellaneous state grants	10,000	10,000	143,945	133,945
Pequot Indian grant	25,000	25,000	26,668	1,668
School construction grants	290,111	290,111	290,111	-
Shellfish Commission	3,000	3,000	8,279	5,279
State education grants	1,988,255	1,988,255	1,993,183	4,928
Veterans' exemption	7,600	7,600	12,771	5,171
Municipality video	72,000	72,000	36,808	(35,192)
Total intergovernmental	3,471,044	3,471,044	3,550,944	79,900
Permits, Fees and Other				
Licenses and Permits				
Building Inspector	1,100,000	1,100,000	1,577,701	477,701
Burglar alarms	60,000	60,000	55,483	(4,517)
Conservation Commission	105,000	105,000	120,169	15,169
Fire Department permits, etc.	500	500	878	378
Planning and Zoning	300,000	300,000	388,193	88,193
Town Clerk conveyance tax	1,500,000	1,500,000	2,654,128	1,154,128
Town Clerk licenses	14,310	14,310	26,770	12,460
Zoning Board of Appeals	15,000	15,000	22,858	7,858
Total licenses and permits	3,094,810	3,094,810	4,846,179	1,751,369

(Continued)

Town of Westport, Connecticut

General Fund Revenues and Transfers in - Budgetary Basis - Budget and Actual (Continued)
 For the Year Ended June 30, 2014

	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	975,000	975,000	1,273,168	298,168
Police fines	220,000	220,000	231,615	11,615
Total fines and penalties	1,195,000	1,195,000	1,504,783	309,783
Current Service Charges				
Bulky waste charges	20,000	20,000	20,570	570
EMS reimbursements	875,000	875,000	904,830	29,830
Fire Department Commercial Plan Review	110,000	110,000	168,814	58,814
Housing Authority loan payment	115,000	115,000	115,821	821
Housing Authority PILOT - Canal St.	35,000	35,000	-	(35,000)
Police Vehicle Reimbursement	20,000	20,000	15,652	(4,348)
Public Works permits, etc.	45,300	45,300	53,630	8,330
Public Works refuse collection	20,000	20,000	19,590	(410)
Rental of facilities	960,000	960,000	1,044,253	84,253
Solid waste tipping fees	375,000	375,000	288,339	(86,661)
Town attorney reimbursement	5,000	5,000	74	(4,926)
Town Clerk recording fees	365,000	365,000	321,685	(43,315)
Workers' compensation payments	100,000	100,000	-	(100,000)
Youth services	15,900	15,900	-	(15,900)
Total current services charges	3,061,200	3,061,200	2,953,260	(107,940)
Miscellaneous				
Insurance Reimbursement	125,000	125,000	12,956	(112,044)
Sale of surplus property	24,390	24,390	18,800	(5,590)
Telephone access line grant	5,000	5,000	38,211	33,211
Other	100,000	100,000	97,131	(2,869)
Total miscellaneous	254,390	254,390	167,098	(87,292)
Total permits, fees and other	7,605,400	7,605,400	9,471,320	1,865,920
Transfers In	627,500	627,500	461,385	(166,115)
Total	\$ 191,200,773	\$ 191,200,773	\$ 195,114,294	\$ 3,913,520

Town of Westport, Connecticut

General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Representative Town Meeting	\$ 42,174	\$ 43,303	\$ 43,263	\$ 40
Selectmen	260,327	267,339	266,409	930
Probate Court	14,000	14,000	11,106	2,894
Registrars	114,725	114,725	102,323	12,402
Elections	98,400	98,400	60,916	37,484
Board of Finance	2,500	2,500	2,200	300
Finance Department	796,548	805,856	799,901	5,956
Audit	173,632	190,702	189,731	971
Personnel	233,242	239,473	239,053	420
Assessor	485,597	493,090	470,644	22,446
Tax Collector	316,043	317,935	303,689	14,246
Information services	691,726	696,735	690,304	6,431
Board of Assessment Appeal	1,725	1,725	696	1,029
Town Attorney	778,761	779,228	676,082	103,146
Town Clerk	373,464	389,153	375,480	13,673
Historic District	60,940	196,422	195,965	457
Conservation	348,467	350,608	340,602	10,006
Planning and Zoning	532,855	539,666	534,638	5,028
Zoning Board of Appeals	25,510	25,510	25,510	-
Total general government	5,350,636	5,566,370	5,328,512	237,858
Public Safety and Protection				
Police Department	7,679,669	7,703,454	7,369,443	334,011
Police Vehicle Maintenance	368,218	368,218	346,326	21,892
Dog Warden	134,409	134,409	131,706	2,703
Emergency Medical Service	1,188,800	1,188,800	1,149,986	38,814
Fire Department	8,215,022	8,344,633	8,178,161	166,472
Water Service - Fire	1,064,000	1,108,020	1,108,020	-
Building inspection	314,420	323,569	320,962	2,607
Public Site and Building Commission	81,704	79,123	76,125	2,998
Westport emergency management	41,291	41,515	23,819	17,696
Total public safety and protection	19,087,533	19,291,741	18,704,548	587,193
Public Works				
Engineering	810,845	828,151	804,606	23,545
Highway	1,722,105	1,907,360	1,852,542	54,818
Equipment maintenance	335,635	395,635	387,313	8,322
Roadway maintenance	1,887,850	1,888,000	1,888,000	-
Street lighting	240,000	240,000	238,252	1,748

(Continued)

Town of Westport, Connecticut

General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Works, Continued				
Solid waste disposal	\$2,027,290	\$2,027,140	\$1,829,465	197,675
Building maintenance	1,227,113	1,230,810	1,176,528	54,282
Building custodians	331,836	332,254	294,788	37,466
Maintenance of property	21,000	21,000	18,893	2,107
Maintenance parks and recreation	314,000	314,000	282,168	31,832
Tree maintenance	265,000	265,000	252,864	12,136
Total public works	9,182,674	9,449,350	9,025,420	423,930
Public Health				
Health District	486,698	486,698	486,698	-
Health Services	3,700	3,700	3,700	-
Total public health	490,398	490,398	490,398	-
Human Services				
Youth Services	269,567	266,575	231,898	34,677
Social Services	313,492	319,387	319,011	376
Commission for the Elderly	428,335	442,271	441,453	818
Total human services	1,011,394	1,028,234	992,362	35,872
Education				
Board of Education	104,366,056	104,366,056	104,302,817	63,239
BOE Rentals/ Reimbursement	-	125,257	125,257	-
Aid to Pvt & Parochial Sc	316,794	316,794	316,794	-
Debt service - Long Term	12,699,556	12,699,556	12,175,380	524,176
Total education	117,382,406	117,507,663	116,920,248	587,415
Library	4,382,571	4,463,377	4,463,377	-
Parks and Recreation				
Administration	527,356	526,099	520,293	5,806
Guest Services	215,991	208,321	208,181	140
Maintenance and Development	524,337	556,959	556,959	-
Boating	356,151	361,020	360,839	180
Parks Maintenance	355,910	355,729	355,729	-
Golf	791,406	892,544	892,544	-
Athletic Fields Maintenance	307,242	292,894	292,509	385
Tennis	70,125	71,816	71,816	-
Skating	36,303	26,563	26,563	-
Beach and Pool	250,246	246,054	246,054	-
Miscellaneous Programs	952,761	985,581	985,581	-
Memorial Day	9,000	9,000	8,805	195
Total parks and recreation	4,396,828	4,532,580	4,525,874	6,706

(Continued)

Town of Westport, Connecticut

General Fund Expenditures and Transfers Out - Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Other				
Pensions	\$14,699,941	\$14,713,634	\$14,685,304	28,330
Insurance	10,270,000	10,158,825	9,830,069	328,756
Social Security	1,065,000	1,071,561	1,071,561	-
Unemployment compensation	80,000	117,872	117,872	-
Earthplace	95,000	95,000	95,000	-
Miscellaneous	103,030	307,030	268,817	38,213
Transportation Service	275,845	276,595	276,595	-
Reserve: Salary Adjustments	124,602	18,124	-	18,124
Employee Productivity	7,000	7,000	6,105	895
Accrued Vacation	5,000	5,000	-	5,000
Total other	26,725,418	26,770,641	26,351,323	419,318
Debt Service				
Interest on Bonds	776,203	776,203	776,203	-
Bond Anticipation Financing	84,000	84,000	84,000	-
Bond Principal Payments	1,869,337	1,869,337	1,869,337	-
Total debt service	2,729,540	2,729,540	2,729,540	-
Storms	-	-	44,870	(44,870)
Capital Outlay				
General Government	85,500	85,500	84,965	535
Public Safety	490,789	490,793	481,269	9,524
Public Works	148,300	148,300	148,085	215
Human Services	6,450	6,450	6,450	-
Education	-	700,000	698,580	1,420
Storms	147,200	138,583	138,578	5
Total capital outlay	878,239	1,569,626	1,557,928	11,698
Transfers Out	1,383,136	1,383,136	1,383,136	-
Total	\$ 193,000,773	\$ 194,782,656	\$ 192,517,536	\$ 2,265,121

This page intentionally left blank.

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

Capital Projects Funds, Continued

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

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

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.

This page intentionally left blank.

Town of Westport, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	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	\$ 13,946	\$ 407,188	\$ 1,193,505	\$ 8,228	\$ 520,540	\$ 19,503	\$ 199,815
Investments	-	-	-	-	-	-	-
Other receivables	-	-	4,755	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-
Due from other funds	-	-	150,279	6,871	323,223	3,223	105,969
Total assets	\$ 13,946	\$ 407,188	\$ 1,348,539	\$ 15,099	\$ 843,763	\$ 22,726	\$ 305,784
Liabilities and Fund Balances (Deficits)							
Liabilities							
Accounts payable	\$ 65	\$ -	\$ 35,274	\$ 15,099	\$ -	\$ 87	\$ 23,791
Unearned revenue	-	-	1,140,306	-	-	-	279,179
Due to other funds	7	150,279	248,823	-	-	4,000	-
Total liabilities	72	150,279	1,424,403	15,099	-	4,087	302,970
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	-	-
Restricted	13,874	-	-	-	843,763	-	2,814
Committed	-	256,909	-	-	-	-	-
Assigned	-	-	-	-	-	18,639	-
Unassigned	-	-	(75,864)	-	-	-	-
Total fund balances (deficits)	13,874	256,909	(75,864)	-	843,763	18,639	2,814
Total liabilities and fund balances (deficits)	\$ 13,946	\$ 407,188	\$ 1,348,539	\$ 15,099	\$ 843,763	\$ 22,726	\$ 305,784

Special Revenue				Capital Projects		
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Farm Fund	Real Property Fund	Sewer Reserve Fund	Municipal Improvements Fund Phase II
\$ 27,451	\$ 452,789	\$ 389,416	\$ 80,153	\$ 802,694	\$ 1,172,141	\$ 75,375
-	-	-	-	-	-	-
-	-	214,850	1,309	-	-	-
-	-	-	-	-	-	358,827
-	520,564	-	-	-	2,099,032	-
<u>\$ 27,451</u>	<u>\$ 973,353</u>	<u>\$ 604,266</u>	<u>\$ 81,462</u>	<u>\$ 802,694</u>	<u>\$ 3,271,173</u>	<u>\$ 434,202</u>
\$ -	\$ 1,394	\$ -	\$ 1,017	\$ -	\$ -	\$ 1,048,350
-	-	-	-	-	-	-
-	-	36,858	2,818	-	-	456,124
-	1,394	36,858	3,835	-	-	1,504,474
-	-	-	-	-	-	-
27,451	-	-	-	-	-	-
-	971,959	567,408	77,627	802,694	3,271,173	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,070,272)
<u>27,451</u>	<u>971,959</u>	<u>567,408</u>	<u>77,627</u>	<u>802,694</u>	<u>3,271,173</u>	<u>(1,070,272)</u>
<u>\$ 27,451</u>	<u>\$ 973,353</u>	<u>\$ 604,266</u>	<u>\$ 81,462</u>	<u>\$ 802,694</u>	<u>\$ 3,271,173</u>	<u>\$ 434,202</u>

Town of Westport, Connecticut

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 June 30, 2014

	Capital Projects		Debt Service	Permanent Funds		Totals
	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase VII	Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	
Assets						
Cash and cash equivalents	\$ 2,656	\$ -	\$ -	\$ 16,914	\$ 2,636	\$ 5,384,950
Investments	-	-	1,690,173	-	-	1,690,173
Other receivables	-	-	-	-	-	220,914
Restricted Cash	-	-	-	-	-	358,827
Due from other funds	149,375	-	-	-	-	3,358,536
Total assets	\$ 152,031	\$ -	\$ 1,690,173	\$ 16,914	\$ 2,636	\$ 11,013,400
Liabilities and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 8,150	\$ -	\$ -	\$ -	\$ -	\$ 1,133,227
Unearned revenue	-	-	-	-	-	1,419,485
Due to other funds	-	-	-	2,197	456	901,562
Total liabilities	8,150	-	-	2,197	456	3,454,274
Fund Balances (Deficits)						
Nonspendable	-	-	-	14,717	2,180	16,897
Restricted	143,881	-	-	-	-	1,031,783
Committed	-	-	-	-	-	5,947,770
Assigned	-	-	1,690,173	-	-	1,708,812
Unassigned	-	-	-	-	-	(1,146,136)
Total fund balances (deficits)	143,881	-	1,690,173	14,717	2,180	7,559,126
Total liabilities and fund balances (deficits)	\$ 152,031	\$ -	\$ 1,690,173	\$ 16,914	\$ 2,636	\$ 11,013,400

This page intentionally left blank.

Town of Westport, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ 382,032	\$ 28,528	\$ 1,517,782
Permits, fees and other	13,402	-	2,126,374	-	-	-	-
Income from investments	-	-	-	-	-	-	-
Charges for services	-	-	-	1,865	-	-	-
Total revenues	13,402	-	2,126,374	1,865	382,032	28,528	1,517,782
Expenditures							
General government	26,826	-	-	-	-	-	-
Public safety	-	-	1,892,624	19,519	-	-	-
Human services	-	-	-	-	-	27,674	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	1,517,782
Capital outlay	-	-	-	-	-	-	-
Total expenditures	26,826	-	1,892,624	19,519	-	27,674	1,517,782
Total revenues over (under) expenditures	(13,424)	-	233,750	(17,654)	382,032	854	-
Other Financing Sources (Uses)							
Transfers in	-	-	-	17,654	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	17,654	-	-	-
Net change in fund balances (deficits)	(13,424)	-	233,750	-	382,032	854	-
Fund Balances							
(Deficits), beginning	27,298	256,909	(309,614)	-	461,731	17,785	2,814
Fund Balances							
(Deficits), ending	\$ 13,874	\$ 256,909	\$ (75,864)	\$ -	\$ 843,763	\$ 18,639	\$ 2,814

Special Revenue				Capital Projects		
Police Fund	Insurance Reserve Fund	Public Protection Fund	Wakeman Town Farm Fund	Real Property Fund	Sewer Reserve Fund	Municipal Improvements Fund Phase II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000
-	66,155	1,356,987	105,033	-	-	175,000
54	1,424	-	-	1,050	86,471	9,704
-	-	-	-	-	-	-
54	67,579	1,356,987	105,033	1,050	86,471	634,704
-	74,836	-	-	-	-	-
-	-	989,735	-	-	-	-
-	-	-	-	-	-	-
-	-	-	91,584	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	6,500,059
-	74,836	989,735	91,584	-	-	6,500,059
54	(7,257)	367,252	13,449	1,050	86,471	(5,865,355)
-	-	-	-	-	-	-
-	-	(175,000)	-	-	-	-
-	-	(175,000)	-	-	-	-
54	(7,257)	192,252	13,449	1,050	86,471	(5,865,355)
27,397	979,216	375,156	64,178	801,644	3,184,702	4,795,083
\$ 27,451	\$ 971,959	\$ 567,408	\$ 77,627	\$ 802,694	\$ 3,271,173	\$ (1,070,272)

(Continued)

Town of Westport, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	Capital Projects		Debt Service	Permanent Funds		Totals
	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase VII	Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,378,342
Permits, fees and other	-	-	-	-	-	3,842,951
Income from investments	-	-	34,043	34	5	132,785
Charges for services	-	-	-	-	-	1,865
Total revenues	<u>-</u>	<u>-</u>	<u>34,043</u>	<u>34</u>	<u>5</u>	<u>6,355,943</u>
Expenditures						
General government	-	-	-	-	-	101,662
Public safety	-	-	-	-	-	2,901,878
Human services	-	-	-	-	-	27,674
Parks and recreation	-	-	-	-	-	91,584
Education	-	-	-	-	-	1,517,782
Capital outlay	34,803	(21,146)	-	-	-	6,513,716
Total expenditures	<u>34,803</u>	<u>(21,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,154,296</u>
Total revenues over (under) expenditures	<u>(34,803)</u>	<u>21,146</u>	<u>34,043</u>	<u>34</u>	<u>5</u>	<u>(4,798,353)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	17,654
Transfers out	-	-	(308,000)	(34)	(5)	(483,039)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(308,000)</u>	<u>(34)</u>	<u>(5)</u>	<u>(465,385)</u>
Net change in fund balances (deficits)	<u>(34,803)</u>	<u>21,146</u>	<u>(273,957)</u>	<u>-</u>	<u>-</u>	<u>(5,263,738)</u>
Fund Balances (Deficits), beginning	<u>178,684</u>	<u>(21,146)</u>	<u>1,964,130</u>	<u>14,717</u>	<u>2,180</u>	<u>12,822,864</u>
Fund Balances (Deficits), ending	<u>\$ 143,881</u>	<u>\$ -</u>	<u>\$ 1,690,173</u>	<u>\$ 14,717</u>	<u>\$ 2,180</u>	<u>\$ 7,559,126</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, 2014

	Sewer Operating Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues and Transfers				
Sewer assessment - current	\$ 775,000	\$ 775,000	\$ 683,337	\$ (91,663)
Sewer user charges - current	3,258,000	3,258,000	3,213,831	(44,169)
Sewer dumping fees - connection permits	75,000	75,000	44,497	(30,503)
Sewer interest	-	-	103,094	103,094
Sewer carrying charges	200,000	200,000	243,317	43,317
General Fund Debt Service contribution	369,598	369,598	383,136	13,538
General Fund Sewer Operations contribution	304,000	304,000	-	(304,000)
Sewer Other Revenues	115,000	115,000	131,862	16,862
Total revenues	5,096,598	5,096,598	4,803,075	(293,523)
Expenditures and Transfers Out				
Interest on bonds	702,606	702,606	702,606	-
Insurance	385,860	385,860	384,714	1,146
Bond principal payments	1,866,272	1,866,272	1,866,272	-
Sewage treatment budget	1,227,652	1,232,218	1,216,958	15,260
Sewer collection budget	522,888	522,888	485,644	37,244
Pension	111,320	111,320	111,320	-
Transfers out	280,000	280,000	-	280,000
Total expenditures	5,096,598	5,101,164	4,767,513	333,651
Revenues and transfers in over (under) expenditures and transfers out	\$ -	\$ (4,566)	\$ 35,562	\$ 40,128

This page intentionally left blank.

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

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

Town of Westport, Connecticut

Combining Statement of Net Position (Deficits)
Internal Service Funds
June 30, 2014

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
Assets				
Cash and cash equivalents	\$ 1,927,690	\$ 540,864	\$ 930,839	\$ 3,399,393
Accounts receivable	60,201	-	-	60,201
Due from other funds	2,553,694	227,967	-	2,781,661
Total assets	4,541,585	768,831	930,839	6,241,255
Liabilities				
Accounts payable	68,043	-	-	68,043
Claims incurred but not reported	497,000	1,319,083	908,233	2,724,316
	565,043	1,319,083	908,233	2,792,359
Net Position (Deficits)	\$ 3,976,542	\$ (550,252)	\$ 22,606	\$ 3,448,896

Town of Westport, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits)
 Internal Service Funds
 For the Year Ended June 30, 2014

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
Operating Revenues				
Charges for services	\$ 10,546,361	\$ 227,967	\$ 17,048,102	\$ 27,822,430
Total operating revenues	10,546,361	227,967	17,048,102	27,822,430
Operating Expenses				
Claims incurred	7,609,562	-	16,518,087	24,127,649
Administration	1,892,553	-	-	1,892,553
Total operating expenses	9,502,115	-	16,518,087	26,020,202
Operating income	1,044,246	227,967	530,015	1,802,228
Nonoperating Income				
Interest income	41,129	24,702	-	65,831
Total nonoperating income	41,129	24,702	-	65,831
Change in net position	1,085,375	252,669	530,015	1,868,059
Net Position (Deficits), beginning	2,891,167	(802,921)	(507,409)	1,580,837
Net Position (Deficits), ending	\$ 3,976,542	\$ (550,252)	\$ 22,606	\$ 3,448,896

Town of Westport, Connecticut

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Town Health Insurance	Workers' Compensation	Board of Education Health Insurance	Totals
Cash Flows From Operating Activities				
Cash received from charges for services	\$ 9,681,733	\$ -	\$ 17,048,102	\$ 26,729,835
Cash paid to vendors and beneficiaries	(9,471,065)	-	(16,917,254)	(26,388,319)
Net cash provided by operating activities	210,668	-	130,848	341,516
Cash Flows From Investing Activities				
Interest on cash and cash equivalents	41,129	24,702	-	65,831
Net cash provided by investing activities	41,129	24,702	-	65,831
Net increase in cash and cash equivalents	251,797	24,702	130,848	407,347
Cash and Cash Equivalents				
Beginning	1,675,893	516,162	799,991	2,992,046
Ending	\$ 1,927,690	\$ 540,864	\$ 930,839	\$ 3,399,393
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 1,044,246	\$ 227,967	\$ 530,015	\$ 1,802,228
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in assets and liabilities:				
Decrease in accounts receivable	63,921	-	-	63,921
Increase in due from other funds	(849,214)	(227,967)	-	(1,077,181)
Decrease in accounts payable	(79,335)	-	-	(79,335)
Increase/(Decrease) in claims payable	31,050	-	(399,167)	(368,117)
Net cash provided by operating activities	\$ 210,668	\$ -	\$ 130,848	\$ 341,516

This page intentionally left blank.

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, 2014

	Agency Funds						
	P&Z Escrow	Senior Citizen Escrow	Tri- Centennial Fund	Student Activities	Performance Bonds	Hillspoint School Escrow	Total Agency Funds
Assets							
Cash and cash equivalents	\$ 1,148,464	\$ 105,411	\$ 4,595	\$ 614,680	\$ 360,859	\$ 195,876	\$ 2,429,885
Total assets	\$ 1,148,464	\$ 105,411	\$ 4,595	\$ 614,680	\$ 360,859	\$ 195,876	\$ 2,429,885
Liabilities							
Due to student groups	\$ -	\$ -	\$ -	\$ 614,680	\$ -	\$ -	\$ 614,680
Payable to others	1,148,464	105,411	4,595	-	360,859	195,876	1,815,205
Total liabilities	\$ 1,148,464	\$ 105,411	\$ 4,595	\$ 614,680	\$ 360,859	\$ 195,876	\$ 2,429,885

Town of Westport, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Student Activities Funds				
Assets				
Cash	\$ 661,540	\$ 1,464,888	\$ (1,511,748)	\$ 614,680
Liabilities				
Due to student groups	\$ 661,540	\$ 1,464,888	\$ (1,511,748)	\$ 614,680
Other Funds				
Assets				
Cash	\$ 1,482,276	\$ 735,819	\$ (402,890)	\$ 1,815,205
Liabilities				
Due to other funds	\$ 11,110	\$ -	\$ (11,110)	\$ -
Payable to others	1,471,166	735,819	(391,780)	1,815,205
	<u>\$ 1,482,276</u>	<u>\$ 735,819</u>	<u>\$ (402,890)</u>	<u>\$ 1,815,205</u>
Total Agency Funds				
Assets				
Cash	\$ 2,143,816	\$ 2,200,707	\$ (1,914,638)	\$ 2,429,885
Liabilities				
Due to student groups	\$ 661,540	\$ 1,464,888	\$ (1,511,748)	\$ 614,680
Due to other funds	11,110	-	(11,110)	-
Payable to others	1,471,166	735,819	(391,780)	1,815,205
	<u>\$ 2,143,816</u>	<u>\$ 2,200,707</u>	<u>\$ (1,914,638)</u>	<u>\$ 2,429,885</u>

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

Town of Westport, Connecticut

Capital Assets Used in the Operation of Governmental Funds
Schedule by Category
June 30, 2014

Governmental funds capital assets:	
Land	\$ 32,451,861
Buildings	307,375,616
Land improvements	20,382,313
Infrastructure	109,745,611
Machinery and equipment	30,394,636
Construction in progress	9,153,841
Total governmental funds capital assets	<u>\$ 509,503,878</u>

Town of Westport, Connecticut

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2014

	Land	Buildings	Land Improvements	Infrastructure	Machinery and Equipment	Construction in Progress	Total
General Government	\$ 1,105,000	\$ 3,108,975	\$ 292,842	\$ -	\$ 3,647,451	\$ 346,773	\$ 8,501,041
Public Safety	318,501	6,378,034	537,540	-	12,333,488	218,534	19,786,097
Public Works/Sewer	13,570,156	54,250,275	1,041,996	106,422,711	6,917,471	2,091,537	184,294,146
Human Services	-	4,366,435	-	-	123,990	-	4,490,425
Education	991,503	225,339,109	7,409,936	-	4,633,880	13,107	238,387,535
Library	1	9,365,905	136,743	-	-	-	9,502,649
Parks and Recreation	16,466,700	4,566,883	10,963,256	3,322,900	2,738,356	6,483,890	44,541,985
Total	\$ 32,451,861	\$ 307,375,616	\$ 20,382,313	\$ 109,745,611	\$ 30,394,636	\$ 9,153,841	\$ 509,503,878

Town of Westport, Connecticut

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes
 For the Year Ended June 30, 2014

	Governmental Funds Capital Assets July 1, 2013	Additions/ Transfers	Deletions/ Transfers	Governmental Funds Capital Assets June 30, 2014
General Government	\$ 8,175,481	\$ 344,530	\$ 18,970	\$ 8,501,041
Public Safety	20,216,629	870,449	1,300,981	19,786,097
Public Works	183,154,273	1,139,873	-	184,294,146
Human Services	4,475,072	15,353	-	4,490,425
Education	238,574,728	173,887	361,080	238,387,535
Library	10,487,962	-	985,313	9,502,649
Parks and Recreation	37,665,614	6,876,371	-	44,541,985
Total	\$ 502,749,759	\$ 9,420,463	\$ 2,666,343	\$ 509,503,878

This page intentionally left blank.

Other Schedules

This page intentionally left blank.

Town of Westport, Connecticut

Balance Sheet - By Account - General Fund
June 30, 2014

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
Assets			
Cash and cash equivalents	\$ 38,343,185	\$ 460,709	\$ 46,428
Investments	1,001,914	-	-
Receivables (net of allowances for collection losses):			
Property taxes	15,038,917	-	-
Intergovernmental and other receivables	2,049,097	-	-
Due from other funds	754,130	138,778	-
Total assets	57,187,243	599,487	46,428
Liabilities and Fund Balances (Deficits)			
Liabilities			
Accounts payable	\$ 2,990,550	\$ -	\$ -
Unearned revenue	325,390	-	-
Due to other funds	3,068,338	-	2,131
Total liabilities	6,384,278	-	2,131
Deferred Inflows of Resources			
Unavailable revenues - property taxes	14,776,090	-	-
Unavailable revenues - school construction receivable	1,180,432	-	-
Unavailable revenues - other	918,627	-	-
Total deferred inflows of resources	16,875,149	-	-
Fund Balances (Deficits)			
Restricted	-	-	-
Committed	-	-	-
Assigned	7,770,528	599,487	44,297
Unassigned	26,157,288	-	-
Total fund balances (deficits)	33,927,816	599,487	44,297
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 57,187,243	\$ 599,487	\$ 46,428

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
\$ 282,396	\$ 874,774	\$ 616,434	\$ 40,623,926
-	-	-	1,001,914
-	-	-	15,038,917
134,192	40,027	-	2,223,316
-	-	-	892,908
<u>416,588</u>	<u>914,801</u>	<u>616,434</u>	<u>59,780,981</u>
\$ 7,358	\$ 182,390	\$ 7,170	\$ 3,187,468
434,158	-	-	759,548
-	-	715	3,071,184
<u>441,516</u>	<u>182,390</u>	<u>7,885</u>	<u>7,018,200</u>
-	-	-	14,776,090
-	-	-	1,180,432
-	-	-	918,627
-	-	-	<u>16,875,149</u>
-	-	274,652	274,652
-	-	290,922	290,922
-	732,411	42,975	9,189,698
(24,928)	-	-	26,132,360
<u>(24,928)</u>	<u>732,411</u>	<u>608,549</u>	<u>35,887,632</u>
<u>\$ 416,588</u>	<u>\$ 914,801</u>	<u>\$ 616,434</u>	<u>\$ 59,780,981</u>

Town of Westport, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2014

	General Fund	Heart and Hypertension Fund	Recreation Program Fund
Revenues			
Property taxes	\$ 178,097,978	\$ -	\$ -
Intergovernmental	3,792,155	-	52,094
Permits, fees and other	19,802,126	83,150	-
Income from investments	74,808	-	-
Charges for services	1,593,535	-	-
Parks and recreation fees	4,286,485	-	-
Total revenues	207,647,087	83,150	52,094
Expenditures			
General government	5,252,659	-	-
Public safety	18,700,324	29,289	39,735
Public works	9,138,504	-	-
Public health	490,398	-	-
Human services	1,118,022	-	-
Library	4,463,377	-	-
Parks and recreation	4,531,001	-	-
Education	117,327,349	-	-
Benefits and other	27,920,503	-	-
Debt service:			
Principal	10,875,277	-	-
Interest and other charges	4,029,643	-	-
Capital outlay	745,107	-	-
Total expenditures	204,592,164	29,289	39,735
Revenues over (under) expenditures	3,054,923	53,861	12,359
Other Financing Sources (Uses)			
Transfers in	483,039	-	-
Transfers out	(1,400,790)	-	-
Net other financing sources (uses)	(917,751)	-	-
Net change in fund balances	2,137,172	53,861	12,359
Fund Balances (Deficits), beginning of year	31,790,644	545,626	31,938
Fund Balances (Deficits), end of year	\$ 33,927,816	\$ 599,487	\$ 44,297

Adult and Continuing Education Fund	Cafeteria Fund	Escrow Fund	Combined Totals
	\$ -	\$ -	\$ 178,097,978
-	203,017	50,927	4,098,193
-	-	137,991	20,023,267
-	-	-	74,808
1,189,583	2,832,766	112,756	5,728,640
-	-	-	4,286,485
<u>1,189,583</u>	<u>3,035,783</u>	<u>301,674</u>	<u>212,309,371</u>
-	-	67,465	5,320,124
-	-	180,635	18,949,983
-	-	-	9,138,504
-	-	-	490,398
-	-	163,305	1,281,327
-	-	-	4,463,377
-	-	41,697	4,572,698
1,093,709	2,831,421	-	121,252,479
-	-	-	27,920,503
-	-	-	10,875,277
-	-	-	4,029,643
-	-	-	745,107
<u>1,093,709</u>	<u>2,831,421</u>	<u>453,102</u>	<u>209,039,420</u>
<u>95,874</u>	<u>204,362</u>	<u>(151,428)</u>	<u>3,269,951</u>
-	-	-	483,039
-	-	-	(1,400,790)
-	-	-	(917,751)
95,874	204,362	(151,428)	2,352,200
(120,802)	528,049	759,977	33,535,432
<u>\$ (24,928)</u>	<u>\$ 732,411</u>	<u>\$ 608,549</u>	<u>\$ 35,887,632</u>

Town of Westport, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2014

Grand List Year	Balance Uncollected July 1, 2013	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2012		\$ 177,108,992	\$ 416,080	\$ 366,394	\$ -	\$ 177,158,678
2011	2,856,264	-	101,952	190,254	210,095	2,557,867
2010	1,631,615	-	133,322	190,642	-	1,574,296
2009	1,370,183	-	14,981	41,532	-	1,343,631
2008	1,158,912	-	1,917	1,660	-	1,159,169
2007	1,027,579	-	-	384	-	1,027,195
2006	743,753	-	-	579	-	743,174
2005	582,211	-	-	707	-	581,504
2004	410,187	-	64	-	-	410,251
2003	334,399	-	-	-	-	334,399
2002	310,020	-	750	331	-	310,439
2001	259,042	-	-	-	-	259,042
2000	151,514	-	-	1,565	-	149,949
1999	111,848	-	-	1,203	-	110,645
1998	84,734	-	-	1,126	-	83,608
	<u>\$ 11,032,261</u>	<u>\$ 177,108,992</u>	<u>\$ 669,066</u>	<u>\$ 796,377</u>	<u>\$ 210,095</u>	<u>\$ 187,803,848</u>

Collections from Deferral Program Prior to Grand List Year 1998
Suspense Collections

Collections					Balance Uncollected June 30, 2014
Taxes	Refunds	Interest	Fees	Total	
\$ 174,508,898	\$ 145,481	\$ 495,144	\$ 43,518	\$ 174,902,079	\$ 2,649,780
1,125,332	6,000	189,721	5,443	1,314,496	1,432,535
307,850	784	103,483	552	411,100	1,266,446
203,973	-	71,261	264	275,498	1,139,658
223,701	-	87,703	192	311,596	935,468
175,387	-	82,636	144	258,168	851,807
84,513	-	34,755	96	119,364	658,661
63,623	-	18,379	-	82,002	517,881
52,011	-	16,903	-	68,915	358,239
40,144	-	18,838	-	58,982	294,255
40,426	-	20,593	-	61,019	270,013
27,460	-	15,565	-	43,025	231,582
7,265	-	4,526	-	11,791	142,684
4,055	-	4,070	-	8,126	106,590
4,674	-	2,635	-	7,308	78,934
<u>\$ 176,869,313</u>	<u>\$ 152,265</u>	<u>\$ 1,166,212</u>	<u>\$ 50,209</u>	<u>\$ 177,933,469</u>	<u>\$ 10,934,535</u>
24,579	-	27,276	-	51,856	
56,956	-	28,001	1,385	86,342	
<u>\$ 176,950,848</u>	<u>\$ 152,265</u>	<u>\$ 1,221,490</u>	<u>\$ 51,594</u>	<u>\$ 178,071,667</u>	

Grand List Year	Active Balance Uncollected June 30, 2014	Deferred Balance Uncollected June 30, 2014	Total Balance Uncollected June 30, 2014
2012	\$ 1,510,564	\$ 1,139,216	\$ 2,649,780
2011	286,783	1,145,752	1,432,535
2010	160,266	1,106,180	1,266,446
2009	83,977	1,055,681	1,139,658
2008	48,019	887,450	935,468
2007	15,234	836,573	851,807
2006	6,908	651,753	658,661
2005	6,525	511,356	517,881
2004	3,588	354,651	358,239
2003	3,189	291,067	294,255
2002	2,732	267,282	270,013
2001	2,487	229,095	231,582
2000	2,188	140,496	142,684
1999	3,635	102,955	106,590
1998	925	78,009	78,934
	<u>\$ 2,137,020</u>	<u>\$ 8,797,516</u>	<u>\$ 10,934,535</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, 2014

SEWER ASSESSMENT		Lawful			Assessment	
Project Number	Net Beginning Balance	New Billing	Correction	Total Due	Paid	
1	\$ 305	\$ 7,066	\$ -	\$ 7,371	\$ 9,706	
2	262	3,009	-	3,271	4,697	
3	1,706	4,521	(187)	6,039	5,248	
4	21,685	35,603	(2)	57,286	58,876	
5	4,263	27,116	-	31,379	31,810	
6	-	446	-	446	446	
7	5,902	295	-	6,197	74	
8	532	1,565	-	2,097	16,708	
9	4,827	22,354	-	27,181	24,989	
10	15,292	45,185	-	60,477	43,564	
11	13,888	85,592	-	99,480	98,153	
12	20,809	78,138	-	98,947	109,423	
13	870	20,671	-	21,541	18,930	
14	3,449	50,358	-	53,807	55,312	
15	9,597	48,329	-	57,926	62,419	
16	9,911	111,637	(562)	120,986	122,749	
80	562	13,892	-	14,454	24,522	
Total	\$ 113,860	\$ 555,776	\$ (751)	\$ 668,885	\$ 687,627	

Sewer Use Charge		Lawful			Use Charge	
Project Number	Net Beginning Balance	New Billing	Correction	Total Due	Paid	
No Designated Project	\$ 36	\$ 18,501	\$ (456)	\$ 18,081	\$ 17,648	
No Longer in Service	651	1,123	-	1,774	1,774	
1	77,829	1,005,497	(68)	1,083,258	1,000,130	
2	43,704	338,612	(10,173)	372,142	318,064	
3	41,484	415,916	(10,523)	446,877	401,197	
4	54,142	481,416	(1,285)	534,273	492,992	
5	32,034	406,895	(251)	438,679	404,235	
6	4,325	46,000	942	51,266	44,971	
7	6,501	13,723	3	20,228	14,700	
8	4,935	38,902	(5)	43,832	43,409	
9	4,927	61,677	(3)	66,602	62,938	
10	26,086	132,166	(0)	158,252	136,945	
11	2,895	120,037	0	122,932	116,419	
12	11,991	79,748	573	92,312	80,193	
13	-	13,655	0	13,655	13,187	
14	3,210	31,189	0	34,399	30,458	
15	44	4,899	-	4,943	4,943	
16	2,084	6,448	-	8,532	8,332	
Total	\$ 316,876	\$ 3,216,406	\$ (21,245)	\$ 3,512,037	\$ 3,192,534	

Bond Interest		Lawful			Bond	
Project Number	Net Beginning Balance	New Billing	Correction	Total Due	Paid	
No Designated Project	\$ -	\$ -	\$ -	\$ -	\$ -	
1	-	-	-	-	-	
2	-	-	-	-	-	
3	783	1,320	(57)	2,047	1,086	
4	13,998	15,441	-	29,439	22,471	
5	1,454	11,553	(11)	12,996	12,985	
6	-	334	-	334	334	
7	5,332	267	-	5,598	67	
8	32	247	-	279	193	
9	612	6,289	-	6,901	6,452	
10	11,219	8,475	-	19,694	8,055	
11	6,748	24,096	-	30,844	24,030	
12	14,076	27,332	-	41,409	39,285	
13	378	7,578	(509)	7,446	6,756	
14	2,426	23,094	-	25,521	22,521	
15	5,678	26,001	-	31,679	23,340	
16	-	70,402	370	70,772	65,057	
80	311	5,696	-	6,007	6,394	
Total	\$ 63,046	\$ 228,126	\$ (206)	\$ 290,966	\$ 239,027	

Interest Paid	Liens & Fees Paid	Over Paid	Pay Off	Assessment Balance Due	Assessment Not Billed
\$ 83	\$ 168	\$ (132)	\$ 2,368	\$ 165	\$ 62,054
73	121	(293)	1,547	414	17,694
41	-	(84)	1,180	2,055	34,207
4,409	216	-	12,798	11,207	314,538
1,279	264	(301)	433	303	265,279
-	-	-	-	-	5,127
-	-	(5,900)	-	12,023	(13,554)
369	24	-	14,877	266	3,381
1,802	96	(1,805)	182	4,179	84,533
1,753	168	(586)	298	17,797	91,171
1,233	240	(785)	13,792	15,904	341,637
11,374	289	(288)	17,647	7,458	488,826
111	-	-	27	2,638	135,129
307	48	-	6,019	4,514	561,460
648	72	-	18,907	14,415	652,555
1,761	288	(1,056)	14,576	13,868	1,882,783
349	24	-	10,563	494	152,196
\$ 25,593	\$ 2,017	\$ (11,228)	\$ 115,213	\$ 107,700	\$ 5,079,014

Interest Paid	Liens & Fees Paid	Over Paid	Net Balance
\$ 169	\$ 48	\$ -	\$ 433
77	-	-	(0)
19,333	1,741	-	83,128
5,232	888	-	54,078
10,186	742	(24)	45,704
15,404	1,311	(366)	41,648
5,426	668	-	34,444
101	-	-	6,295
1,045	120	-	5,528
2,737	72	-	423
2,357	240	-	3,664
2,705	168	-	21,307
1,343	312	-	6,513
2,008	265	-	12,119
70	-	-	468
345	48	-	3,941
73	24	-	0
292	72	-	200
\$ 68,904	\$ 6,719	\$ (390)	\$ 319,893

Interest Paid	Liens & Fees Paid	Over Paid	Pay Off	Bonded Interest Balance Due
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	16	977
-	-	-	427	7,394
-	-	-	-	11
-	-	-	-	-
-	-	-	-	5,532
-	-	-	-	86
-	-	-	9	458
-	-	-	15	11,653
-	-	-	373	7,187
-	-	-	635	2,758
-	-	-	-	690
-	-	-	67	3,066
-	-	-	135	8,474
-	-	-	160	5,874
-	-	-	590	203
\$ -	\$ -	\$ -	\$ 2,425	\$ 54,364

This page intentionally left blank.

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.

This page intentionally left blank.

Town of Westport, Connecticut

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

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Invested in capital assets, net of related debt	\$ 116,904	\$ 145,846	\$ 173,215	\$ 157,894
Restricted	-	-	-	-
Unrestricted	57,936	43,258	30,187	50,670
Total governmental activities net position	\$ 174,840	\$ 189,104	\$ 203,402	\$ 208,564

Source: Town CAFR.

* As restated for OPEB calculation.

Fiscal Year					
2009	2010*	2011	2012	2013	2014
\$ 161,774	\$ 162,494	\$ 169,862	\$ 173,829	\$ 172,068	\$ 179,785
-	-	1,036	565	5,721	1,942
47,252	44,081	39,369	36,446	47,384	47,800
\$ 209,026	\$ 206,575	\$ 210,267	\$ 210,840	\$ 225,173	\$ 229,527

Town of Westport, Connecticut

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

	Fiscal Year			
	2005	2006	2007	2008
Expenses:				
Governmental activities:				
General Government	\$ 10,578,056	\$ 9,578,299	\$ 11,567,492	\$ 12,617,158
Education	91,603,615	98,379,924	96,186,377	110,101,139
Public safety	17,793,738	18,217,392	21,342,572	24,331,387
Public works	13,527,504	14,433,874	11,370,516	14,724,492
Public Health	436,124	449,097	462,469	380,154
Human Services	1,218,509	1,377,170	1,727,457	1,757,647
Library	3,651,598	3,774,015	3,983,028	3,749,404
Parks and recreation	4,884,069	4,946,083	5,901,674	6,069,819
Interest on long-term debt	1,532,186	1,710,093	7,416,503	7,099,026
Total governmental activities expenses	145,225,399	152,865,947	159,958,088	180,830,226
Program revenue:				
Charges for services:				
General Government	5,372,582	4,804,010	4,462,553	7,591,913
Education	6,144,753	8,956,477	9,581,462	11,012,028
Public safety	2,575,690	2,884,667	2,476,645	2,938,472
Public works	597,533	1,546,324	1,623,047	4,240,155
Public health	-	-	-	-
Human Services	-	-	22,206	-
Library	-	-	-	-
Parks and recreation	3,638,076	3,759,047	4,140,193	4,753,945
Operating grants and contributions:				
General Government	1,376,913	1,369,154	1,405,417	1,489,903
Education	1,404,301	1,470,077	1,581,764	1,503,541
Public safety	91,801	105,008	191,988	224,424
Public works	166,785	292,508	457,758	104,704
Public health	-	-	-	-
Human services	22,042	22,131	-	32,379
Library	-	-	-	-
Parks and recreation	-	-	-	-
Capital grants and contributions:				
General Government	238,202	4,156,661	3,925,456	1,347,245
Education	5,201,524	2,153,502	483,327	143,057
Public safety	-	-	-	-
Public works	130,764	445,452	193,137	193,142
Public Health	-	-	-	-
Human Services	-	-	-	-
Total governmental activities program revenue	26,960,966	31,965,018	30,544,953	35,574,908
Net expense: Governmental activities	(118,264,433)	(120,900,929)	(129,413,135)	(145,255,318)

Town of Westport, Connecticut

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

	Fiscal Year			
	2005	2006	2007	2008
General revenues and other changes in Net Position:				
Property taxes	123,861,301	131,735,933	137,853,097	142,537,842
Grants and contributions not restricted to specific programs	2,277,121	1,972,129	3,156,030	1,696,180
Investment earnings	1,619,190	1,457,328	2,701,593	2,683,477
Loss on disposal	-	-	-	-
Total governmental activities general revenue	127,757,612	135,165,390	143,710,720	146,917,499
Changes in Net Position:	6,856,683	5,752,255	(1,544,598)	1,662,181
Governmental activities	\$ 6,856,683	\$ 5,752,255	\$ (1,544,598)	\$ 1,662,181

Town of Westport, Connecticut

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

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Expenses:						
Governmental activities:						
General Government	\$ 9,852,083	\$ 10,975,715	\$ 11,374,983	\$ 11,073,562	\$ 10,326,736	\$ 10,439,729
Education	110,630,097 *	118,321,399 *	120,367,980	121,730,173	123,891,368	128,050,923
Public safety	27,957,161	29,151,534	31,177,644	32,872,330	34,482,888	37,092,494
Public works	15,495,836	17,477,526	17,830,375	19,327,263	20,209,086	20,914,735
Public Health	462,459	919,000	942,487	462,459	476,222	490,398
Human Services	1,761,349	1,364,063	1,478,767	2,182,077	2,190,771	2,544,263
Library	4,360,884	4,456,497	4,550,012	4,491,987	4,727,152	4,167,223
Parks and recreation	6,622,664	6,684,295	6,947,130	7,401,911	7,378,199	7,881,271
Interest on long-term debt	7,862,532	7,041,180	6,330,128	5,747,851	4,518,118	3,624,476
Total governmental activities expenses	185,005,065	196,391,209	200,999,506	205,289,613	208,200,540	215,205,512
Program revenue:						
Charges for services:						
General Government	4,045,980	4,643,601	4,239,889	4,681,842	1,910,277	1,968,761
Education	12,059,075	11,413,044	11,676,409	14,389,227	14,651,388	17,196,606
Public safety	2,809,108	2,920,687	2,011,739	3,463,743	4,302,512	4,637,324
Public works	4,204,845	6,247,419	7,288,085	5,618,961	14,649,210	6,892,404
Public health	2,888	-	-	-	-	-
Human Services	25,282	100,000	-	117,420	177,747	167,641
Library	8,477	-	-	-	-	-
Parks and recreation	4,389,314	4,699,734	5,483,119	4,741,290	4,548,808	4,508,593
Operating grants and contributions:						
General Government	53,835	239,989	469,109	262,960	1,537,408	1,097,037
Education	3,428,646	4,663,949	5,030,762	4,265,942	3,584,068	3,726,161
Public safety	48,233	-	-	-	65,680	50,927
Public works	270,911	278,084	302,341	276,237	290,893	934,619
Public health	29,925	-	-	-	-	-
Human services	2,856	25,000	-	29,640	28,825	28,528
Library	8,518	-	-	-	-	-
Parks and recreation	11,310	53,464	29,469	-	51,279	52,094
Capital grants and contributions:						
General Government	802,670	294,034	-	-	-	-
Education	1,054,194	-	-	-	310,845	290,111
Public safety	183,000	-	-	-	-	-
Public works	-	-	1,792,479	408,218	940,095	1,603,199
Public Health	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Total governmental activities program revenue	33,439,067	35,579,005	38,323,401	38,255,480	47,049,035	43,154,005
Net expense: Governmental activities	(151,565,998)	(160,812,204)	(162,676,105)	(167,034,133)	(161,151,505)	(172,051,507)

Town of Westport, Connecticut

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

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
General revenues and other changes in net position:						
Property taxes	151,356,844	158,085,030	164,625,209	166,144,594	175,403,252	175,947,875
Grants and contributions not restricted to specific programs	1,317,643	1,031,079	1,466,953	1,068,828	42,297	170,614
Investment earnings	1,487,694	610,670	275,678	393,849	38,253	288,244
Loss on disposal	-	-	-	-	-	-
Total governmental activities general revenue	154,162,181	159,726,779	166,367,840	167,607,271	175,483,802	176,406,733
Changes in Net Position:	2,596,183	(1,085,425)	3,691,735	573,138	14,332,297	4,355,226
Governmental activities	\$ 2,596,183	\$ (1,085,425)	\$ 3,691,735	\$ 573,138	\$ 14,332,297	\$ 4,355,226

* 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			
	2005	2006	2007	2008
Primary government:				
General Government	\$ 6,987,697	\$ 10,329,825	\$ 9,793,426	\$ 10,429,061
Education	12,750,578	12,580,056	11,646,553	12,658,626
Public safety	2,667,491	2,989,675	2,668,633	3,162,896
Public works	895,082	2,284,284	2,273,942	4,538,001
Public health	-	-	-	-
Human Services	22,042	22,131	22,206	32,379
Library	-	-	-	-
Parks and recreation	3,638,076	3,759,047	4,140,193	4,753,945
Total governmental activities program revenue	\$ 26,960,966	\$ 31,965,018	\$ 30,544,953	\$ 35,574,908

Source: Town CAFR

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 4,902,485	\$ 5,177,624	\$ 4,708,998	\$ 4,944,802	\$ 3,447,685	\$ 3,065,798
16,541,915	16,076,993	16,707,171	18,655,169	18,546,301	21,212,878
3,040,341	2,920,687	2,011,739	3,463,743	4,368,192	4,688,251
4,475,756	6,525,503	9,382,905	6,303,416	15,880,198	9,430,222
32,813	-	-	-	-	-
11,333	125,000	-	147,060	206,572	196,169
33,800	-	-	-	-	-
4,400,624	4,753,198	5,512,588	4,741,290	4,600,087	4,560,687
\$ 33,439,067	\$ 35,579,005	\$ 38,323,401	\$ 38,255,480	\$ 47,049,035	\$ 43,154,005

Town of Westport, Connecticut

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved or designated	5,414,238	6,787,491	7,261,103	7,618,009
Unreserved, undesignated	12,869,982	11,889,515	14,024,019	15,914,778
Total General Fund	\$ 18,284,220	\$ 18,677,006	\$ 21,285,122	\$ 23,532,787
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved or designated	44,835,997	21,185,851	4,683,349	3,991,911
Unreserved, undesignated, reported in:				
Special revenue funds	4,645,164	5,493,908	5,483,489	4,848,524
Debt service funds	3,617,937	2,975,179	2,896,537	2,898,033
Capital projects funds	(31,627,218)	(24,782,912)	(22,325,764)	(24,821,250)
Permanent fund	16,897	16,897	16,897	16,897
Total all other government funds	\$ 21,488,777	\$ 4,888,923	\$ (9,245,492)	\$ (13,065,885)

* GASB 54 was implemented in Fiscal Year 2011.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	214,547	232,935	280,679		274,652
-	-	601,408	394,952	436,046		290,922
-	-	7,398,103	6,647,675	6,660,518		9,189,698
-	-	21,291,908	20,512,849	26,158,189		26,132,360
6,442,444	1,168,017	-	-	-		-
15,789,521	23,992,884	-	-	-		-
\$ 22,231,965	\$ 25,160,901	\$ 29,505,966	\$ 27,788,411	\$ 33,535,432		\$ 35,887,632
\$ -	\$ -	\$ 16,929	\$ 16,929	\$ 16,897		\$ 16,897
-	-	821,216	332,434	5,440,087		\$ 1,031,783
-	-	10,389,791	9,541,358	9,459,812		\$ 9,880,394
-	-	2,390,099	2,326,679	1,981,915		\$ 1,708,812
-	-	(2,897,488)	(5,632,054)	(330,760)		\$ (1,146,136)
2,236,997	5,910,888	-	-	-		-
5,307,584	4,985,328	-	-	-		-
2,709,664	2,614,784	-	-	-		-
721,256	5,357,426	-	-	-		-
16,897	16,929	-	-	-		-
\$ 10,992,398	\$ 18,885,355	\$ 10,720,547	\$ 6,585,346	\$ 16,567,951		\$ 11,491,750

Town of Westport, Connecticut

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Property taxes, interest and liens, net	\$ 121,001,803	\$ 126,695,262	\$ 132,883,582	\$ 141,064,308
Intergovernmental	7,855,848	10,180,367	7,940,238	6,872,673
Charges for services	5,377,348	5,890,472	6,435,494	6,978,208
Interest and dividends	1,534,717	1,278,005	2,312,735	2,560,532
Other	19,945,476	22,005,740	22,973,310	24,415,887
Total revenues	155,715,192	166,049,846	172,545,359	181,891,608
Expenditures:				
General Government	5,492,124	5,779,470	6,386,543	6,193,465
Public safety	13,949,133	14,974,359	17,122,350	17,895,446
Public works	9,771,595	10,936,896	7,485,342	10,564,915
Public health	436,124	449,097	462,469	380,154
Human services	791,203	928,662	958,565	996,016
Library	3,292,008	3,447,396	3,681,562	3,940,588
Parks and recreation	3,562,901	3,769,340	4,079,103	4,347,801
Education	82,111,476	88,987,874	92,539,559	101,335,131
Benefits and other	9,115,590	9,265,366	10,186,912	10,195,795
Capital outlay	42,133,902	37,360,753	22,952,033	9,160,999
Debt service:				
Principal	8,915,000	10,270,000	10,974,850	11,355,000
Interest and other charges	7,326,017	7,792,701	7,428,580	7,099,026
Total expenditures	186,897,073	193,961,914	184,257,868	183,464,336
Excess of revenues (under) expenditures	(31,181,881)	(27,912,068)	(11,712,509)	(1,572,728)
Other financing sources (uses):				
Transfers in	3,162,981	2,614,886	2,395,446	2,471,423
Transfers out	(3,162,981)	(2,614,886)	(2,395,446)	(2,471,423)
Issuance of long-term debt	39,940,000	11,705,000	-	-
Proceeds of refunding bonds	-	-	26,460,000	-
Payment to refunded bond escrow agent	-	-	(28,026,668)	-
Premium (discount) on long-term debt	864,854	-	1,752,878	-
Total other financing sources (uses)	40,804,854	11,705,000	186,210	-
Net changes in fund balance	\$ 9,622,973	\$ (16,207,068)	\$ (11,526,299)	\$ (1,572,728)
Debt service as a percentage of noncapital expenditures	11.2%	11.5%	11.4%	10.6%

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 151,452,153	\$ 155,340,454	\$ 161,327,432	\$ 165,268,513	\$ 173,863,514	\$ 178,097,978	
7,777,703	6,886,580	9,392,095	6,612,807	7,152,150	8,182,321	
5,955,655	6,314,037	6,089,241	6,019,878	5,563,917	5,730,505	
1,453,765	599,902	270,912	393,482	38,253	276,195	
21,392,514	23,271,793	24,522,633	27,116,625	33,546,877	32,538,756	
188,031,790	192,412,766	201,602,313	205,411,305	220,164,711	224,825,755	
5,928,650	6,358,457	6,244,699	6,463,201	5,063,248	5,421,786	
20,574,482	19,368,191	19,794,054	20,332,221	21,015,315	21,851,861	
10,583,559	10,476,953	9,990,477	9,554,113	12,089,597	11,304,310	
462,459	919,000	942,487	462,459	476,222	490,398	
1,217,726	610,357	573,881	1,116,349	1,141,292	1,309,001	
3,978,035	4,068,152	4,144,510	4,249,027	4,310,415	4,463,377	
4,635,087	4,262,817	4,188,641	4,468,075	4,340,770	4,664,282	
103,600,802	108,825,724	110,943,544	114,716,201	117,411,271	122,770,261	
13,135,461	14,759,082	21,328,147	25,925,636	23,314,310	27,920,503	
11,707,853	4,518,529	7,919,336	4,890,238	4,065,139	9,880,178	
11,155,000	13,768,269	12,777,560	13,021,732	12,936,062	12,741,549	
6,708,698	7,003,393	6,582,926	6,216,111	5,629,031	4,732,249	
193,687,812	194,938,924	205,430,262	211,415,363	211,792,672	227,549,755	
(5,656,022)	(2,526,158)	(3,827,949)	(6,004,058)	8,372,039	(2,724,000)	
1,639,535	1,848,484	1,192,416	1,385,650	1,447,865	1,883,829	
(1,639,535)	(1,148,484)	(1,192,416)	(1,385,650)	(1,447,865)	(1,883,829)	
28,413,483	12,500,000	-	-	6,990,000	-	
-	19,575,000	13,235,000	13,210,000	28,450,000	-	
-	(21,374,493)	(14,476,654)	(15,201,508)	(31,844,772)	-	
-	1,947,544	1,249,860	2,142,810	3,752,359	-	
28,413,483	13,348,051	8,206	151,302	7,347,587	-	
\$ 22,757,461	\$ 10,821,893	\$ (3,819,743)	\$ (5,852,756)	\$ 15,719,626	\$ (2,724,000)	
9.8%	10.9%	9.8%	9.2%	8.8%	8.7%	

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
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
2013	159,186,715	4,440,637	6,114,594	169,741,946
2014	163,452,655	4,932,287	6,156,499	174,541,441
Change 2005-2014	48.56%	96.31%	3.87%	47.33%

Source: Town Tax Office

This page intentionally left blank.

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
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
2013	7,763,534,000	1,183,104,010	134,947,500	257,481,363	316,208,815
2014	7,907,326,510	1,172,334,840	128,435,260	285,092,327	311,509,693

Source: Assessor's Office

* Revaluation

Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
5,800,109,189	20.60	8,285,870,270	70.00%
5,979,290,022	21.30	8,541,842,889	70.00%
10,333,808,582	12.97	14,762,583,689	70.00%
10,415,436,116	13.73	14,879,194,451	70.00%
10,625,982,493	14.41	15,179,974,990	70.00%
10,772,214,638	14.41	15,388,878,054	70.00%
10,920,004,285	14.85	15,600,006,121	70.00%
9,557,877,321	17.43	13,654,110,450	70.00%
9,655,275,688	17.91	13,793,250,982	70.00%
9,804,698,630	18.07	14,006,712,414	70.00%

Town of Westport, Connecticut

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

Taxpayer	2014			2005		
	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	\$ 130,520,910	1	1.35%	\$ 26,644,720	2	0.87%
Nayala Farms Inc.	78,264,810	2	0.81%	61,347,560	1	1.99%
Bridgewater Associates Inc	25,478,050	3	0.26%	-	-	0.00%
Hyman, Ronnie F Trustee	19,994,700	4	0.21%	-	-	0.00%
Roseville Estates	19,831,700	5	0.21%	-	-	0.00%
Riverside Office 285 & 355 LLC	19,470,700	6	0.20%	-	-	0.00%
SL Greens Farm Rowd, LLC	19,075,500	7	0.20%	-	-	0.00%
Lasry, M&C	18,782,900	8	0.19%	-	-	0.00%
Campana 125 LLC	17,958,400	9	0.19%	-	-	0.00%
Byelas Irving Irrevocable Trust	17,112,200	10	0.18%	-	-	0.00%
Westport Riverside Real Estate LLC	-	-	0.00%	19,849,700	3	0.64%
Greens Farm LLC	-	-	0.00%	13,158,000	4	0.43%
Aquarian Water Co	-	-	0.00%	11,277,090	5	0.37%
Chase Manhattan Auto Financial Corp	-	-	0.00%	10,726,433	6	0.35%
VW Credit Leasing Ltd	-	-	0.00%	9,743,863	7	0.32%
Irving Byelas Trust	-	-	0.00%	8,636,800	8	0.28%
Davis, L.W.	-	-	0.00%	8,476,600	9	0.28%
BP Westport Inn, LLC & Benenson Westport Trust	-	-	0.00%	8,307,090	10	0.27%
Total	\$ 366,489,870		3.80%	\$ 178,167,856		5.79%

Source: Town Records

This page intentionally left blank.

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
2005	2003	\$ 120,604,541	\$ 119,073,865	98.73%
2006	2004	126,810,338	125,227,654	98.75%
2007	2005	132,608,161	131,361,637	99.06%
2008	2006	141,781,845	140,244,615	98.92%
2009	2007	152,131,322	149,667,754	98.38%
2010	2008	154,744,649	152,062,370	98.27%
2011	2009	161,312,670	158,440,196	98.22%
2012	2010	165,869,302	162,978,853	98.26%
2013	2011	172,389,099	169,741,946	98.46%
2014	2012	177,158,678	174,541,441	98.52%

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
\$ 1,132,307	\$ 120,206,172	99.67%
1,107,643	126,335,297	99.63%
651,671	132,013,308	99.55%
787,786	141,032,401	99.47%
1,512,677	151,180,431	99.37%
1,631,583	153,693,953	99.32%
1,631,905	160,072,101	99.23%
1,486,554	164,465,407	99.15%
1,015,241	170,757,187	99.05%
n/a	n/a	n/a

Town of Westport, Connecticut

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

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Gross Debt as a Percentage of Personal Income	Net Debt Per Capita ⁽²⁾
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt ⁽¹⁾			
2005	\$ 175,685,000	\$ 3,617,937	\$ 172,067,063	2.079%	8.961%	\$ 6,477
2006	177,120,000	2,975,179	174,144,821	1.172%	9.025%	6,556
2007*	165,865,000	2,820,143	163,044,857	1.097%	8.494%	6,120
2008	154,530,000	2,976,675	151,553,325	1.020%	7.889%	5,705
2009	171,788,483	2,709,664	169,078,819	1.114%	8.702%	6,460
2010	169,880,214	2,614,784	167,265,430	1.082%	8.738%	6,222
2011	156,777,654	2,374,895	154,402,759	0.990%	6.692%	5,851
2012	142,625,922	2,524,395	140,101,527	1.026%	6.027%	5,309
2013	139,377,372	1,964,130	137,413,242	0.962%	5.800%	5,028
2014	121,612,981	1,690,173	119,922,808	0.856%	5.115%	4,430

* Revaluation

⁽¹⁾ Non-restricted assets.

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

Town of Westport, Connecticut

**Direct Governmental Activities Debt
For the Year Ended June 30, 2014
(Unaudited)**

Governmental Unit	Debt Outstanding
General obligation debt	\$ 121,612,981
Less school construction grants receivable - principal portion only	<u>(1,180,432)</u>
Total direct debt	<u><u>\$ 120,432,549</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)**

	2005	2006	2007	2008
Debt limit	\$ 850,737	\$ 894,388	\$ 937,237	\$ 993,171
Total net debt applicable to limit	174,172	174,167	162,407	151,351
Legal debt margin	\$ 676,565	\$ 720,221	\$ 774,830	\$ 841,820
Total net debt applicable to the limit as a percentage of debt limit	25.744%	24.182%	20.960%	17.979%

	2009	2010	2011	2012	2013	2014
\$	1,056,150	\$ 1,086,199	\$ 1,124,514	\$ 1,158,882	\$ 1,217,125	\$ 1,248,031
	169,175	167,568	154,812	140,943	137,968	120,433
\$	886,975	\$ 918,631	\$ 969,702	\$ 1,017,939	\$ 1,017,939	\$ 1,127,598
	19.073%	18.241%	15.965%	13.846%	12.785%	10.680%

Town of Westport, Connecticut

Computation of Legal Debt Limitation
June 30, 2014

Total tax collections (including interest and lien fees) for the year ended June 30, 2014	\$ 178,195,694
Reimbursement for revenue loss: Tax relief for Elderly Homeowner Freeze	<u>94,410</u>
Base	<u>\$ 178,290,104</u>
Debt limit	<u><u>\$ 1,248,030,728</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 401,152,734	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	802,305,468	-	-	-
3-3/4 times base	-	-	668,587,890	-	-
3-1/4 times base	-	-	-	579,442,838	-
3 times base	-	-	-	-	534,870,312
Total debt limitation	<u>401,152,734</u>	<u>802,305,468</u>	<u>668,587,890</u>	<u>579,442,838</u>	<u>534,870,312</u>
Debt as defined by statute:					
Bonds payable	18,937,596	76,505,820	26,169,565	-	-
Bond anticipation notes payable	-	-	-	-	-
Capital leases	-	-	-	-	-
Bonds authorized but not issued, issue dates not yet established	1,935,587	935,281	151,000	-	-
Construction grants	-	(1,622,749)	-	-	-
Total indebtedness	<u>20,873,183</u>	<u>75,818,352</u>	<u>26,320,565</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 380,279,551</u></u>	<u><u>\$ 726,487,116</u></u>	<u><u>\$ 642,267,325</u></u>	<u><u>\$ 579,442,838</u></u>	<u><u>\$ 534,870,312</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	
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%
2013	4,090,615	2,230,726	1,859,889	1,672,490	678,110	126%
2014	4,419,940	2,165,806	2,254,134	1,866,272	702,606	114%

* 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
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%
2013	27,068	88,775 **	44.0	5,799	6.1%
2014	27,068	87,829 **	44.6	5,796	4.7%

*State of Connecticut Dept of Health (July 1, 2012)

**City-Data.com (2009)

This page intentionally left blank.

Town of Westport, Connecticut

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

Functions/Program	Full-Time Equivalent Employees as of June 30,			
	2005	2006	2007	2008
Governmental Services:				
Selectman's Office	4	4	4	4
Town Clerk	5	5	5	5
Finance	11	11	10	11
Internal Audit	0	0	0	0
Information Technology	3	4	3	2
Legal	1	1	1	1
Building Department	5	5	5	5
Personnel	3	3	3	3
Planning & Zoning	8	8	9	9
Historic District	0	0	0	0
Conservation	4	4	5	5
Human Services	9	9	12	14
Assessor	6	7	7	7
Tax collector	5	5	5	5
Registrar	1	1	1	1
Parks and Recreation:				
General & Administrative	8	8	9	8
Program managers	2	2	1	2
Field Maintenance	4	4	4	4
Park Maintenance	3	3	3	4
Maintenance & development	5	5	4	4
Golf Course(s)	7	7	8	8
Boating	1	1	1	1
Police:				
Officers	64	67	65	70
Civilians	16	17	22	22
Fire:				
Firefighters and Officers	56	55	60	63
Civilians	8	8	7	7
Public Works:				
Engineering	11	11	10	11
Highway	18	18	17	18
Equipment Maintenance	2	2	2	2
Solid waste disposal	4	4	3	4
Building Maintenance	6	6	6	6
Custodians	7	7	7	7
Sewage treatment	4	5	4	5
Sewage collection	3	3	3	3
Other Programs/Functions:				
Library	49	49	49	53
Total	343	349	355	374

Sources: Town and Library Records

Full-Time Equivalent as of June 30,

2009	2010	2011	2012	2013	2014
4	4	2	2	1	4
5	6	5	5	5	5.5
9	9	8	8	9	8
0	1	1	1	1	1
3	3	2	2	2	2
1	1	1	1	0	0.5
5	4	4	4	4	5
3	3	3	3	3	4
9	8	7	7	7	7
1	1	1	1	1	1
5	5	5	5	5	5
14	14	14	14	14	14
8	7	6	6	6	6
5	5	5	5	5	5
1	1	1	1	1	1
8	8	6	6	7	6
2	2	2	2	2	0
4	4	4	4	3	3
4	2	2	2	2	2
4	4	3	3	3	4
7	6	6	5	5	1
1	1	1	1	1	1
70	70	67	64	64	63
24	24	24	23	19	19
67	66	66	67	67	66
7	8	6	6	10	7.5
11	10	9	9	9	8
18	18	16	16	16	16
2	1	2	2	2	2
4	3	3	3	3	3
6	6	6	6	6	6
7	6	4	3	3	3
5	5	5	5	5	5
3	3	3	3	3	3
52	51	52	53	53	52
379	370	352	348	326	339.5

Town of Westport, Connecticut

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

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
Police*:					
Calls for service	19,646	19,828	22,540	21,707	21,304
Adult arrest	701	637	893	895	839
Juvenile referrals	23	33	55	38	14
Speeding citations only	403	455	923	1,303	999
Traffic citations	2,196	2,670	4,904	2,482	5,709
EMS Patients	2,250	1,613	1,705	1,989	1,680
Fire:					
Total emergency service calls	3,578	2,721	3,668	3,730	3,354
Property loss	\$ 263,076	\$ 438,125	\$ 190,196	n/a	n/a
Building safety:					
Total building permits	4,268	3,980	3,797	3,897	2,754
Total value all permits (\$000)	155,988	134,279	127,895	169,305	70,872
Library, volumes in collection	220,819	224,235	223,025	225,704	224,094
Public works:					
Solid waste collected (ton)	16,974	18,735	18,906	19,566	18,222
Recycle collected (ton)	6,217	6,792	6,571	4,215	1,358
Parks and Recreation:					
Recreation program attendance	6,684	9,832	9,744	9,866	9,561
Aquatics program attendance	710	683	764	698	714
Golf rounds played	38,992	36,351	35,005	36,332	36,969

Source: Town Records

*Calendar year reporting

n/a: Information not available.

Fiscal Year				
2010	2011	2012	2013	2014
24,718	24,920	25,094	24,346	n/a
822	723	628	595	n/a
42	38	18	23	n/a
621	582	958	574	n/a
6,208	5,911	5,100	2,918	n/a
1,807	1,737	1,832	2,110	n/a
3650*	3,971*	3,971*	3,995	3,310
n/a	n/a	n/a	n/a	n/a
3,325	4,198	4,972	5,624	5,087
96,925	122,111	110,952	147,156	157,413
224,094	231,577	204,813	160,656	170,345
19,163	17,892	14,615	14,430	14,462
1,312	1,268	3,417	3,662	3,492
10,048	10,370	10,493	10,333	10,881
951	883	904	966	877
37,756	34,456	36,744	31,728	27,093

Town of Westport, Connecticut

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

Function/Program	2005	2006	2007	2008	2009
Police:					
Stations	1	1	1	1	1
Fire, Fire Stations	4	4	4	4	4
Public Works:					
Public Works Vehicles	50	50	50	50	49
Streets (Miles)	124	124	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	24	24	24	24	24
Soccer/Football Fields	12	12	12	12	12
Basketball Courts	2	2	2	2	2
Tennis Courts	23	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	220,819	224,235	223,025	225,704	224,094
Wastewater:					
Sanitary Sewers (miles)	73	74	75	76	81
Storm Sewers (miles)	44	44	44	44	44

Source: Town Records

2010	2011	2012	2013	2014
1	1	1	1	1
4	4	4	4	4
49	49	49	49	60
124	124	124	124	124
4	4	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
226,417	225,615	204,813	160,656	170,345
81	86	86	86	86
45	45	45	45	45

This page intentionally left blank.