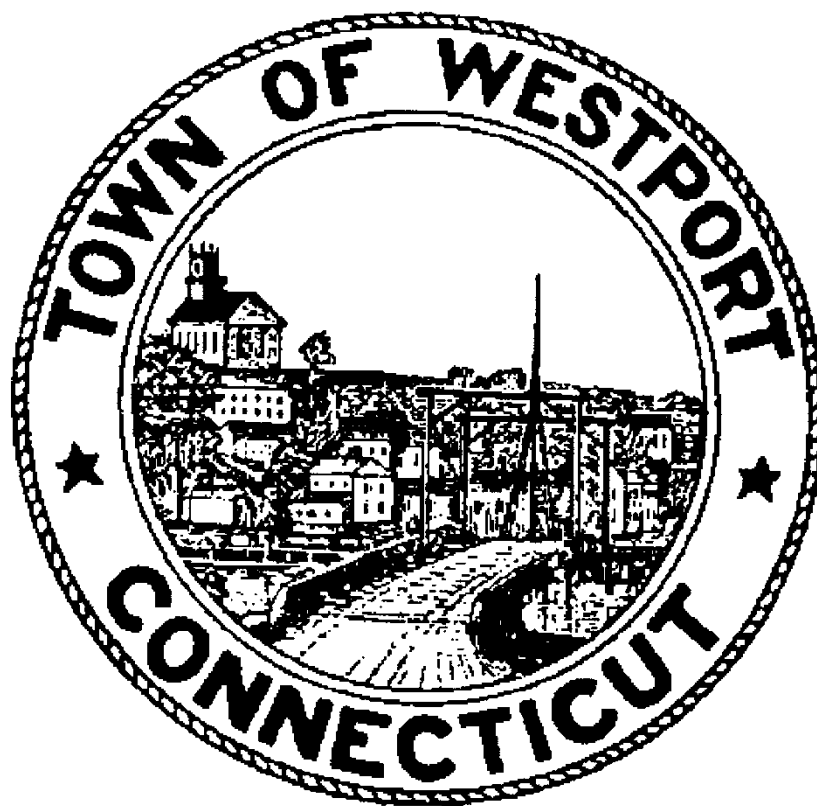


**TOWN OF WESTPORT, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2010**



**For the Fiscal Year Ended June 30, 2010**



# **The Town of Westport, Connecticut**

**Comprehensive Annual Financial Report**

**For**

**The Fiscal Year Ended June 30, 2010**

**Prepared By:**

**Town of Westport  
Finance Department**

**John Kondub  
Finance Director**



**TOWN OF WESTPORT, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **Introductory Section**



# WESTPORT CONNECTICUT



## FINANCE DEPARTMENT

110 MYRTLE AVENUE  
WESTPORT, CT 06880

December 28, 2010

Honorable Gordon F. Joseloff, First Selectman  
Shelly A. Kassen, Selectman  
Gavin S. Anderson, 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, 2010.

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 & Pullen, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Westport, Connecticut's financial statements for the year ended June 30, 2010. 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 2000 Census population of 25,749. 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 2009. 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 agency 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 Representative Town Meeting. On the first Tuesday in May, the Representative Town Meeting 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; Representative Town Meeting 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 18 and 69-73 as a part of the basic financial statements for the governmental funds. For the sewer operating fund, a major fund with an appropriated annual budget, this comparison is included on pages 19 and 84.

### **Factors Affecting Financial Condition**

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

**Local Economy.** Westport was once an artist colony. Now it has among its residents many in other fields of the arts as well – theater, publishing, television. Although it is a community with almost no industry, there are several corporate headquarters, many consulting, marketing, promotional, investment firms, commercial designers and graphic artists. While Westport is often thought of as a commuter community, increasingly its residents work in the area as corporations have moved into Fairfield County. The Town's unemployment rate, based on the Connecticut Department of Labor, as of June 30, 2010 was 6.0% compared to Fairfield county and the State respectively of 8.0% and 8.9%. Bureau of Census data for the 2000 census identifies Median Family Income in Westport of \$152,894.

**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 needs through fiscal year 2015. 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 \$68,345,000. Financing, net of state and federal project grants, for these projects by debt issuance approximates \$53,343,000, while an additional \$15,002,000 is scheduled to be funded through annual appropriation in the General Fund, Sewer Fund user fees or Capital and Non-Recurring Fund. The Town bonded, net of grants, \$12,500,000 in fiscal year 2010. This issue included various school renovations and upgrades of \$6,366,000, sanitary sewer of \$5,043,000, athletic fields of \$553,000 and communication systems for \$538,000.

Other major projects to be bonded, net of grants, in the plan include: recreation facilities improvements (\$5,800,000); Library replacement (\$5,000,000); Saugatuck River dredging (\$1,000,000); various school ventilation upgrades (\$3,100,000); and public safety and protection building renovations (\$16,000,000).

Due to current economic conditions, as well as budgetary pressures, all but the most pressing and vital projects will be placed on hold for the near future.

The financial impact of these initiatives is reviewed by the Board of Finance, Representative Town Meeting 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 and the Board of Education have 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 and the Board of Education are fully reserved for loss within the stop loss limits. 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 and Board of Education are self-insured for employee health claims through two Medical Self-Insurance Funds. The Town and Board of Education also purchase stop-loss coverage for health claims in excess of determined individual and aggregate limits.

**Pension and Post Employment Benefits.** The Town has six (6) contributory plans covering substantially all employees who work over 20 hours per week, except teachers. The teachers participate in a contributory retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education does not contribute to the plan.

The total pension payments to retirees, widows and beneficiaries for 2009-2010 were \$8,812,293. In addition the Town pays approximately \$16,765 of pay-as-you-go pension payments to three (3) retirees, under a retirement program established prior to the current funded programs. Participation in this program is no longer available.

As of June 30, 2010, the fair market value of the Master Trust for assets in these six (6) funds was \$163,460,417.

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

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

The 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. Actuarial calculation of the liability for the OPEB is \$50,000,000. In fiscal year 2009, an irrevocable trust was established to begin funding of that liability. As of June 30, 2010 the trust maintains assets of \$3,081,652 while current retiree benefits are funded through the general fund budget. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations.

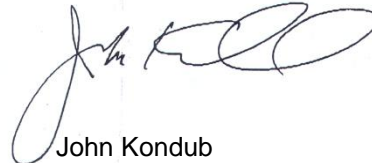
### **Awards and Acknowledgements**

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, 2009. This was the ninth 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 & Pullen, LLP. I would also like to thank the Board of Selectmen, Board of Finance and the Representative Town Meeting for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Kondub', with a large, stylized flourish extending from the end of the signature.

John Kondub  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Westport  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

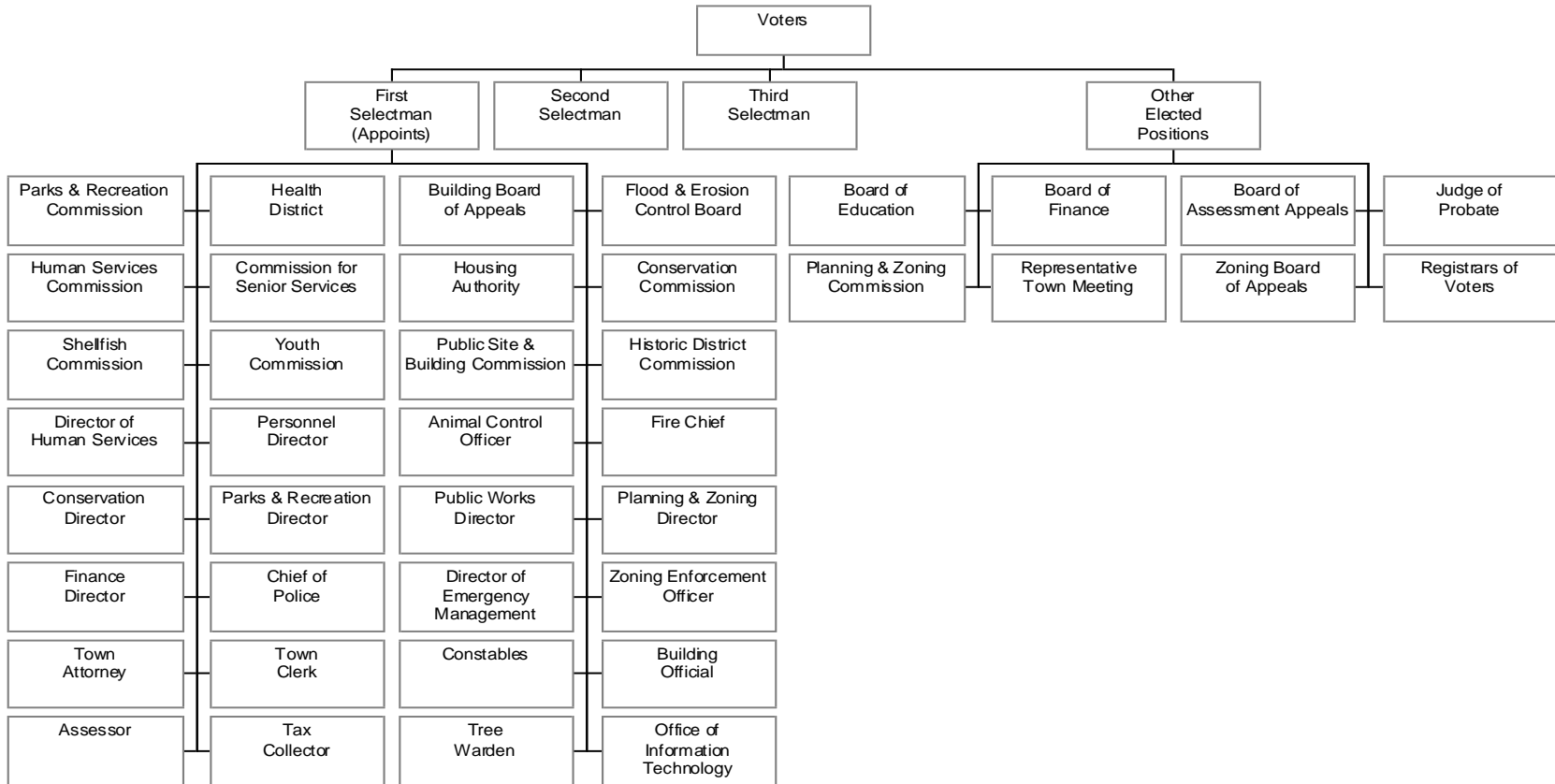
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# Town of Westport, Connecticut





**TOWN OF WESTPORT, CONNECTICUT**

**PRINCIPAL TOWN OFFICIALS**

**As of June 30, 2010**

---

First Selectman .....	Gordon F. Joseloff
Selectwoman.....	Shelly A. Kassen
Selectman .....	Gavin S. Anderson
Chair, Board of Finance .....	Helen Garten
Finance Director .....	John Kondub
Superintendent of Schools.....	Elliott Landon
Director of Public Works.....	Stephen Edwards
Fire Chief.....	Christopher G. Ackley
Police Chief .....	Alfred R. Fiore
Director of Parks & Recreation.....	Stuart S. McCarthy
Town Attorney .....	Ira W. Bloom

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**Financial Section**





## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Westport's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Westport Library Association Investment Fund, Inc., a component unit of the Town, which financial statements reflect total assets of \$2,991,065 and total revenues of \$5,689,052 of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to amounts included for the Westport Library Association Investment Fund, Inc., a discretely presented component unit of the Town, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Westport Library Association Investment Fund, Inc. were not audited in accordance with "Government Auditing Standards." An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of June 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Sewer Operating Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 28, 2010 on our consideration of the Town of Westport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis and the schedules of funding progress and employer contributions for the pension trust funds and other post employment benefit trust fund are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
December 28, 2010

**TOWN OF WESTPORT, CONNECTICUT**  
**Management's Discussion and Analysis**  
**June 30, 2010**  
**(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, 2010. 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.

Continued economic turmoil in fiscal year 2009 – 2010 posed unique challenges to all levels of government. Although the financial meltdown and severe tightening of credit availability began to ease, liquidity remained a challenge for corporations and consumers alike. As the Federal Reserve established an unprecedented monetary easing and the Federal Government initiated the American Resource and Recovery Act in the hopes of stemming unemployment and stimulating economic growth, the result was limited economic growth with little impact on unemployment.

As we move into fiscal year 2011, many challenges still remain due to the still fragile state of the economy and the level of unemployment. These challenges may include declining non tax revenue sources, reduction of state grant monies and increasing cost of employee benefits.

**Financial Highlights – Primary Government**

The Town's net assets increased as a result of this year's operations. The assets of the Town of Westport exceeded its liabilities at the close of the most recent fiscal year by \$213,151 (net assets). Of this amount, \$50,657 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's total net assets increased by \$49. As of the close of the current fiscal year, the Town of Westport's governmental funds reported combined ending fund balances of \$44,046. Management has committed to the electorate the maintenance of a minimum undesignated fund balance equal to 7.5% of the annual budget.

As of the end of the current fiscal year, unreserved/undesignated fund balance for the General Fund increased by \$3,363 from the prior year. The key factor to this increase is tax collections over budget by approximately \$2,997, conveyance tax and building permits both exceeding budget expectations by \$500. This unreserved/undesignated fund balance at June 30, 2010 is 10.78% of general fund revenues.

The Town's total debt service expenditures increased by \$2,908 during the current fiscal year due to the issuance of \$12,500 in general obligation bonds and the initial payment due to the State of Connecticut for the WPCF improvement loans in the amount of \$1,705.

**Overview of the Financial Statements**

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

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

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

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

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

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate Westport Library Association Investment Fund, Inc. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. These activities are incorporated into governmental activities in the government-wide financial statements.

The government-wide financial statements can be found on pages 11-12 of this report.

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

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

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

The Town of Westport maintains twenty-nine (29) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Sewer Operating Fund. Sixteen (16) special revenue funds, eight (8) capital project funds, two (2) permanent funds and one (1) debt service fund are combined into aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.



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

The basic governmental fund financial statements can be found on pages 13-14 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Town Health Insurance and Worker's Compensation Funds, and the Board of Education Health Insurance Fund. Conversely, these internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-62 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. This information can be found on pages 63-65 of this report.

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

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westport, assets exceeded liabilities by \$213,151 at the close of the most recent fiscal year. This is an increase of \$49 from the previous year.

### TOWN OF WESTPORT, CONNECTICUT

#### NET ASSETS

June 30, 2010 and 2009

	Governmental Activities	
	2010	2009
Current and Other Assets	\$ 74,358	\$ 64,921
Capital Assets	334,135	342,821
<b>Total Assets</b>	<b>408,493</b>	<b>407,742</b>
Long-Term Liabilities	186,087	183,399
Other Liabilities	9,255	11,241
<b>Total Liabilities</b>	<b>195,342</b>	<b>194,640</b>
Net assets:		
Invested in capital assets, net of related debt	162,494	161,774
Unrestricted	50,657	51,328
<b>Total Net Assets</b>	<b>\$ 213,151</b>	<b>\$ 213,102</b>

The largest portion of the Town's net assets (76.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in capital assets is primarily related to renovation costs of Public Works Projects of \$172, sewer projects of \$2,242, school building renovations \$112 and miscellaneous general government projects of approximately \$547. Deletions of capital assets totaled \$268.

The remaining balance of unrestricted net assets of \$50,657 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net assets, both for the Town as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

**Governmental activities.** Governmental activities increased the Town's net assets by \$49, thereby accounting for a .02 percent growth. The increase of \$49 of net assets is \$4,489 less than the previous year increase of \$4,538 due to current economic conditions and a current policy allowing only essential capital project expenditures.

**TOWN OF WESTPORT, CONNECTICUT  
CHANGES IN NET ASSETS  
Years Ended June 30, 2010 and 2009**

	2010	2009
<b>Revenues:</b>		
Charges for services	\$ 30,025	\$ 27,545
Operating grants and contributions	5,260	3,854
Capital grants and contributions	294	2,040
<b>General Revenues:</b>		
Property taxes	158,085	151,357
Grants and contributions not restricted to specific programs	1,031	1,317
Unrestricted investment earnings	611	1,488
<b>Total Revenues</b>	<b>195,306</b>	<b>187,601</b>
<b>Expenses:</b>		
General Government	10,976	9,852
Public Safety	29,152	27,957
Public Works	17,478	15,496
Health and Human Services	2,283	2,223
Library	4,456	4,361
Education	117,187	108,688
Parks and Recreation	6,684	6,623
Debt Service	7,041	7,863
<b>Total Expenses</b>	<b>195,257</b>	<b>183,063</b>
<b>Increase in net assets</b>	<b>49</b>	<b>4,538</b>
<b>Net Assets, beginning</b>	<b>213,102</b>	<b>208,564</b>
<b>Net Assets, ending</b>	<b>\$ 213,151</b>	<b>\$ 213,102</b>

Key elements of this increase are as follows:

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

Major revenue factors included:

Property tax revenues recorded for the fiscal year 2010 reflect an increase in the Town's net taxable grand list approximating 1.3%. The tax rate remained at a mill rate of 14.41 mills. Total collections for the year exceeded budgetary expectations by \$2,997.

General Fund investment earnings decreased to \$334 in the fiscal year from \$1,072 in the prior fiscal year due to significantly lower interest rates.

Intergovernmental General Fund revenue decreased from the prior fiscal year by \$825 due to lower State reimbursement for educational purposes and boating registrations.

Strength in the local housing market provided building permit revenue of \$1,056 and conveyance tax revenue of \$1,330, well in excess of the budgeted amounts of \$550 and \$835 respectively.

For Governmental Activities, 67% of the Town's expenses relate to education and library, 11% relate to public safety, health and welfare, more than 6% relate to public works/operations, 3% to Parks and Recreation activities, 2% to interest and principal payments on the town's long-term debt, and the remaining 11% relates to government and community services, administration and other areas.

Major expense factors include:

The Town's total debt service expenditures increased by \$2,908 during the current fiscal year due to the issuance of \$12,500 in general obligation bonds and the initial payment due to the State of Connecticut for the WPCF improvement loans in the amount of \$1,705.

Pension funding increased by \$1,391 due to an increase in the actuarial required contribution.

General Fund budget turnbacks were \$1,321 for the fiscal year 2010; this was led by Education at \$481; and Public Safety at \$447.

### **Expenses and Program Revenues – Government-Wide Activities**

Insurance costs have increased by approximately \$1,385, primarily due to increased medical claims. The growth in the student population of 33% over the last ten years has resulted in continued significant adjustments to the Board of Education operating budget. This growth in the student population has required major renovation to the Town's educational facilities. School renovation costs bonded in the last ten years have totaled \$165,450.

**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, unreserved 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 \$44,046, an increase from \$10,822 as of June 30, 2010. This increase is due to the permanent financing of a \$12,500 general obligation bond issue of 2009.

**General fund.** At the end of the current fiscal year, unreserved/undesignated fund balance of the general fund was \$19,153 (compared to \$15,790 in the prior year), while total fund balance reached \$25,161. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 10.9%

of total general fund expenditures, while total fund balance represents 14.3% of that same amount. The unreserved/undesignated fund balance of the Town's general fund increased by \$3,363 during the current fiscal year.

**Sewer operating fund.** The fund balance has decreased by \$1,354 due to a \$2,231 increase in debt service.

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$1,090 and can be briefly summarized as follows:

- \$700 in OPEB funding;
- \$190 increase in workers' compensation;
- \$154 in increases allocated to the Board of Education for accounting reclassifications of revenues; and
- \$46 in net increases allocated to all other budgetary departments.

Of this increase, \$154 was to be funded out of miscellaneous increases in various charges for services. The remaining \$936 was to be budgeted from available fund balance.

**Capital Asset and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$334,135 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and infrastructure.

Major capital asset events during the current fiscal year included the following:

A general obligation bond issue in the amount of \$12,500 was issued for various general purpose, educational and sewer projects. In addition, a general obligation refunding issue in the amount of \$19,575 was issued and resulted in budgetary savings of \$784 through fiscal year 2023 and a net present value savings of \$788.

**TOWN OF WESTPORT, CONNECTICUT  
CAPITAL ASSETS**

	Governmental Activities	
	<b>2010</b>	2009
Land	<b>\$ 32,452</b>	\$ 32,385
Buildings and system	<b>302,540</b>	302,010
Improvements other than buildings	<b>19,998</b>	19,979
Machinery and equipment	<b>31,707</b>	32,256
Infrastructure	<b>102,543</b>	101,572
Construction in Progress	<b>3,523</b>	2,404
<b>Total</b>	<b>\$ 492,763</b>	\$ 490,606

Additional information on the Town's capital assets can be found on page 40 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$169,880. Of this amount, \$140,394 comprises debt backed by the full faith and credit of the government, and \$29,486 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	
	2010	2009
General obligation bonds	\$ 140,394	\$ 144,786
Public improvement bonds with government commitment	29,486	27,002
<b>Total</b>	<b>\$ 169,880</b>	<b>\$ 171,788</b>

The Town's total debt service expenditures increased by \$2,908 during the current fiscal year due to the issuance of \$12,500 in general obligation bonds and the initial payment due to the State of Connecticut for the WPCF improvement loans in the amount of \$1,705.

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 \$1,086,199 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 on pages 41-47 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the Town as of June 30, 2010 is 6.0 percent and compares favorably to the State's average unemployment rate of 8.9 percent and the Fairfield County Labor Market of 8.0 percent. Primarily a residential community, the Town has continued to enjoy favorable Grand List growth. Inflationary trends in the region compare favorably to national indices. Trends in decreased non-tax revenue have been and will be factored into the budget calculations in future fiscal years.

All of these factors were considered in preparing the Town of Westport's annual budget.

**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.

## **Basic Financial Statements**





TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government Governmental Activities	Component Unit Westport Library Association, Inc.
<b>Assets</b>		
Cash and cash equivalents	\$ 47,111,416	\$ 610,053
Investments	4,614,784	2,374,449
Receivables (net of allowance for collection losses):		
Property taxes	12,559,795	-
Sewer	6,368,919	-
Intergovernmental and other	1,293,916	6,563
Pension asset	97,000	-
Long-term intergovernmental receivable	2,312,188	-
Capital assets, non-depreciable	35,974,900	-
Capital assets, net of accumulated depreciation	298,159,895	-
<b>Total assets</b>	<b>408,492,813</b>	<b>2,991,065</b>
<b>Liabilities</b>		
Accounts payable and accruals	5,418,431	67,390
Accrued interest payable	2,251,795	-
Unearned revenues	1,200,969	-
Advance tax collections	383,363	-
Noncurrent liabilities:		
Due within one year	15,351,214	-
Due in more than one year	170,736,129	-
<b>Total liabilities</b>	<b>195,341,901</b>	<b>67,390</b>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	162,494,416	-
Unrestricted	50,656,496	2,923,675
<b>Total net assets</b>	<b>\$ 213,150,912</b>	<b>\$ 2,923,675</b>

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



TOWN OF WESTPORT, CONNECTICUT

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2010**

	General Fund	Sewer Operating Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 25,728,941	\$ 250	\$ 16,652,967	\$ 42,382,158
Investments	2,000,000	-	2,614,784	4,614,784
Receivables (net of allowances for collection losses):				
Property taxes	12,559,795	-	-	12,559,795
Sewer	-	6,368,919	-	6,368,919
Intergovernmental and other	3,490,863	-	115,241	3,606,104
Due from other funds	1,656,221	1,174,929	1,863,002	4,694,152
<b>Total assets</b>	<b>\$ 45,435,820</b>	<b>\$ 7,544,098</b>	<b>\$ 21,245,994</b>	<b>\$ 74,225,912</b>
<b>Liabilities</b>				
Accounts payable and accruals	1,876,916	\$ 76,549	\$ 601,189	\$ 2,554,654
Due to other funds	2,138,990	-	1,902,976	4,041,966
Deferred revenues	15,629,785	6,368,919	-	21,998,704
Unearned revenues	245,865	-	955,104	1,200,969
Advance tax collections	383,363	-	-	383,363
<b>Total liabilities</b>	<b>20,274,919</b>	<b>6,445,468</b>	<b>3,459,269</b>	<b>30,179,656</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	1,168,017	332,232	5,578,656	7,078,905
Unreserved:				
Designated for continued appropriations	2,340,233	-	-	2,340,233
Designated for subsequent year's expenditures	2,500,000	-	-	2,500,000
Unreserved, undesignated, reported in:				
General fund	19,152,651	-	-	19,152,651
Special revenue funds	-	766,398	4,218,930	4,985,328
Capital projects funds	-	-	5,357,426	5,357,426
Permanent fund	-	-	16,929	16,929
Debt service fund	-	-	2,614,784	2,614,784
<b>Total fund balances</b>	<b>25,160,901</b>	<b>1,098,630</b>	<b>17,786,725</b>	<b>44,046,256</b>
<b>Total liabilities and fund balances</b>	<b>\$ 45,435,820</b>	<b>\$ 7,544,098</b>	<b>\$ 21,245,994</b>	

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

Capital assets, net of accumulated depreciation of \$158,628,033 purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	334,134,795
Assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	21,998,704
Net Pension Asset.	97,000
Internal service funds are used by management to charge the costs of Town and BOE Health Insurance and Worker's Compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,213,295
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(186,087,343)
Accrued interest payable on long-term liabilities is not payable in the current period and therefore is not reported in the funds.	(2,251,795)
Net assets of governmental activities	<u>\$ 213,150,912</u>

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

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	General Fund	Sewer Operating Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 155,340,454	\$ -	\$ -	\$ 155,340,454
Sewer assessments and usage	-	3,418,239	-	3,418,239
Intergovernmental	3,432,537	85,164	3,368,879	6,886,580
Permits, fees and other	12,097,830	89,024	3,117,874	15,304,728
Income from investments	333,985	-	265,917	599,902
Charges for services	1,954,346	-	4,359,691	6,314,037
Parks and recreation fees	4,548,826	-	-	4,548,826
<b>Total revenues</b>	<b>177,707,978</b>	<b>3,592,427</b>	<b>11,112,361</b>	<b>192,412,766</b>
<b>EXPENDITURES</b>				
Current:				
General government	5,147,835	-	1,210,622	6,358,457
Public safety	17,142,831	-	2,225,360	19,368,191
Public works	8,579,860	1,714,641	182,452	10,476,953
Public health	919,000	-	-	919,000
Human services	462,525	-	147,832	610,357
Library	4,068,152	-	-	4,068,152
Parks and recreation	4,098,980	-	163,837	4,262,817
Education	102,371,249	-	6,454,475	108,825,724
Benefits and other	14,759,082	-	-	14,759,082
Debt service:				
Principal	11,217,138	2,551,131	-	13,768,269
Interest and other charges	6,246,695	756,698	-	7,003,393
Capital outlay	540,721	-	3,977,808	4,518,529
<b>Total expenditures</b>	<b>175,554,068</b>	<b>5,022,470</b>	<b>14,362,386</b>	<b>194,938,924</b>
<b>Revenue over (under) expenditures</b>	<b>2,153,910</b>	<b>(1,430,043)</b>	<b>(3,250,025)</b>	<b>(2,526,158)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds issuance	-	-	12,500,000	12,500,000
Issuance of refunding bonds	19,575,000	-	-	19,575,000
Payment to escrow agent	(21,374,493)	-	-	(21,374,493)
Bond premium	1,947,544	-	-	1,947,544
Transfers in	1,021,000	355,800	471,684	1,848,484
Transfers out	(394,025)	(280,000)	(474,459)	(1,148,484)
<b>Total other financing sources (uses)</b>	<b>775,026</b>	<b>75,800</b>	<b>12,497,225</b>	<b>13,348,051</b>
<b>Net change in fund balances</b>	<b>2,928,936</b>	<b>(1,354,243)</b>	<b>9,247,200</b>	<b>10,821,893</b>
<b>FUND BALANCES, beginning</b>	<b>22,231,965</b>	<b>2,452,873</b>	<b>8,539,525</b>	<b>33,224,363</b>
<b>FUND BALANCES, ending</b>	<b>\$ 25,160,901</b>	<b>\$ 1,098,630</b>	<b>\$ 17,786,725</b>	<b>\$ 44,046,256</b>

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

## TOWN OF WESTPORT, CONNECTICUT

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$ 10,821,893
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.	(8,686,314)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,882,250
Change in net pension assets	(126,000)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,164,469
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.	(3,934,892)
The change in net assets in governmental activities of internal service funds is reported with governmental activities.	(2,072,831)
Change in net assets of governmental activities.	<u>\$ 48,575</u>

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

TOWN OF WESTPORT, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND AND SEWER OPERATING FUND**  
**For the Year Ended June 30, 2010**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis	
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 150,763,753	\$ 151,153,545	\$ 154,150,924	\$ 2,997,379
Education	2,344,000	2,344,000	2,121,132	(222,868)
Parks and recreation	4,521,625	4,521,625	4,548,826	27,201
Income from investments	750,000	750,000	333,599	(416,401)
Intergovernmental	1,450,500	1,450,500	1,435,639	(14,861)
Permits, fees and other	5,603,000	5,603,000	7,902,970	2,299,970
<b>Total revenues</b>	<b>165,432,878</b>	<b>165,822,670</b>	<b>170,493,090</b>	<b>4,670,420</b>
<b>EXPENDITURES</b>				
General government	5,503,912	5,541,397	5,274,023	267,374
Public safety and protection	17,799,197	17,745,009	17,298,181	446,828
Public works	8,186,780	8,253,760	8,239,531	14,229
Public health	462,429	462,529	462,525	4
Human services	946,349	946,349	918,472	27,877
Education	109,153,042	109,290,588	108,810,427	480,161
Library	4,068,152	4,068,152	4,068,152	-
Parks and recreation	4,174,841	4,174,841	4,099,892	74,949
Other	13,910,379	14,857,632	14,857,233	399
Debt service	3,050,304	2,996,624	2,996,621	3
Capital outlay	467,804	476,100	467,291	8,809
<b>Total expenditures</b>	<b>167,723,189</b>	<b>168,812,981</b>	<b>167,492,348</b>	<b>1,320,633</b>
<b>Revenues over (under) expenditures</b>	<b>(2,290,311)</b>	<b>(2,990,311)</b>	<b>3,000,742</b>	<b>5,991,053</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	446,111	1,146,111	1,318,166	172,055
Transfers out	(355,800)	(355,800)	(355,800)	-
<b>Total other financing sources (uses)</b>	<b>90,311</b>	<b>790,311</b>	<b>962,366</b>	<b>172,055</b>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ (2,200,000)</b>	<b>\$ (2,200,000)</b>	<b>\$ 3,963,108</b>	<b>\$ 6,163,108</b>

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

Sewer Operating Fund			
Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,905,084	3,905,084	3,592,427	(312,657)
<u>3,905,084</u>	<u>3,905,084</u>	<u>3,592,427</u>	<u>(312,657)</u>
-	-	-	-
-	-	-	-
1,965,904	1,965,904	1,772,623	193,281
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,014,980	2,014,980	2,014,475	505
-	-	-	-
<u>3,980,884</u>	<u>3,980,884</u>	<u>3,787,098</u>	<u>193,786</u>
<u>(75,800)</u>	<u>(75,800)</u>	<u>(194,671)</u>	<u>(118,871)</u>
355,800	355,800	355,800	-
(280,000)	(280,000)	(280,000)	-
<u>75,800</u>	<u>75,800</u>	<u>75,800</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,871)</u>	<u>\$ (118,871)</u>

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2010

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 4,729,258
<b>Total assets</b>	<u>4,729,258</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,653
Claims incurred but not reported	2,813,310
Due to other funds	700,000
<b>Total liabilities</b>	<u>3,515,963</u>
<b>NET ASSETS</b>	
Unrestricted	1,213,295
<b>Total net assets</b>	<u>\$ 1,213,295</u>

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



TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS - PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Governmental Activities
	<u>Internal</u>
	<u>Service Funds</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 19,971,795
<b>Total operating revenues</b>	<u>19,971,795</u>
<b>OPERATING EXPENSES</b>	
Claims incurred	19,872,544
Administration	1,482,850
<b>Total operating expenses</b>	<u>21,355,394</u>
<b>Operating loss</b>	<u>(1,383,599)</u>
<b>NONOPERATING REVENUES</b>	
Interest income	10,768
<b>Total nonoperating revenues</b>	<u>10,768</u>
Transfers out	<u>(700,000)</u>
<b>Change in net assets</b>	(2,072,831)
<b>NET ASSETS, beginning</b>	<u>3,286,126</u>
<b>NET ASSETS, ending</b>	<u>\$ 1,213,295</u>

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

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Governmental Activities
	Internal Service Funds
<b>Cash Flows From Operating Activities</b>	
Cash received from charges for services	\$ 19,971,795
Cash paid to vendors and beneficiaries	(20,176,389)
<b>Net cash used in operating activities</b>	<u>(204,594)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers out	(700,000)
<b>Net cash used in operating activities</b>	<u>(700,000)</u>
<b>Cash Flows From Investing Activities</b>	
Interest on cash and cash equivalents	10,768
<b>Net cash provided by investing activities</b>	<u>10,768</u>
<b>Net decrease in cash and cash equivalents</b>	(893,826)
<b>Cash and Cash Equivalents</b>	
Beginning	<u>5,623,084</u>
Ending	<u><u>\$ 4,729,258</u></u>
<b>Reconciliation of Operating Loss in Net Cash Used in Operating Activities</b>	
Operating loss	\$ (1,383,599)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
(Decrease) in accounts payable	(85,949)
Increase in claims payable	564,954
Increase in due to other funds	700,000
<b>Net cash used in operating activities</b>	<u><u>\$ (204,594)</u></u>

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

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2010

	Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,601,106	\$ 2,928,323
Investments		
U.S. Government Securities	8,152,333	-
U.S. Government Agencies	2,033,494	-
Municipal Bonds	1,556,663	-
Corporate Bonds	17,431,732	-
Foreign Bonds	312,610	-
Common Stocks	4,028,445	-
Mutual Funds	99,290,753	-
Asset-Backed Securities	1,349,912	-
Other Fixed Income Securities	1,463,200	-
Preferred Convertible Securities	40,321	-
Alternative Investments	23,505,856	-
<b>Total investments</b>	<b>159,165,319</b>	<b>-</b>
Due from other funds	-	47,814
Accrued interest	497,324	-
Pending sales	2,278,321	-
<b>Total assets</b>	<b>166,542,070</b>	<b>2,976,137</b>
<b>LIABILITIES</b>		
Due to student groups	-	612,541
Payable to others	-	2,363,596
<b>Total liabilities</b>	<b>-</b>	<b>2,976,137</b>
<b>Net Assets Held in Trust</b>	<b>\$ 166,542,070</b>	<b>\$ -</b>

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

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2010

	<u>Trust Funds</u>
<b>Additions</b>	
Contributions	
Employer	\$ 7,145,500
Plan members	2,082,362
<b>Total contributions</b>	<u>9,227,862</u>
Investment Income	
Net appreciation in fair value of investments	14,322,635
Interest and dividends	5,117,891
<b>Net investment income</b>	<u>19,440,526</u>
Other revenue	<u>158,050</u>
<b>Total additions</b>	<u>28,826,438</u>
<b>Deductions</b>	
Benefits	11,213,534
Other	280,744
<b>Total</b>	<u>11,494,278</u>
<b>Change in net assets</b>	17,332,160
<b>Net Assets Held in Trust</b>	
Beginning of year	<u>149,209,910</u>
End of year	<u>\$ 166,542,070</u>

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

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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#### **Note 1. Significant Accounting Policies**

##### **Reporting entity**

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification Section 2100 have been considered and as a result, the component unit discussed below is included in the Town's reporting entity because of its operational significance and financial relationship with the Town.

##### **Discretely presented component unit**

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

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

##### **Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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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* accounts for the revenues collected by the Town and expenditures related thereto.

Additionally, the Town reports the following fund types:

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

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

*Agency Funds* are used to account for monies held as a custodian for outside groups, student groups and escrow agencies.

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **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, MBIA class investments and treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

#### **Investments**

Investments are stated at fair value as follows:

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

The majority of the Town's investments are in the General Fund and Trust Funds.

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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**Property taxes**

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 one installment 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. An allowance based on historical collection experience is provided for uncollectible taxes.

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

**Capital assets**

In the government-wide financial statements, capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column. Infrastructure assets acquired prior to June 30, 1980 have been reported. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for personal property and \$75,000 on all other 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:

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

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



## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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#### **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**

Accounts and notes receivable for the primary government are reported net of allowance of \$1,000,000 for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and the creditors' ability to pay.

#### **Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### **Pension plan accounting**

##### **Pension Trust Funds:**

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

##### **Governmental Funds:**

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. Expenditures are recognized when they are paid or are expected to be paid with current available resources. 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, Continued

June 30, 2010

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#### **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. Employee contributions are recognized when received by the trust.

##### ***Government-Wide Funds/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 (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

##### ***Funding Policy:***

The Town makes annual contributions based upon management's decisions.

#### **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 are reported as a reservation of fund balance as they do not constitute either expenditures or liabilities.

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

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

**Unrestricted Net Assets** - This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

**Reserved fund balance** – indicates that portion of fund equity which has been legally segregated for specific purposes or not available for appropriation.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2010

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**Unreserved/designated fund balance** – indicates that portion of fund equity for which the Town has made tentative plans.

**Unreserved fund balance** – indicates that portion of fund equity which is available for appropriation and expenditure in future periods, or if a deficit for which future funding will be required.

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

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

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

Bonds payable	\$ (169,880,214)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	2,452,563
Add: Issuance premium (to be amortized)	(4,212,728)
Claims and judgments	(277,500)
Compensated absences	(2,131,464)
Net pension obligation	(4,482,000)
OPEB obligation	<u>(7,556,000)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (186,087,343)</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2010

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**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) and the governmental activities reported in government-wide statement of activities**

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

Capital outlay	\$ 4,376,645
Depreciation expense	(12,794,697)
Loss on disposal of capital assets	<u>(268,262)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (8,686,314)</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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Long-term liabilities or incurred	
Issuance of general obligation bonds	\$ 32,075,000
Deferred items	743,800
Principal repayments:	
General obligation debt	(13,768,269)
Payments to escrow agent for refunding	<u>(20,215,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,164,469)</u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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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:

Net change in compensated absences	\$ (266,854)
Net change in accrued interest	(82,038)
Increase in net pension obligation	(898,000)
Net change in OPEB obligation	<u>(2,688,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (3,934,892)</u></u>

**Note 3. 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, 2010 aggregated approximately \$1,090,000 for the General Fund.
- E. All noncontinuing 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

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2010

- 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	\$ 200,251,522	\$ 197,322,586	\$ 5,302,470
State Teachers' Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(7,290,000)	(7,290,000)	-
Issuance cost	-	(148,051)	-
Issuance of refunding bonds	(19,575,000)	-	-
Payment to escrow agent	-	(21,374,493)	-
Bond premium	(1,947,544)	-	-
Unliquidated prior year encumbrances	372,278	72,300	13,886
Encumbrances:			
June 30, 2009	-	(1,175,140)	(1,581,490)
June 30, 2010	-	1,168,017	332,232
Continued in force:			
June 30, 2009	-	(3,067,304)	-
June 30, 2010	-	2,340,233	-
Balance, budgetary basis	\$ 171,811,256	\$ 167,848,148	\$ 4,067,098

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

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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#### Special revenue funds

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

#### Capital projects funds

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

#### Note 4. Cash and investments

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

Investments: The Operating and Working Capital funds are invested in accordance with the guidelines of the "Investment Policy" upon the direction of the Finance Director in the following short-term investments: (1) various certificates of deposit (C.D.) with Connecticut banks (prior to acquiring a C.D., the Finance Director requires prospective bank depositories to provide written evidence that the bank meets the collateral, risk based capital and other requirements of Qualified Public Depositories as defined in Connecticut General Statutes Section 36-382); (2) money market accounts; (3) U.S. Government Treasury Obligations; (4) Repurchase Agreements collateralized by U.S. Government Agency Obligations; (5) MBIA Class - an investment fund managed by MBIA Municipal Investors Service Corporation which, according to MBIA 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 six trust funds are carried out by the "Investment Committee" (consisting of the Chair of the Board of Finance, the Finance Director, and a third person chosen by the two and approved by each pension board of the various funds). The Investment Committee makes investment decisions based on guidelines and investment policy established by the pension board of each of the pension funds.

The pension boards have adopted an investment policy to allocate fifty-five percent of fund assets to equities with the balance invested in fixed income securities and cash equivalents.

Interest Rate Risk: The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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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, 2010, \$48,890,197 of the Town's bank balance of \$56,629,483 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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



**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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Cash and investments of the Town consist of the following at June 30, 2010:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 54,070,597
Municipal Backed Investment Fund	570,248
<b>Total cash and cash equivalents</b>	<u>54,640,845</u>
<b>Investments</b>	
General Fund:	
U.S. Government Agencies	2,000,000 *
Debt Service Fund:	
U.S. Government Securities	2,614,784 *
<b>Total government investments</b>	<u>4,614,784</u>
Pension Trust Funds:	
U.S. Government Securities	8,152,333 *
U.S. Government Agencies	2,033,494 *
Municipal Bonds	1,556,663 *
Corporate Bonds	17,431,732 *
Foreign Bonds	312,610 *
Common Stock	4,028,445 *
Mutual Funds	96,211,239
Asset-Backed Securities	1,349,912 *
Other Fixed Income Securities	1,463,200 *
Preferred Convertible Securities	40,321
Alternative investments	23,505,856
<b>Total pension investments</b>	<u>156,085,805</u>
OPEB Trust Fund:	
Mutual Funds	3,079,514
<b>Total investments</b>	<u>163,780,103</u>
<b>Total cash and investments</b>	<u><u>\$ 218,420,948</u></u>

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

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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

**Statement of Net Assets**

Cash and cash equivalents	\$ 47,111,416
Investments	4,614,784
	<u>51,726,200</u>

**Fiduciary Funds:**

Cash and cash equivalents	7,529,429
Investments	159,165,319
	<u>166,694,748</u>

**Total cash and investments** \$ 218,420,948

*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
Pooled Fixed Income	\$ 570,248	\$ 570,248	\$ -	\$ -	\$ -
U.S. Government Agencies	4,033,494	-	2,000,000	1,172,428	861,066
U.S. Government Securities	10,767,117	307,784	1,070,805	804,987	8,583,541
Corporate Bonds	17,431,732	-	171,074	3,245,963	14,014,695
Foreign Bonds	312,610	-	-	312,610	-
Municipal Bonds	1,556,663	-	-	-	1,556,663
Asset-Backed Securities	1,349,912	-	-	99,364	1,250,548
Other Fixed Income Securities	1,463,200	-	126,766	507,085	829,349
<b>TOTAL</b>	<u>\$ 37,484,976</u>	<u>\$ 878,032</u>	<u>\$ 3,368,645</u>	<u>\$ 6,142,437</u>	<u>\$ 27,095,862</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 explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating as required for each debt type investment.

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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

Average Rating	Corporate Bonds	U.S. Government Agency	Pooled Fixed Income	Municipal Bonds	Asset-Backed Securities	Other Fixed Income Securities
AAA	\$ 233,563	\$ 4,033,494	\$ -	\$ 300,700	\$ 802,761	\$ -
AA+	1,034,916	-	-	385,748	-	-
AA	497,016	-	570,248	217,673	68,051	42,560
AA-	856,793	-	-	296,932	158,964	52,033
A+	1,046,478	-	-	34,518	151,827	142,600
A	4,332,698	-	-	201,807	-	150,979
A-	2,208,389	-	-	119,285	-	105,141
BBB+	2,623,231	-	-	-	-	444,913
BBB	2,787,072	-	-	-	-	287,078
BBB-	1,811,576	-	-	-	-	237,896
Unrated	-	-	-	-	168,309	-
	<u>\$ 17,431,732</u>	<u>\$ 4,033,494</u>	<u>\$ 570,248</u>	<u>\$ 1,556,663</u>	<u>\$ 1,349,912</u>	<u>\$ 1,463,200</u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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**Note 5. Unearned Revenue/Deferred Revenue**

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

	Deferred Revenue	Unearned Revenue
	<u>          </u>	<u>          </u>
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 12,212,597	\$ -
School construction receivable	2,312,188	-
Other	1,105,000	245,865
<b>Sewer Operating Fund:</b>		
Fees and accrued interest on delinquent sewer fees	6,368,919	-
<b>Nonmajor Funds:</b>		
Educational grants	-	3,378
Railroad parking permits	-	388,949
Summer school tuition	-	562,777
	<u>\$ 21,998,704</u>	<u>\$ 1,200,969</u>

**Note 6. Interfund Receivables, Payables and Transfers**

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
	<u>          </u>	<u>          </u>
General Fund	\$ 1,656,221	\$ 2,138,990
Sewer Operating Fund	1,174,929	-
Non-Major Governmental Funds	1,863,002	1,902,976
Internal Service Fund	-	700,000
Agency Fund	47,814	-
<b>Total</b>	<u>\$ 4,741,966</u>	<u>\$ 4,741,966</u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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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, 2010 were as follows:

	Transfers In			Totals
	General Fund	Sewer Operating Fund	Nonmajor and Other Funds	
Transfers out:				
General Fund	\$ -	\$ 355,800	\$ 38,225	\$ 394,025
Sewer Operating Fund	-	-	280,000	280,000
Nonmajor and Other Funds	321,000	-	153,459	474,459
Internal Service Fund	700,000	-	-	700,000
<b>Total</b>	<b>\$ 1,021,000</b>	<b>\$ 355,800</b>	<b>\$ 471,684</b>	<b>\$ 1,848,484</b>

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

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 32,384,800	\$ 67,061	\$ -	\$ -	\$ 32,451,861
Construction in progress	2,404,174	2,635,544	-	(1,516,679)	3,523,039
Total capital assets, not being depreciated	<u>34,788,974</u>	<u>2,702,605</u>	<u>-</u>	<u>(1,516,679)</u>	<u>35,974,900</u>
Capital assets, being depreciated:					
Land improvements	19,979,609	18,368	-	-	19,997,977
Buildings and improvements	302,009,583	196,806	(21,822)	355,478	302,540,045
Machinery and equipment	32,256,317	1,458,866	(2,198,233)	189,775	31,706,725
Infrastructure	101,571,755	-	-	971,426	102,543,181
Total capital assets being depreciated	<u>455,817,264</u>	<u>1,674,040</u>	<u>(2,220,055)</u>	<u>1,516,679</u>	<u>456,787,928</u>
Less accumulated depreciation for:					
Land improvements	6,960,761	915,541	-	-	7,876,302
Buildings and improvements	75,337,871	7,496,091	(21,822)	-	82,812,140
Machinery and equipment	19,483,968	2,057,893	(1,929,971)	-	19,611,890
Infrastructure	46,002,529	2,325,172	-	-	48,327,701
Total accumulated depreciation	<u>147,785,129</u>	<u>12,794,697</u>	<u>(1,951,793)</u>	<u>-</u>	<u>158,628,033</u>
Total capital assets, being depreciated, net	<u>308,032,135</u>	<u>(11,120,657)</u>	<u>(268,262)</u>	<u>1,516,679</u>	<u>298,159,895</u>
Governmental activities capital assets, net	<u>\$ 342,821,109</u>	<u>\$ (8,418,052)</u>	<u>\$ (268,262)</u>	<u>\$ -</u>	<u>\$ 334,134,795</u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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

Governmental Activities:	
General government services	\$ 344,059
Public safety	1,132,904
Public works, including depreciation of general infrastructure assets	4,149,797
Human services	122,528
Library	263,114
Parks and recreation	873,590
Education	5,908,705
Total depreciation expense – governmental activities	<u>\$ 12,794,697</u>

**Note 8. Long-Term Obligations**

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds and notes payable:					
Bonds and notes	\$ 171,788,483	\$ 32,075,000	\$ 33,983,269	\$ 169,880,214	\$ 12,777,560
Add deferred amounts:					
Premiums	2,639,705	1,947,544	374,521	4,212,728	508,766
Less deferred amounts					
on refunding	(1,623,340)	(1,307,544)	(478,321)	(2,452,563)	(344,076)
<b>Total bonds payable</b>	<u>172,804,848</u>	<u>32,715,000</u>	<u>33,879,469</u>	<u>171,640,379</u>	<u>12,942,250</u>
Claims and judgments	277,500	-	-	277,500	277,500
Compensated absences	1,864,610	2,131,464	1,864,610	2,131,464	2,131,464
Net pension obligation	3,584,000	898,000	-	4,482,000	-
OPEB obligations	4,868,000	2,688,000	-	7,556,000	-
<b>Governmental activity long-term liabilities</b>	<u>\$ 183,398,958</u>	<u>\$ 38,432,464</u>	<u>\$ 35,744,079</u>	<u>\$ 186,087,343</u>	<u>\$ 15,351,214</u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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**Bonds and notes**

As of June 30, 2010, the outstanding long-term indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
School bond; issue of \$28,083,000; due 08/15/10; annual principal payments of \$1,425,000; plus interest due semiannually at 4.50%	\$ 1,425,000
School bond, issue of \$19,435,000; due 12/1/11; annual principal payments of \$975,500; plus interest due semiannually at 4.00%	1,951,000
School bond, issue of \$32,045,000; annual principal payments of \$1,615,000; plus interest due semiannually at 3.5% to 4.625%	3,230,000
School refunding bond, issue of \$44,730,000, due 8/15/21; annual principal payments ranging from \$993,000 to \$3,883,000; plus interest due semiannually at 3.00% to 5.0%	32,403,500
Public Improvement bond; issue of \$800,000; due 8/15/10; annual principal payments of \$41,000; plus interest due semiannually at 4.50%	41,000
Public Improvement bond; issue of \$6,680,000; due 12/1/11; annual principal payment of \$344,000; plus interest due semiannually at 4.00%	688,000
Public Improvement bond; issue of \$202,000; due 2/1/23; annual principal payments of \$10,000; plus interest due semiannually at 3.5% to 4.625%	20,000
Public Improvement refunding bond; issue of \$8,872,000; due 8/15/21; annual principal payments ranging from \$350,000 to \$990,000; plus interest due semiannually at 3.00 to 5.0%	8,640,000
Sewer bond; issue of \$1,617,000; due 8/15/10; annual principal payments of \$84,000; plus interest due semiannually at 4.50%	84,000
Sewer bond; issue of \$1,710,000; due 12/1/11; annual principal payments of \$85,500; plus interest due semiannually at 4.00%	171,000
Sewer bond; issue of \$90,000; due 2/1/12; annual principal payments of \$5,000; plus interest due semiannually at 3.5% to 4.625%	10,000
Sewer refunding bond; issue of \$2,948,500; due 8/15/21; annual principal payments ranging from \$87,000 to \$350,000; plus interest due semiannually at 3.0% to 5.0%	2,541,500



**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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	<u>Outstanding Amount</u>
School bond; issue of \$34,197,090; due 11/1/24; annual principal payments of \$1,755,240; plus interest due semiannually at 3.0% to 4.20%	21,062,880
Public improvement bond; issue of \$4,743,000; due 11/1/24; annual principal payments of \$243,430; plus interest due semiannually at 3.0% to 4.20%	2,921,160
Sewer bond; issue of \$1,000,000; due 11/1/24; annual principal payments of \$51,330; plus interest due semiannually at 3.0% to 4.20%	615,960
Public Improvement refunding bond; due 2/1/20; annual principal payments ranging from \$41,230 to \$692,000; plus interest due semiannually at 4.00% to 5.00%	3,248,480
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%	22,079,170
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%	702,350
School bond; issue of \$7,350,000 due 7/15/25; annual principal payments of \$395,000 plus interest due semi-annually at 3.50% to 5.50%	6,320,000
Public improvement bond; issue of \$4,050,000 due 7/15/25; annual principal payments ranging from \$215,000 to \$220,000 plus interest due semi-annually at 3.50% to 5.50%.	3,500,000
Sewer bond; issue of \$305,000 due 7/15/25; annual principal payments ranging from \$15,000 to \$20,000 plus interest due semi-annually at 3.50% to 5.50%.	260,000
Sewer WPCF; issue of \$21,310,112 due 9/1/28; monthly principal payments ranging from \$73,061 to \$1,065,506. Interest due monthly at 2.5%.	19,582,660
Public Improvement; issue of \$7,103,371 due 9/1/28; monthly principal payments ranging from \$24,354 to \$355,169. Interest due monthly at 2.5%.	6,527,554
School bond; issue of \$6,366,00 due 7/15/29; annual principal payments ranging from \$280,000 to \$356,000 plus interest semi-annually at 2.25% to 4.25%	6,366,000

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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	<u>Outstanding Amount</u>
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%	5,043,000
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%	1,091,000
School refunding bond Series A; issue of \$12,866,000 due 2/1/23; annual principal payments ranging from \$501,000 to \$2,137,000 plus semi-annual interest at 3.00% to 5.00%	12,866,000
Sewer refunding bond Series A; issue of \$334,000 due 2/1/23; annual principal payments ranging from \$4,000 to \$96,000 plus semi-annual interest at 3.00% to 5.00%	334,000
Public Improvement refunding bond Series A; issue of \$475,000 due 2/1/23; annual principal payments ranging from \$10,000 to \$325,000 plus semi-annual interest at 3.00% to 5.00%	475,000
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%	<u>675,000</u>
Amount to be financed and paid through the General Fund and Sewer Operating Fund.	<u><u>\$ 169,880,214</u></u>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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

	Principal	Interest	Total
2011	\$ 12,777,560	\$ 6,614,531	\$ 19,392,091
2012	13,126,732	6,113,603	19,240,335
2013	13,066,392	5,623,084	18,689,476
2014	13,051,549	5,090,371	18,141,920
2015	13,052,215	4,575,759	17,627,974
2016	13,063,398	4,002,544	17,065,942
2017	13,075,110	3,423,525	16,498,635
2018	12,807,359	2,829,950	15,637,309
2019	12,835,163	2,270,529	15,105,692
2020	11,198,525	1,756,089	11,198,525
2021	9,302,460	1,311,604	10,614,064
2022	7,791,978	970,148	8,762,126
2023	6,382,093	717,078	7,099,171
2024	4,832,815	491,898	5,324,713
2025	4,864,158	326,799	5,190,957
2026	2,776,133	203,468	2,979,601
2027	2,178,753	136,260	2,315,013
2028	2,212,033	81,781	2,293,814
2029	955,788	34,876	990,664
2030	530,000	11,263	541,263
	<u>\$ 169,880,214</u>	<u>\$ 46,585,160</u>	<u>\$ 216,465,374</u>

2009 General Obligation Bond – In-Substance Defeasance

On August 6, 2009, the Town issued \$19,575,000 of general obligation bonds with interest rates ranging from 3.0% to 5.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated September 15, 1998, July 15, 1999, February 1, 2003, and November 1, 2004 (the "Refunding Bonds"). Total proceeds of \$21,522,544 include \$1,947,544 net original issue premium and payment of \$172,947 in underwriters fees and other costs to arrive at net proceeds of \$21,349,597, which was placed in an irrevocable trust fund under an Escrow Agreement dated August 2009 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,159,000, and a cash savings of \$783,693 between the old debt payments and the new debt payments.



**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$1,086,198,715, 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	\$ 349,135,301	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	698,270,603	-	-	-
3-3/4 times base	-	-	581,892,169	-	-
3-1/4 times base	-	-	-	504,306,546	-
3 times base	-	-	-	-	465,513,735
<b>Total debt limitation</b>	<b>349,135,301</b>	<b>698,270,603</b>	<b>581,892,169</b>	<b>504,306,546</b>	<b>465,513,735</b>
Indebtedness:					
Bonds and notes payable	27,827,244	112,566,500	29,486,470	-	-
Bonds authorized but unissued; issue dates not yet established	-	2,810,000	3,554,000	-	-
Construction grants	-	(2,312,188)	-	-	-
<b>Total indebtedness</b>	<b>27,827,244</b>	<b>113,064,312</b>	<b>33,040,470</b>	<b>-</b>	<b>-</b>
Debt limitation in excess of outstanding and authorized debt	\$ 321,308,057	\$ 585,206,291	\$ 548,851,699	\$ 504,306,546	\$ 465,513,735

**Subsequent Event**

On August 23, 2010, the Town issued \$13,235,000 of general obligation refunding bonds that will mature in November 2021 with interest from 2% to 4%. General Obligation Refunding Bonds were used to refund \$13,560,000 of outstanding bonds. The transaction produced a present value gain of \$565,741 and a cash savings of \$581,714.

**Compensated absences**

Included in long-term obligations in the government-wide statement of net assets is the estimated obligation for employee compensated absences in the amount of \$2,131,464 as of June 30, 2010. The general fund has typically been used to liquidate the liability for compensated absences.

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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#### **Note 9. Commitments and Contingencies**

##### **Contingent Liabilities**

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

##### **Lawsuits**

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

For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$227,000. 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 the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates with eleven other Connecticut municipalities (the twelve constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the Service Agreement, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries to its minimum commitment of 19,500 tons per year and to pay a uniform per ton disposal service payment (the "Service Payment"). The current aggregate fee is \$63 per ton. The aggregate minimum commitment of the twelve Contracting Municipalities is 265,000 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its proportionate share of the shortfall of the aggregate minimum commitment (unless it delivered its full portion).

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

#### **Note 10. Employee Retirement Plans**

##### **Plan Description**

The Town maintains five contributory pension plans covering substantially all full-time employees and noncertified Board of Education employees. The five pension plans are single-employer contributory defined benefit plans which are part of the Town's financial reporting entity and are accounted for in five pension trust funds: police, fire, public works, municipal interim, and non-union. 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.

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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As of June 30, 2010, the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union
Active	67	65	33	384	92
Terminated-vested	-	-	-	5	3
Retired	73	58	27	202	64
Leave of absence	-	-	1	-	-
Total	140	123	61	591	159

#### Police and Fire Pension Plans

All regular employees of the police and fire departments are eligible to participate in the plans from their date of hire. They are fully vested and may retire after 20 years of service. The retirement benefit is calculated at 2.5% of the final average compensation multiplied by the years of credited services to a maximum of 32.5 years for fire and police. Members are required to contribute 9.5% of their annual compensation. Benefits paid to retirees of these two plans are subject to cost of living adjustments defined per the plans and plan effective dates.

#### Public Works Pension Plan

All members of the Public Works Union are eligible to participate in the plan as of the date the employee completes the probationary period. They are vested after 10 years of service. Participants hired prior to January 1, 1973 may retire after 25 years of service. Participants hired on or after January 1, 1973 may retire when the participant's age and years of credited service equal 75 with a minimum of age 55 and a minimum of 10 years of service. The retirement benefit is calculated at 2.5% of the average of the participant's final 12 months of compensation, multiplied by the years of service to a maximum of 32.5 years. Participants in the Plan hired before July 1, 1999 contribute 9% of their annual salary to the pension plan. Participants hired on or after July 1, 1999 contribute 10% of salary to the plan.

#### Municipal Interim Plan

Employees that belong to the Westport Municipal Union and the four collective bargaining units associated with the Board of Education are covered under the Municipal Interim Plan. 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 pension benefit for the Municipal Interim Plan is equal to 2% of "final average compensation" 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. Employees contribute 4% of compensation.

#### Non-Union Plans

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

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

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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employee hired at age 60 has the option to waive participation by filing the appropriate form with the Town. Full vesting for the plan occurs after 10 years of continuous service for non-union non supervisory and after 5 years of continuous service for non-union supervisory participants. An employee may retire upon attainment of age 55 and completion of at least 10 years of continuous credited service; or completion of 25 years of credited service without regard to age; and for non-union supervisory employees, or age 60 and completion of 5 Years of Service.

Pension benefit for non-union supervisory employees is the greater of monthly average final compensation (AFC) times completed years and completed 2.25% of months of credited service 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 AFC multiplied by the years and months of credited service.

Pension benefit for non-union, non-supervisory employees is the greater of 2% of monthly average final compensation (AFC) times completed years and months of credited service not to exceed 20 years, plus 2.25% of monthly AFC times completed years and months of credited service in excess of 20 years or the participant's accrued monthly pension under another Town retirement plan the employee participated in immediately preceding the day prior to participating in the plan, plus 1) 2% of monthly AFC times completed years and months of credited service not to exceed 20 years, plus 2) 2.25% of monthly AFC 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 AFC or less than \$1,200 per year for those that completed 5 years of credited service in the Non-Union Supervisory Plan, or \$1000 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.



**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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**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, 2010 were as follows:

	Police	Fire	Public works	Municipal Interim	Non-Union
Annual required contribution	\$ 1,258,000	\$ 1,034,000	\$ 243,000	\$ 1,052,000	\$ 1,699,000
Interest on net pension obligation (asset)	64,000	5,000	(17,000)	40,000	160,000
Adjustment to annual required contribution	(85,000)	(7,000)	24,000	(78,000)	(324,000)
Annual pension cost	1,237,000	1,032,000	250,000	1,014,000	1,535,000
Contributions made	(913,000)	(895,000)	(124,000)	(771,000)	(1,341,000)
Increase (decrease) in net pension obligation (asset)	324,000	137,000	126,000	243,000	194,000
Net pension obligation (asset) beginning of year	857,000	69,000	(223,000)	527,000	2,131,000
Net pension obligation (asset) end of year	<u>\$ 1,181,000</u>	<u>\$ 206,000</u>	<u>\$ (97,000)</u>	<u>\$ 770,000</u>	<u>\$ 2,325,000</u>

The Town's annual pension cost for the current year and related information for each plan is as follows:

	Police	Fire	Public Works	Municipal Interim	Non-Union
Contribution Rates:					
Town	73.8%	86.7%	49.6%	76.0%	87.4%
Plan members	39.1%	45.0%	66.1%	61.1%	22.8%
Annual pension cost	1,237,000	1,032,000	250,000	1,014,000	1,535,000
Contribution made	913,000	895,000	124,000	771,000	1,341,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2010

Trend Information

Police

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2008	\$ 815,000	4.2%	\$ 78,000	\$ 35,000
6/30/2009	815,000	4.4%	857,000	36,000
6/30/2010	1,237,000	73.8%	1,181,000	913,000

Fire

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2008	\$ 795,000	12.1%	\$ 122,000	\$ 96,000
6/30/2009	91,000	158.2%	69,000	144,000
6/30/2010	1,032,000	86.7%	206,000	895,000

Public Works

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2008	\$ 129,000	41.9%	\$ (305,000)	\$ 54,000
6/30/2009	131,000	37.7%	(223,000)	49,000
6/30/2010	250,000	49.6%	(97,000)	124,000

Municipal Interim

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2008	\$ 601,000	33.4%	\$ 126,000	\$ 201,000
6/30/2009	599,000	33.0%	527,000	198,000
6/30/2010	1,014,000	76.0%	770,000	771,000

Non-Union

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/2008	\$ 1,274,000	39.0%	\$ 1,307,000	\$ 497,000
6/30/2009	1,296,000	36.4%	2,131,000	472,000
6/30/2010	1,535,000	87.4%	2,325,000	1,341,000

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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The following is a summary of certain significant actuarial assumptions and other information.

	Police	Fire	Public Works	Municipal <sup>(1)</sup> Interim	Non-Union <sup>(1)</sup>
Valuation Date	July 1, 2009	July 1, 2009	July 1, 2009	July 1, 2009	July 1, 2009
Actuarial cost method	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Remaining amortization Period, closed	Various	Various	N/A	N/A	N/A
Asset valuation method <sup>(1)</sup>	3-Year Average of Market Value	3-Year Average of Market Value	3-Year Average of Market Value	3-Year Average of Market Value	3-Year Average of Market Value
Actuarial assumptions: Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases	4.5%	4.5%	4.5%	4.5%	4.5%
Inflation rate	None	None	None	None	None

<sup>(1)</sup> *The asset valuation method changed from a market valuation method to the three-year average market value method in the July 1, 2009 valuation for all pension funds.*

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

**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
<b>Police</b>						
July 1, 2009	\$ 56,989,965	\$ 59,578,231	\$ (2,588,266)	95.66%	\$ 4,465,940	57.96%
<b>Fire</b>						
July 1, 2009	\$ 43,437,723	\$ 44,425,708	\$ (987,985)	97.78%	\$ 4,413,566	22.39%
<b>Public Works</b>						
July 1, 2009	\$ 11,732,056	\$ 11,419,178	\$ 312,878	102.74%	\$ 1,732,762	0.00%
<b>Municipal Interim</b>						
July 1, 2009	\$ 39,993,159	\$ 36,416,904	\$ 3,576,255	109.82%	\$ 15,556,333	0.00%
<b>Non-Union</b>						
July 1, 2009	\$ 17,940,684	\$ 25,826,733	\$ (7,886,049)	69.47%	\$ 6,825,610	115.54%

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

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2010

TRUST FUNDS  
SCHEDULE OF PLAN NET ASSETS  
JUNE 30, 2010

	Pension Trust Funds					OPEB Trust	
	Police	Fire	Public Works	Municipal Interim	Non-Union	OPEB	Totals
<b>ASSETS</b>							
<b>Cash and cash equivalents</b>	\$ 1,378,947	\$ 1,067,629	\$ 350,930	\$ 1,149,916	\$ 651,622	\$ 2,062	\$ 4,601,106
<b>Investments, at fair value</b>							
U.S. Government Securities	2,664,721	2,083,920	555,987	1,955,190	892,515	-	8,152,333
U.S. Government Agencies	664,680	519,807	138,684	487,697	222,626	-	2,033,494
Municipal Bonds	508,820	397,918	106,164	373,338	170,423	-	1,556,663
Corporate Bonds	5,697,841	4,455,944	1,188,841	4,180,686	1,908,420	-	17,431,732
Foreign Bonds	102,182	79,910	21,320	74,974	34,224	-	312,610
Common Stocks	1,316,762	1,029,761	274,739	966,150	441,033	-	4,028,445
Mutual Funds	31,448,186	24,593,762	6,561,587	23,074,528	10,533,176	3,079,514	99,290,753
Asset-Backed Securities	441,240	345,068	92,064	323,752	147,788	-	1,349,912
Other fixed Income							
Securities	478,270	374,027	99,790	350,922	160,191	-	1,463,200
Preferred Convertible Securities	13,180	10,307	2,750	9,670	4,414	-	40,321
Alternative Investments	7,683,266	6,008,627	1,603,094	5,637,455	2,573,414	-	23,505,856
<b>Total investments</b>	<b>51,019,148</b>	<b>39,899,051</b>	<b>10,645,020</b>	<b>37,434,362</b>	<b>17,088,224</b>	<b>3,079,514</b>	<b>159,165,319</b>
Accrued interest	162,534	127,108	33,912	119,255	54,439	76	497,324
Pending sales	744,706	582,390	155,381	546,414	249,430	-	2,278,321
<b>Total Assets</b>	<b>53,305,335</b>	<b>41,676,178</b>	<b>11,185,243</b>	<b>39,249,947</b>	<b>18,043,715</b>	<b>3,081,652</b>	<b>166,542,070</b>
<b>Net Assets Held in Trust</b>	<b>\$ 53,305,335</b>	<b>\$ 41,676,178</b>	<b>\$ 11,185,243</b>	<b>\$ 39,249,947</b>	<b>\$ 18,043,715</b>	<b>\$ 3,081,652</b>	<b>\$ 166,542,070</b>

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

**TRUST FUNDS**  
**SCHEDULE OF CHANGES IN**  
**PLAN NET ASSETS**  
**YEAR ENDED JUNE 30, 2010**

	Pension Trust Funds					OPEB Trust	
	Police	Fire	Public Works	Municipal Interim	Non-Union	OPEB	Totals
<b>Additions</b>							
Contributions:							
Employer	\$ 913,000	\$ 895,000	\$ 124,000	\$ 771,320	\$ 1,340,937	\$ 3,101,243	\$ 7,145,500
Plan members	483,216	464,421	165,213	619,937	349,575	-	2,082,362
<b>Total contributions</b>	<b>1,396,216</b>	<b>1,359,421</b>	<b>289,213</b>	<b>1,391,257</b>	<b>1,690,512</b>	<b>3,101,243</b>	<b>9,227,862</b>
Investment Income (loss)							
Net appreciation (depreciation) in fair value of investments	4,769,146	3,653,298	1,001,789	3,427,547	1,490,723	(19,868)	14,322,635
Interest and dividends	1,672,368	1,307,860	348,935	1,227,069	560,139	1,520	5,117,891
<b>Net investment income (loss)</b>	<b>6,441,514</b>	<b>4,961,158</b>	<b>1,350,724</b>	<b>4,654,616</b>	<b>2,050,862</b>	<b>(18,348)</b>	<b>19,440,526</b>
Other revenue	-	-	-	158,050	-	-	158,050
<b>Total</b>	<b>7,837,730</b>	<b>6,320,579</b>	<b>1,639,937</b>	<b>6,203,923</b>	<b>3,741,374</b>	<b>3,082,895</b>	<b>28,826,438</b>
<b>Deductions</b>							
Benefits	3,050,716	1,978,757	592,451	1,938,605	1,251,762	2,401,243	11,213,534
Other	25,473	36,601	36,881	174,165	7,624	-	280,744
<b>Net change in net assets</b>	<b>4,761,541</b>	<b>4,305,221</b>	<b>1,010,605</b>	<b>4,091,153</b>	<b>2,481,988</b>	<b>681,652</b>	<b>17,332,160</b>
<b>Net Assets Held in Trust</b>							
Beginning of year	48,543,794	37,370,957	10,174,638	35,158,794	15,561,727	2,400,000	149,209,910
End of year	\$ 53,305,335	\$ 41,676,178	\$ 11,185,243	\$ 39,249,947	\$ 18,043,715	\$ 3,081,652	\$ 166,542,070

## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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#### **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 \$7,290,000 for the year ended June 30, 2010.

#### **Other Post-Employment Benefits (OPEB)**

In addition to providing pension benefits, the Town instituted a policy providing 50% to 60% of certain health care benefits for retired employees. Substantially all of the Town's municipal employees may become eligible for those benefits, if they retire under a normal retirement or with disability. The OPEB Plan is a single-employer defined benefit plan, which is part of the Town reporting entity and accounted for in the OPEB Trust. The OPEB Plan does not issue stand-alone financial statements.

#### Post retirement benefits

From an accrual accounting perspective, the cost of postemployment 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 postemployment healthcare in the year when the employee services are received, disclosed 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 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, 2007. The post-retirement plan does not issue stand-alone financial reports.

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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 Method.

Membership in the plan consisted of the following at July 1, 2007, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	154
Active plan members	<u>298</u>
<b>Total</b>	<u><u>452</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2007 is estimated to be \$50,000,000. The Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

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
7/1/2007	\$ -	\$50,000,000	\$50,000,000	0.00%	\$28,645,000	174.60%

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 Ending	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$ 5,924,000	\$ (3,101,000)	52.3%	\$ 7,556,000
6/30/09	\$ 5,523,000	\$ (4,257,000)	77.0%	\$ 4,868,000
6/30/08	\$ 5,264,000	\$ (1,662,000)	31.2%	\$ 3,602,000



## TOWN OF WESTPORT, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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#### OPEB Obligation

Annual required contribution	\$ 5,924,000
Interest on net OPEB obligation	327,000
Adjustment to annual required contribution	<u>(462,000)</u>
Annual OPEB cost	5,789,000
Contributions made	<u>(3,101,000)</u>
Increase in net OPEB liability	2,688,000
Net OPEB obligation, beginning of year	<u>4,868,000</u>
Net OPEB obligation, end of year	<u><u>\$ 7,556,000</u></u>

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

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

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

Valuation Date:	July 1, 2007
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount rate	4.5%
Salary increase rate	4.5%
Inflation rate	None

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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Health cost trend rates

Average annual healthcare cost trend rates are assumed to be as follows:

Year	Decrease
2008	7.75%
2009	6.50%
2010	5.75%
2011	4.50%
2012 and later	3.75%

**Note 11. 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 stop loss coverage for claims in excess of 120% of expected claim level, 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, 2010 was approximately \$6,198,000 of which approximately \$5,410,000 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.

The Board of Education's approximate maximum exposure for the year ended June 30, 2010 was approximately \$12,436,000 of which approximately \$10,394,000 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

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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local school districts, which will apply the subsidy to reduce premium payments of the retired member/spouse covered by the local school district plan. The retired member/spouse is required to pay the difference directly to the local school district. The funding for the State Teachers' Retirement Board is provided by the members' 1% supplemental contributions, which, since July 1, 1989, have been directed to a dedicated health insurance fund. There is no cost to the Town.

**Worker's Compensation**

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

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

The Town is self-insured for worker's compensation claims. The Town recognizes a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town's potential liability under this Plan is approximately \$1,085,196 for fiscal year 2010.

The Board of Education has a policy with Connecticut Interlocal Risk Management Agency (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 Payable June 30
		Claims and Changes in Estimates	Claims Paid	
Town:				
2010	\$ 1,120,196	\$ 5,663,545	\$ (5,197,545)	\$ 1,586,196
2009	1,120,196	4,958,526	(4,958,526)	1,120,196
Board of Education:				
2010	1,128,160	14,208,999	(14,110,045)	1,227,114
2009	1,019,171	13,403,337	(13,294,348)	1,128,160

**TOWN OF WESTPORT, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2010**

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**Note 12. Fund Deficits**

The following funds had fund deficits as of June 30, 2010:

Educational Facilities Improvement Fund – Phase VII	\$	21,146
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The Town anticipates financing the deficits in the funds through authorized bond issues/revenues and grants.

**Note 13. Pronouncements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future 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 of the Town:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.
- GASB Statement No. 59, *Financing Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice for periods beginning after June 15, 2010.

**Required Supplementary  
Information**



**TOWN OF WESTPORT, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS – PENSION TRUST FUNDS  
June 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets <sup>(1)</sup>	Actuarial Accrued Liability (AAL)	(Unfunded) Overfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage Covered Payroll
<b>Police</b>						
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%
<b>Fire</b>						
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%
<b>Public Works</b>						
7/1/2009	11,732,056	11,419,178	312,878	102.74%	1,732,762	0.00%
7/1/2007	11,957,887	12,833,013	(875,126)	100.00%	1,883,376	46.47%
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%
<b>Municipal Interim</b>						
<sup>(1)</sup> 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	44,359,347	(1,021,477)	100.00%	12,664,307	8.07%
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%)
<b>Non-Union</b>						
<sup>(1)</sup> 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	26,834,472	(7,029,440)	100.00%	6,113,598	114.98%
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%)

<sup>(1)</sup> The asset valuation method changed from a market valuation method to the three-year average market value method in the July 1, 2009 valuation for all pension funds.

**TOWN OF WESTPORT, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION TRUST FUNDS  
June 30, 2010**

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Year Ended June 30,	Police		Fire		Public Works	
	Annual	Percentage Contributed	Annual	Percentage Contributed	Annual	Percentage Contributed
	Required Contribution		Required Contribution		Required Contribution	
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	
2010	\$ 1,051,966	73.3%	\$ 1,698,683	78.9%
2009	607,000	32.6%	1,376,000	34.30%
2008	581,171	34.6%	1,316,926	37.74%
2007	174,691	>100%	472,006	67.74%
2006	167,168	>100%	451,681	40.55%
2005	248,955	3.2%	319,748	45.2%



**TOWN OF WESTPORT, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS TRUST  
June 30, 2010**

***Schedule of Funding Progress - OPEB***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2007	\$ -	\$ 50,000,000	\$ 50,000,000	0%	\$ 28,645,000	174.60%

***Schedule of Employer Contributions - OPEB***

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 5,924,000	\$ 3,101,000	52.30%
2009	5,586,000	4,257,000	76.20%
2008	5,264,000	1,662,000	31.20%

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**SUPPLEMENTAL AND COMBINING  
FUND STATEMENTS AND SCHEDULES**



**General Fund**



TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND REVENUES AND TRANSFERS IN -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>PROPERTY TAXES</b>				
Current levy	\$ 150,013,753	\$ 150,403,545	\$ 152,062,370	\$ 1,658,825
Prior levies	750,000	750,000	2,088,554	1,338,554
<b>Total property taxes</b>	<b>150,763,753</b>	<b>151,153,545</b>	<b>154,150,924</b>	<b>2,997,379</b>
<b>EDUCATION</b>				
Staples trust fund	19,000	19,000	19,240	240
Sundries	125,000	125,000	154,011	29,011
Tuition	300,000	300,000	245,473	(54,527)
<b>Total education</b>	<b>444,000</b>	<b>444,000</b>	<b>418,724</b>	<b>(25,276)</b>
<b>PARKS AND RECREATION</b>				
	4,521,625	4,521,625	4,548,826	27,201
<b>INCOME FROM INVESTMENTS</b>				
	750,000	750,000	333,599	(416,401)
<b>INTERGOVERNMENTAL</b>				
Boat registration	125,000	125,000	81,730	(43,270)
Elderly tax relief	90,000	90,000	112,983	22,983
Emergency management	3,000	3,000	15,755	12,755
Historical Preservation Grant	10,000	10,000	15,693	5,693
Housing Authority Pilot Grant	22,000	22,000	39,466	17,466
In lieu of taxes	695,000	695,000	693,368	(1,632)
Miscellaneous state grants	25,000	25,000	38,900	13,900
New Machinery Grant	2,000	2,000	635	(1,365)
Pequot Indian grant	11,000	11,000	20,819	9,819
School construction grants	425,000	425,000	393,663	(31,337)
Shellfish Commission	3,000	3,000	6,547	3,547
State education grants	1,900,000	1,900,000	1,702,408	(197,592)
State reimbursements	35,000	35,000	10,719	(24,281)
Veterans' exemption	4,500	4,500	5,361	861
<b>Total intergovernmental</b>	<b>3,350,500</b>	<b>3,350,500</b>	<b>3,138,047</b>	<b>(212,453)</b>
<b>PERMITS, FEES AND OTHER</b>				
Licenses and Permits				
Building Inspector	550,000	550,000	1,056,959	506,959
Burglar alarms	75,000	75,000	53,814	(21,186)
Conservation Commission	30,000	30,000	54,767	24,767
Fire Department permits, etc.	2,000	2,000	14,738	12,738
Planning and Zoning	150,000	150,000	250,382	100,382
Town Clerk conveyance tax	835,000	835,000	1,329,979	494,979
Town Clerk licenses	8,000	8,000	14,526	6,526
Zoning Board of Appeals	15,000	15,000	16,750	1,750
<b>Total licenses and permits</b>	<b>1,665,000</b>	<b>1,665,000</b>	<b>2,791,915</b>	<b>1,126,915</b>

(Continued)

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND REVENUES AND TRANSFERS IN -  
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>PERMITS, FEES AND OTHER, Continued</b>				
Fines and Penalties				
Tax Collector - interest/liens	700,000	700,000	1,189,531	489,531
Police fines	250,000	250,000	201,932	(48,068)
<b>Total fines and penalties</b>	<b>950,000</b>	<b>950,000</b>	<b>1,391,463</b>	<b>441,463</b>
Current Service Charges				
Bulky waste charges	40,000	40,000	28,908	(11,092)
EMS reimbursements	600,000	600,000	829,475	229,475
Fire Department Commercial Plan Review	40,000	40,000	42,490	2,490
Housing Authority loan payment	115,000	115,000	115,821	821
Housing Authority PILOT - Canal St.	31,000	31,000	35,773	4,773
Police Vehicle Reimbursement	15,000	15,000	6,833	(8,167)
Public Works permits, etc.	20,000	20,000	48,440	28,440
Public Works refuse collection	15,000	15,000	16,600	1,600
Rental of facilities	777,000	777,000	899,002	122,002
Solid waste tipping fees	325,000	325,000	473,862	148,862
Town attorney reimbursement	15,000	15,000	13,343	(1,657)
Town Clerk recording fees	200,000	200,000	309,052	109,052
Workers' compensation payments	150,000	150,000	81,371	(68,629)
Youth services	7,000	7,000	7,000	-
<b>Total current services charges</b>	<b>2,350,000</b>	<b>2,350,000</b>	<b>2,907,970</b>	<b>557,970</b>
Miscellaneous				
Insurance Reimbursement	150,000	150,000	229,771	79,771
Other	51,000	51,000	152,576	101,576
Sale of surplus property	5,000	5,000	507	(4,493)
Telephone access line grant	232,000	232,000	122,803	(109,197)
Unexpended prior year encumbrances	200,000	200,000	305,965	105,965
<b>Total miscellaneous</b>	<b>638,000</b>	<b>638,000</b>	<b>811,622</b>	<b>173,622</b>
<b>Total permits, fees and other</b>	<b>5,603,000</b>	<b>5,603,000</b>	<b>7,902,970</b>	<b>2,299,970</b>
<b>TRANSFERS IN</b>	<b>446,111</b>	<b>1,146,111</b>	<b>1,318,166</b>	<b>172,055</b>
<b>Total</b>	<b>\$ 165,878,989</b>	<b>\$ 166,968,781</b>	<b>\$ 171,811,256</b>	<b>\$ 4,842,475</b>



TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Representative Town Meeting	\$ 38,937	\$ 38,937	\$ 38,656	\$ 281
Selectmen	264,384	264,384	262,075	2,309
Probate Court	15,910	15,910	15,910	-
Registrars	131,617	131,617	109,544	22,073
Elections	81,307	118,792	117,673	1,119
Board of Finance	3,350	3,345	1,361	1,984
Finance Department	809,958	809,958	807,672	2,286
Audit	157,400	157,405	157,401	4
Personnel	238,338	238,338	233,376	4,962
Assessor	457,078	457,078	455,772	1,306
Tax Collector	340,297	340,297	295,966	44,331
Information services	752,781	752,781	712,354	40,427
Board of Assessment Appeal	1,725	1,725	1,084	641
Town Attorney	830,067	830,067	724,127	105,940
Town Clerk	367,388	367,388	353,266	14,122
Historic District	80,107	81,452	81,221	231
Conservation	329,565	329,565	319,501	10,064
Planning and Zoning	545,043	549,698	545,290	4,408
Zoning Board of Appeals	58,660	52,660	41,774	10,886
<b>Total general government</b>	<b>5,503,912</b>	<b>5,541,397</b>	<b>5,274,023</b>	<b>267,374</b>
<b>PUBLIC SAFETY AND PROTECTION</b>				
Police Department	7,387,051	7,387,051	7,159,179	227,872
Police Vehicle Maintenance	310,885	310,785	272,660	38,125
Dog Warden	120,517	122,747	122,603	144
Emergency Medical Service	1,122,328	1,075,060	951,799	123,261
Fire Department	7,464,818	7,464,818	7,411,981	52,837
Water Service - Fire	990,000	978,310	978,308	2
Building inspection	287,091	289,731	289,219	512
Public Site and Building Commission	78,362	78,362	76,834	1,528
Westport emergency management	38,145	38,145	35,598	2,547
<b>Total public safety and protection</b>	<b>17,799,197</b>	<b>17,745,009</b>	<b>17,298,181</b>	<b>446,828</b>
<b>PUBLIC WORKS</b>				
Engineering	756,239	741,639	739,607	2,032
Highway	1,545,363	1,915,443	1,912,868	2,575
Equipment maintenance	315,603	312,653	312,023	630
Roadway maintenance	1,008,137	1,008,137	1,007,634	503
Street lighting	250,000	239,700	239,698	2

(Continued)

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC WORKS, Continued</b>				
Solid waste disposal	2,237,509	2,157,909	2,154,400	3,509
Building maintenance	1,196,513	1,077,113	1,074,130	2,983
Building custodians	406,875	375,875	375,373	502
Maintenance of property	26,000	26,000	25,955	45
Maintenance parks and recreation	348,297	303,047	302,489	558
Tree maintenance	96,244	96,244	95,354	890
<b>Total public works</b>	<b>8,186,780</b>	<b>8,253,760</b>	<b>8,239,531</b>	<b>14,229</b>
<b>PUBLIC HEALTH</b>				
Health District	458,729	458,829	458,825	4
Health Services	3,700	3,700	3,700	-
<b>Total public health</b>	<b>462,429</b>	<b>462,529</b>	<b>462,525</b>	<b>4</b>
<b>HUMAN SERVICES</b>				
Youth Services	247,087	245,687	238,216	7,471
Social Services	295,289	297,189	290,379	6,810
Commission for the Elderly	403,973	403,473	389,877	13,596
<b>Total human services</b>	<b>946,349</b>	<b>946,349</b>	<b>918,472</b>	<b>27,877</b>
<b>EDUCATION</b>				
Board of Education	94,892,354	94,892,354	94,412,307	480,047
BOE Rentals/ Reimbursement	-	154,011	154,011	-
Aid to Pvt & Parochial Sc	274,036	274,036	274,036	-
Debt service - Long Term	13,961,652	13,961,652	13,961,541	111
Debt service - Bond Antic.	25,000	8,535	8,532	3
<b>Total education</b>	<b>109,153,042</b>	<b>109,290,588</b>	<b>108,810,427</b>	<b>480,161</b>
<b>LIBRARY</b>	<b>4,068,152</b>	<b>4,068,152</b>	<b>4,068,152</b>	<b>-</b>
<b>PARKS AND RECREATION</b>				
Administration	538,878	531,345	516,545	14,800
Guest Services	240,648	240,648	234,482	6,166
Maintenance and Development	524,985	444,555	423,911	20,644
Boating	175,458	175,458	158,417	17,041
Parks Maintenance	325,726	376,939	376,181	758
Golf	799,705	799,705	794,916	4,789
Athletic Fields Maintenance	325,798	322,423	315,892	6,531
Tennis	69,252	69,252	68,780	472
Skating	35,450	35,450	31,983	3,467
Beach and Pool	249,525	269,545	269,517	28
Miscellaneous Programs	881,016	901,121	901,071	50
Memorial Day	8,400	8,400	8,197	203
<b>Total parks and recreation</b>	<b>4,174,841</b>	<b>4,174,841</b>	<b>4,099,892</b>	<b>74,949</b>

TOWN OF WESTPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>OTHER</b>				
Pensions	4,179,775	4,879,110	4,879,061	49
Insurance	7,992,409	8,176,934	8,176,799	135
Social Security	996,010	967,690	967,687	3
Unemployment compensation	45,000	102,950	102,946	4
Earthplace	81,560	81,560	81,560	-
Miscellaneous	330,475	367,698	367,490	208
Transportation Service	271,650	271,650	271,650	-
Employee Productivity	8,500	5,040	5,040	-
Accrued Vacation	5,000	5,000	5,000	-
<b>Total other</b>	<b>13,910,379</b>	<b>14,857,632</b>	<b>14,857,233</b>	<b>399</b>
<b>DEBT SERVICE</b>				
Interest on Bonds	1,124,054	1,110,134	1,110,131	3
Bond Anticipation Financing	90,000	50,240	50,240	-
Bond Principal Payments	1,836,250	1,836,250	1,836,250	-
<b>Total debt service</b>	<b>3,050,304</b>	<b>2,996,624</b>	<b>2,996,621</b>	<b>3</b>
<b>CAPITAL OUTLAY</b>				
General government	75,000	83,296	80,337	2,959
Public safety	277,004	277,004	274,463	2,541
Public works	48,300	48,300	47,080	1,220
Recreation	67,500	67,500	65,411	2,089
<b>Total capital outlay</b>	<b>467,804</b>	<b>476,100</b>	<b>467,291</b>	<b>8,809</b>
<b>TRANSFERS OUT</b>	<b>355,800</b>	<b>355,800</b>	<b>355,800</b>	<b>-</b>
<b>Total</b>	<b>\$ 168,078,989</b>	<b>\$ 169,168,781</b>	<b>\$ 167,848,148</b>	<b>\$ 1,320,633</b>

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## **Nonmajor Governmental Funds**

# **Nonmajor Governmental Funds**

## ***Special Revenue Funds***

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

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

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

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

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

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

**Heart and Hypertension Fund** - is used to account for payment of claims relative to Heart and Hypertension law.

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

**Recreation Program Fund** - is used to account for revenues collected to pay for various recreational activities.

**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.

**Adult and Continuing Education Fund** - is used to account for registration, textbook and grant revenues and related expenditures.

**Summer School Fund** - is used to account for registration and textbook revenues and related expenditures.

**Cafeteria Fund** - is used to account for the operations of the school cafeterias, including the receipt and expenditure of related federal and state funding.

**Police Fund** - is used to account for revenues related to police seizure and abandoned property programs.

**Escrow Fund** - is used to account for revenues transferred in for a specific purpose and expenditures directly related to transfers.

**Insurance Reserve Fund** - is used to account for 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.

## ***Capital Projects Funds***

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

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

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

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

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

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

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

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

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

## ***Debt Service Fund***

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

## ***Permanent Funds***

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

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





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TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2010

	Special Revenue				
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund	Dog License Fund	State Aid For Town Highways Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,815	\$ 444,659	\$ 1,163,120	\$ 7,154	\$ 203,082
Investments	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	150,279	18,106	287,927
<b>Total assets</b>	<b>\$ 39,815</b>	<b>\$ 444,659</b>	<b>\$ 1,313,399</b>	<b>\$ 25,260</b>	<b>\$ 491,009</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4	\$ -	\$ 12,415	\$ 16,260	\$ -
Unearned revenue	-	-	388,949	-	-
Due to other funds	516	150,279	436,254	9,000	2,928
<b>Total liabilities</b>	<b>520</b>	<b>150,279</b>	<b>837,618</b>	<b>25,260</b>	<b>2,928</b>
<b>Fund balances (deficits)</b>					
Reserved for encumbrances	-	-	167,003	-	-
Unreserved and undesignated	39,295	294,380	308,778	-	488,081
<b>Total fund balances (deficits)</b>	<b>39,295</b>	<b>294,380</b>	<b>475,781</b>	<b>-</b>	<b>488,081</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 39,815</b>	<b>\$ 444,659</b>	<b>\$ 1,313,399</b>	<b>\$ 25,260</b>	<b>\$ 491,009</b>

Special Revenue						
Heart and Hypertension Fund	Youth Services Fund	Recreation Program Fund	Educational Grants Fund	Adult and Continuing Education Fund	Summer School Fund	Cafeteria Fund
\$ 586,879	\$ 15,039	\$ 19,106	\$ 299,964	\$ -	\$ 1,136,428	\$ 357,987
-	-	-	-	-	-	-
-	-	-	3,710	-	-	41,953
-	-	-	-	-	-	-
\$ 586,879	\$ 15,039	\$ 19,106	\$ 303,674	\$ -	\$ 1,136,428	\$ 399,940
\$ 90,202	\$ 722	\$ 604	\$ 155	\$ -	\$ 6,400	\$ 124,839
-	-	-	3,378	-	562,777	-
23,431	-	1,631	296,391	-	-	-
113,633	722	2,235	299,924	-	569,177	124,839
-	-	-	-	-	-	-
473,246	14,317	16,871	3,750	-	567,251	275,101
473,246	14,317	16,871	3,750	-	567,251	275,101
\$ 586,879	\$ 15,039	\$ 19,106	\$ 303,674	\$ -	\$ 1,136,428	\$ 399,940

(Continued)

TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2010

	Special Revenue			
	Police Fund	Escrow Fund	Insurance Reserve Fund	Public Protection Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 27,261	\$ 670,923	\$ 956,282	\$ 168,609
Investments	-	-	-	-
Other receivables	-	-	-	69,578
Due from other funds	-	-	29,951	-
<b>Total assets</b>	<b>\$ 27,261</b>	<b>\$ 670,923</b>	<b>\$ 986,233</b>	<b>\$ 238,187</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 15,442	\$ 693	\$ 165
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	168,444
<b>Total liabilities</b>	<b>-</b>	<b>15,442</b>	<b>693</b>	<b>168,609</b>
<b>Fund balances (deficits)</b>				
Reserved for encumbrances	-	-	-	-
Unreserved and undesignated	27,261	655,481	985,540	69,578
<b>Total fund balances (deficits)</b>	<b>27,261</b>	<b>655,481</b>	<b>985,540</b>	<b>69,578</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 27,261</b>	<b>\$ 670,923</b>	<b>\$ 986,233</b>	<b>\$ 238,187</b>

Capital Projects							
Real Property Fund	Sewer Reserve Fund	Capital and Nonrecurring Fund	Municipal Improvements Fund Phase II	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase IV	Educational Facilities Improvement Fund-Phase V	Educational Facilities Improvement Fund-Phase VII
\$ 236,236	\$ 3,082,107	\$ 6,028,302	\$ 795,777	\$ 394,796	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
484,929	-	88,589	735,269	59,408	4,441	4,103	-
<u>\$ 721,165</u>	<u>\$ 3,082,107</u>	<u>\$ 6,116,891</u>	<u>\$ 1,531,046</u>	<u>\$ 454,204</u>	<u>\$ 4,441</u>	<u>\$ 4,103</u>	<u>\$ -</u>
\$ -	\$ -	\$ 55,316	\$ 276,722	\$ 1,250	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	772,856	-	9,044	4,441	4,103	21,146
-	-	828,172	276,722	10,294	4,441	4,103	21,146
-	-	917,813	3,990,226	500,154	-	-	3,460
721,165	3,082,107	4,370,906	(2,735,902)	(56,244)	-	-	(24,606)
721,165	3,082,107	5,288,719	1,254,324	443,910	-	-	(21,146)
<u>\$ 721,165</u>	<u>\$ 3,082,107</u>	<u>\$ 6,116,891</u>	<u>\$ 1,531,046</u>	<u>\$ 454,204</u>	<u>\$ 4,441</u>	<u>\$ 4,103</u>	<u>\$ -</u>

TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2010

	Debt Service	Permanent Funds		Totals
	Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 16,823	\$ 2,618	\$ 16,652,967
Investments	2,614,784	-	-	2,614,784
Other receivables	-	-	-	115,241
Due from other funds	-	-	-	1,863,002
<b>Total assets</b>	<b>\$ 2,614,784</b>	<b>\$ 16,823</b>	<b>\$ 2,618</b>	<b>\$ 21,245,994</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 601,189
Unearned revenue	-	-	-	955,104
Due to other funds	-	2,074	438	1,902,976
<b>Total liabilities</b>	<b>-</b>	<b>2,074</b>	<b>438</b>	<b>3,459,269</b>
<b>Fund balances (deficits)</b>				
Reserved for encumbrances	-	-	-	5,578,656
Unreserved and undesignated	2,614,784	14,749	2,180	12,208,069
<b>Total fund balances (deficits)</b>	<b>2,614,784</b>	<b>14,749</b>	<b>2,180</b>	<b>17,786,725</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 2,614,784</b>	<b>\$ 16,823</b>	<b>\$ 2,618</b>	<b>\$ 21,245,994</b>

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TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS)  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Special Revenue				
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund	Dog License Fund	State Aid For Town Highways Fund
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 192,920
Permits, fees and other	18,014	-	1,191,139	-	-
Income from investments	-	415	1,843	-	-
Charges for services	-	-	-	20,361	-
<b>Total revenues</b>	<b>18,014</b>	<b>415</b>	<b>1,192,982</b>	<b>20,361</b>	<b>192,920</b>
<b>EXPENDITURES</b>					
General government	14,685	-	-	-	-
Public safety	-	-	1,508,509	20,361	-
Public Works	-	-	-	-	180,000
Human services	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>14,685</b>	<b>-</b>	<b>1,508,509</b>	<b>20,361</b>	<b>180,000</b>
<b>Total revenues over (under) expenditures</b>	<b>3,329</b>	<b>415</b>	<b>(315,527)</b>	<b>-</b>	<b>12,920</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>3,329</b>	<b>415</b>	<b>(315,527)</b>	<b>-</b>	<b>12,920</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>35,966</b>	<b>293,965</b>	<b>791,308</b>	<b>-</b>	<b>475,161</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 39,295</b>	<b>\$ 294,380</b>	<b>\$ 475,781</b>	<b>\$ -</b>	<b>\$ 488,081</b>



Special Revenue						
Heart and Hypertension Fund	Youth Services Fund	Recreation Program Fund	Educational Grants Fund	Adult and Continuing Education Fund	Summer School Fund	Cafeteria Fund
\$ -	\$ 28,464	\$ -	\$ 2,439,672	\$ -	\$ -	\$ 168,795
-	-	-	-	-	-	-
711	-	-	-	-	3,007	458
-	-	50,908	-	-	1,445,645	2,523,388
711	28,464	50,908	2,439,672	-	1,448,652	2,692,641
-	-	-	-	-	-	-
113,633	-	-	-	-	-	-
-	-	-	-	-	-	-
-	36,902	-	-	-	-	-
-	-	60,537	-	-	-	-
-	-	-	2,447,397	-	1,430,442	2,576,636
-	-	-	-	-	-	-
113,633	36,902	60,537	2,447,397	-	1,430,442	2,576,636
(112,922)	(8,438)	(9,629)	(7,725)	-	18,210	116,005
-	-	-	-	-	-	-
38,226	-	-	-	-	153,458	-
-	-	-	-	(153,458)	-	-
38,226	-	-	-	(153,458)	153,458	-
(74,696)	(8,438)	(9,629)	(7,725)	(153,458)	171,668	116,005
547,942	22,755	26,500	11,475	153,458	395,583	159,096
\$ 473,246	\$ 14,317	\$ 16,871	\$ 3,750	\$ -	\$ 567,251	\$ 275,101

(Continued)

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS), Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Special Revenue			
	Police Fund	Escrow Fund	Insurance Reserve Fund	Public Protection Fund
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 244,994	\$ -	\$ -
Permits, fees and other	-	1,108,380	70,870	545,845
Income from investments	179	385	3,309	-
Charges for services	-	236,839	-	-
<b>Total revenues</b>	<b>179</b>	<b>1,590,598</b>	<b>74,179</b>	<b>545,845</b>
<b>EXPENDITURES</b>				
General government	-	1,119,168	76,769	-
Public safety	-	55,544	-	527,313
Public Works	-	2,452	-	-
Human services	-	110,930	-	-
Parks and recreation	-	103,300	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,391,394</b>	<b>76,769</b>	<b>527,313</b>
<b>Total revenues over (under) expenditures</b>	<b>179</b>	<b>199,204</b>	<b>(2,590)</b>	<b>18,532</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(12,976)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(12,976)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>179</b>	<b>186,228</b>	<b>(2,590)</b>	<b>18,532</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>27,082</b>	<b>469,253</b>	<b>988,130</b>	<b>51,046</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 27,261</b>	<b>\$ 655,481</b>	<b>\$ 985,540</b>	<b>\$ 69,578</b>

Capital Projects							
Real Property Fund	Sewer Reserve Fund	Capital and Nonrecurring Fund	Municipal Improvements Fund Phase II	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase IV	Educational Facilities Improvement Fund-Phase V	Educational Facilities Improvement Fund-Phase VII
\$ -	\$ -	\$ 294,034	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	27,526	156,100	-	-	-	-
4,929	2,220	35,284	-	-	-	-	-
82,550	-	-	-	-	-	-	-
87,479	2,220	356,844	156,100	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,621,435	2,261,536	94,837	-	-	-
-	-	1,621,435	2,261,536	94,837	-	-	-
87,479	2,220	(1,264,591)	(2,105,436)	(94,837)	-	-	-
-	-	-	6,134,000	6,366,000	-	-	-
-	280,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	280,000	-	6,134,000	6,366,000	-	-	-
87,479	282,220	(1,264,591)	4,028,564	6,271,163	-	-	-
633,686	2,799,887	6,553,310	(2,774,240)	(5,827,253)	-	-	(21,146)
\$ 721,165	\$ 3,082,107	\$ 5,288,719	\$ 1,254,324	\$ 443,910	\$ -	\$ -	\$ (21,146)

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS), Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Debt Service	Permanent Funds		Totals
	Debt Service Fund	Mary A. Bedford Trust	E.A. Nash Trust	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,368,879
Permits, fees and other	-	-	-	3,117,874
Income from investments	213,120	49	8	265,917
Charges for services	-	-	-	4,359,691
<b>Total revenues</b>	213,120	49	8	11,112,361
<b>EXPENDITURES</b>				
General government	-	-	-	1,210,622
Public safety	-	-	-	2,225,360
Public Works	-	-	-	182,452
Human services	-	-	-	147,832
Parks and recreation	-	-	-	163,837
Education	-	-	-	6,454,475
Capital outlay	-	-	-	3,977,808
<b>Total expenditures</b>	-	-	-	14,362,386
<b>Total revenues over (under) expenditures</b>	213,120	49	8	(3,250,025)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	-	-	12,500,000
Transfers in	-	-	-	471,684
Transfers out	(308,000)	(17)	(8)	(474,459)
<b>Total other financing sources (uses)</b>	(308,000)	(17)	(8)	12,497,225
<b>Net change in fund balances (deficits)</b>	(94,880)	32	-	9,247,200
<b>FUND BALANCES (DEFICITS), beginning</b>	2,709,664	14,717	2,180	8,539,525
<b>FUND BALANCES (DEFICITS), ending</b>	\$ 2,614,784	\$ 14,749	\$ 2,180	\$ 17,786,725

TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND  
 TRANSFERS - BUDGETARY BASIS - BUDGET AND ACTUAL  
 SEWER OPERATING FUND  
 For the Year Ended June 30, 2010

	Sewer Operating Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES AND TRANSFERS</b>				
Sewer assessment - current	\$ 500,000	\$ 500,000	\$ 663,630	\$ 163,630
Sewer user charges - current	2,729,545	2,729,545	2,491,871	(237,674)
Sewer dumping fees - connection permits	20,000	20,000	76,764	56,764
Sewer interest	50,000	50,000	47,451	(2,549)
Sewer carrying charges	200,000	200,000	215,287	15,287
General Fund Debt Service contribution	75,000	75,000	75,000	-
General Fund Sewer Operations contribution	280,800	280,800	280,800	-
Sewer Other Revenues	-	-	97,424	97,424
Sewer use cap recovery - PI 2000	405,539	405,539	-	(405,539)
<b>Total revenues</b>	<b>4,260,884</b>	<b>4,260,884</b>	<b>3,948,227</b>	<b>(312,657)</b>
<b>EXPENDITURES AND TRANSFERS OUT</b>				
Interest on bonds	756,700	756,700	756,699	1
Insurance	267,430	271,950	271,950	-
Bond principal payments	1,233,280	1,233,280	1,232,776	504
Bond anticipation-financial	25,000	25,000	25,000	-
Sewage treatment budget	1,069,270	1,064,750	924,193	140,557
Sewer collection budget	629,204	629,204	576,480	52,724
Transfers out	280,000	280,000	280,000	-
<b>Total expenditures</b>	<b>4,260,884</b>	<b>4,260,884</b>	<b>4,067,098</b>	<b>193,786</b>
<b>Revenues and transfers in over (under) expenditures and transfers out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (118,871)</b>	<b>\$ (118,871)</b>

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**Internal Service Funds**

## **INTERNAL SERVICE FUNDS**

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

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

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

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



TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS (DEFICITS)

INTERNAL SERVICE FUNDS

June 30, 2010

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,043,446	\$ 515,292	\$ 2,170,520	\$ 4,729,258
<b>Total assets</b>	<b>2,043,446</b>	<b>515,292</b>	<b>2,170,520</b>	<b>4,729,258</b>
<b>LIABILITIES</b>				
Accounts payable	2,653	-	-	2,653
Claims incurred but not reported	501,000	1,085,196	1,227,114	2,813,310
Due to other funds	700,000	-	-	700,000
<b>Total liabilities</b>	<b>1,203,653</b>	<b>1,085,196</b>	<b>1,227,114</b>	<b>3,515,963</b>
Net Assets (Deficits)	\$ 839,793	\$ (569,904)	\$ 943,406	\$ 1,213,295

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS (DEFICITS)  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2010

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,874,333	\$ -	\$ 15,097,462	\$ 19,971,795
<b>Total operating revenues</b>	<b>4,874,333</b>	<b>-</b>	<b>15,097,462</b>	<b>19,971,795</b>
<b>OPERATING EXPENSES</b>				
Claims incurred	5,197,545	466,000	14,208,999	19,872,544
Administration	538,307	-	944,543	1,482,850
<b>Total operating expenses</b>	<b>5,735,852</b>	<b>466,000</b>	<b>15,153,542</b>	<b>21,355,394</b>
<b>Operating loss</b>	<b>(861,519)</b>	<b>(466,000)</b>	<b>(56,080)</b>	<b>(1,383,599)</b>
<b>NONOPERATING INCOME</b>				
Interest income	5,086	1,228	4,454	10,768
<b>Total nonoperating income</b>	<b>5,086</b>	<b>1,228</b>	<b>4,454</b>	<b>10,768</b>
Transfer out	(700,000)	-	-	(700,000)
<b>Change in net assets (deficits)</b>	<b>(1,556,433)</b>	<b>(464,772)</b>	<b>(51,626)</b>	<b>(2,072,831)</b>
<b>NET ASSETS (DEFICITS), beginning</b>	<b>2,396,226</b>	<b>(105,132)</b>	<b>995,032</b>	<b>3,286,126</b>
<b>NET ASSETS (DEFICITS), ending</b>	<b>\$ 839,793</b>	<b>\$ (569,904)</b>	<b>\$ 943,406</b>	<b>\$ 1,213,295</b>

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2010

	Town Health Insurance	Workers' Compensation	Board of Education Health Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from charges for services	\$ 4,874,333	\$ -	\$ 15,097,462	\$ 19,971,795
Cash paid to vendors and beneficiaries	(5,121,801)	-	(15,054,588)	(20,176,389)
<b>Net cash (used in) provided by operating activities</b>	<b>(247,468)</b>	<b>-</b>	<b>42,874</b>	<b>(204,594)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer out	(700,000)	-	-	(700,000)
<b>Net cash used in noncapital financing activities</b>	<b>(700,000)</b>	<b>-</b>	<b>-</b>	<b>(700,000)</b>
<b>CAPITAL FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on cash and cash equivalents	5,086	1,228	4,454	10,768
<b>Net cash provided by investing activities</b>	<b>5,086</b>	<b>1,228</b>	<b>4,454</b>	<b>10,768</b>
<b>Net (decrease) increase cash and cash equivalents</b>	<b>(942,382)</b>	<b>1,228</b>	<b>47,328</b>	<b>(893,826)</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning	2,985,828	514,064	2,123,192	5,623,084
Ending	\$ 2,043,446	\$ 515,292	\$ 2,170,520	\$ 4,729,258
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (861,519)	\$ (466,000)	\$ (56,080)	\$ (1,383,599)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Changes in assets and liabilities:				
Decrease in accounts payable	(85,949)	-	-	(85,949)
Increase in claims payable	-	466,000	98,954	564,954
Increase in due to other fund	700,000	-	-	700,000
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (247,468)</b>	<b>\$ -</b>	<b>\$ 42,874</b>	<b>\$ (204,594)</b>

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**Fiduciary Funds**

## **Fiduciary Funds**

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

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

P&Z Escrow Fund

Senior Citizen Escrow Fund

Tri-Centennial Fund

Student Activities Fund

Performance Bonds Fund

Hillspoint School Escrow Fund

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 2010

	Agency Funds						
	P&Z Escrow	Senior Citizen Escrow	Tri- Centennial Fund	Student Activities	Performance Bonds	Hillspoint School Escrow	Total Agency Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 988,155	\$ 36,043	\$ 4,510	\$ 612,541	\$ 1,145,899	\$ 141,175	\$ 2,928,323
Due from other funds	-	47,814	-	-	-	-	47,814
<b>Total assets</b>	<b>\$ 988,155</b>	<b>\$ 83,857</b>	<b>\$ 4,510</b>	<b>\$ 612,541</b>	<b>\$ 1,145,899</b>	<b>\$ 141,175</b>	<b>\$ 2,976,137</b>
<b>LIABILITIES</b>							
<b>Liabilities</b>							
Due to student groups	\$ -	\$ -	\$ -	\$ 612,541	\$ -	\$ -	\$ 612,541
Payable to others	988,155	83,857	4,510	-	1,145,899	141,175	2,363,596
<b>Total liabilities</b>	<b>\$ 988,155</b>	<b>\$ 83,857</b>	<b>\$ 4,510</b>	<b>\$ 612,541</b>	<b>\$ 1,145,899</b>	<b>\$ 141,175</b>	<b>\$ 2,976,137</b>

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS

For the Year Ended June 30, 2010

	Balance July 1, 2009	Net Additions (Deletions)	Balance June 30, 2010
<b>STUDENT ACTIVITIES FUNDS</b>			
<b>Assets</b>			
Cash	\$ 575,539	\$ 37,002	\$ 612,541
<b>Liabilities</b>			
Due to student groups	\$ 575,539	\$ 37,002	\$ 612,541
<b>OTHER FUNDS</b>			
<b>Assets</b>			
Cash	\$ 1,985,265	\$ 330,517	\$ 2,315,782
Due from other funds	-	47,814	47,814
	<u>\$ 1,985,265</u>	<u>\$ 378,331</u>	<u>\$ 2,363,596</u>
<b>Liabilities</b>			
Payable to others	\$ 1,985,265	\$ 378,331	\$ 2,363,596
<b>TOTAL AGENCY FUNDS</b>			
<b>Assets</b>			
Cash	\$ 2,560,804	\$ 367,519	\$ 2,928,323
Due from other funds	-	47,814	47,814
	<u>\$ 2,560,804</u>	<u>\$ 415,333</u>	<u>\$ 2,976,137</u>
<b>Liabilities</b>			
Due to student groups	\$ 575,539	\$ 37,002	\$ 612,541
Payable to others	1,985,265	378,331	2,363,596
	<u>\$ 2,560,804</u>	<u>\$ 415,333</u>	<u>\$ 2,976,137</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, 2010**

---

Governmental funds capital assets:	
Land	\$ 32,451,861
Buildings	302,540,045
Land improvements	19,997,977
Infrastructure	102,543,181
Machinery and equipment	31,706,725
Construction in progress	3,523,039
<b>Total governmental funds capital assets</b>	<b>\$ 492,762,828</b>

TOWN OF WESTPORT, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**June 30, 2010**

	Land	Buildings	Land Improvements	Infrastructure	Machinery and Equipment	Construction in Progress	Total
General Government	\$ 1,105,000	\$ 2,635,714	\$ 300,241	\$ -	\$ 4,154,570	\$ 93,820	\$ 8,289,345
Public Safety	318,501	6,016,980	537,540	-	12,557,132	175,000	19,605,153
Public Works/Sewer	13,570,156	53,928,068	994,760	99,220,281	6,525,947	3,213,311	177,452,523
Human Services	-	4,366,435	-	-	126,827	-	4,493,262
Education	991,503	221,660,060	7,361,312	-	5,326,259	40,908	235,380,042
Library	1	9,365,905	161,743	-	668,939	-	10,196,588
Parks and Recreation	16,466,700	4,566,883	10,642,381	3,322,900	2,347,051	-	37,345,915
<b>Total</b>	<b>\$ 32,451,861</b>	<b>\$ 302,540,045</b>	<b>\$ 19,997,977</b>	<b>\$ 102,543,181</b>	<b>\$ 31,706,725</b>	<b>\$ 3,523,039</b>	<b>\$ 492,762,828</b>

TOWN OF WESTPORT, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES  
For the Year Ended June 30, 2010**

---

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2009	Additions	Deletions	June 30, 2010
General Government	\$ 8,289,533	\$ 49,377	\$ 49,565	\$ 8,289,345
Public Safety	19,899,318	1,094,291	1,388,456	19,605,153
Public Works	174,747,602	2,704,921	-	177,452,523
Human Services	4,485,762	7,500	-	4,493,262
Education	234,932,553	447,489	-	235,380,042
Library	10,818,204	12,001	633,617	10,196,588
Parks and Recreation	37,433,266	61,066	148,417	37,345,915
<b>Total</b>	<b>\$ 490,606,238</b>	<b>\$ 4,376,645</b>	<b>\$ 2,220,055</b>	<b>\$ 492,762,828</b>

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**Other Schedules**





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TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2010

Grand List Year	Balance Uncollected July 1, 2009	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2008	\$ -	\$ 154,608,436	\$ 447,996	\$ 305,693	\$ -	\$ 154,750,739
2007	2,670,927	-	111,560	82,240	(160,437)	2,539,810
2006	1,271,797	-	77,306	49,626	-	1,299,477
2005	938,237	-	133	25,834	-	912,536
2004	668,468	-	-	13	-	668,455
2003	473,411	-	88	101	-	473,398
2002	443,877	-	116	128	-	443,865
2001	278,115	-	-	11	(46,334)	231,770
2000	178,422	-	-	10	-	178,412
1999	95,564	-	27	5	-	95,586
1998	62,225	-	-	2	-	62,223
1997	59,998	-	28	2	674	60,698
1996	34,312	-	-	-	2,399	36,711
1995	73,192	-	40	-	1,121	74,353
1994	59,106	-	-	-	351	59,457
1993	25,643	-	-	-	-	25,643
suspense	-	-	-	-	-	-
	<u>\$ 7,333,294</u>	<u>\$ 154,608,436</u>	<u>\$ 637,294</u>	<u>\$ 463,665</u>	<u>\$ (202,226)</u>	<u>\$ 161,913,133</u>

Collections						Balance
Taxes	Refunds	Interest	Fees	Total	Uncollected	June 30, 2010
\$ 152,030,726	\$ 160,704	\$ 442,642	\$ 7,440	\$ 152,320,104	\$	2,720,013
916,427	30,739	211,121	4,928	1,101,737		1,623,383
291,770	10,741	77,161	796	358,986		1,007,707
116,727	1,354	32,730	216	148,319		795,809
141,712	-	40,009	72	181,793		526,743
83,639	-	46,549	96	130,284		389,759
94,970	-	43,928	48	138,946		348,895
63,859	-	28,177	78	92,114		167,911
17,695	-	16,053	-	33,748		160,717
18,666	-	13,761	-	32,427		76,920
6,553	-	3,851	-	10,404		55,670
14,794	-	8,352	-	23,146		45,904
6,770	-	5,907	-	12,677		29,941
28,292	-	22,427	-	50,719		46,061
(15,062)	-	53,006	-	37,944		74,519
-	-	-	-	-		25,643
-	-	-	-	-		-
<u>\$ 153,817,538</u>	<u>\$ 203,538</u>	<u>\$ 1,045,674</u>	<u>\$ 13,674</u>	<u>\$ 154,673,348</u>	<u>\$</u>	<u>8,095,595</u>

TOWN OF WESTPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN SEWER ASSESSMENTS AND  
SEWER USE CHARGES RECEIVABLE  
For the Year Ended June 30, 2010**

	Balance Uncollected July 1, 2009	Current Year Levy	Lawful Corrections	Adjusted Amount Collectible	Assessments Collections
<b>SEWER ASSESSMENTS:</b>					
Project #1	\$ 68,796	\$ 9,617	\$ 1,611	80,024	\$ 7,590
Project #2	32,498	5,486	-	37,984	6,576
Project #3	37,993	7,116	113	45,222	4,387
Project #4	544,750	6,099	4,319	555,168	49,755
Project #5	413,091	5,591	125	418,807	34,471
Project #6	139	3,632	-	3,771	416
Project #7	9,009	-	1,028	10,037	-
Project #8	35,040	-	(120)	34,920	30,777
Project #9	237,417	-	(2,561)	234,856	66,733
Project #10	440,068	-	(161)	439,907	95,093
Project #11	891,681	-	2,390	894,071	118,132
Project #12	965,345	-	1,906	967,251	85,743
Project #13	248,758	-	585	249,343	19,801
Project #14	807,512	-	428	807,940	65,166
Project #15	-	954,454	-	954,454	67,998
Project #80	182,416	-	614	183,030	10,720
Non	7,802	3,852	(7,802)	3,852	214
<b>Total</b>	<b>4,922,315</b>	<b>995,847</b>	<b>2,475</b>	<b>5,920,637</b>	<b>663,572</b>
<b>SEWER USE CHARGES:</b>					
Non-Designated Project	714	-	(714)	-	-
Project #1	47,254	900,661	(27)	947,888	891,581
Project #2	18,939	310,757	(330)	329,366	309,995
Project #3	22,601	357,170	(991)	378,780	336,027
Project #4	12,975	364,810	(1)	377,784	355,321
Project #5	19,779	268,069	(917)	286,931	257,776
Project #6	1,648	21,297	(1)	22,944	20,533
Project #7	1,546	12,606	-	14,152	11,458
Project #8	-	21,488	-	21,488	21,106
Project #9	357	37,054	-	37,411	37,037
Project #10	5,906	78,119	-	84,025	75,817
Project #11	8,968	89,579	-	98,547	87,526
Project #12	4,522	50,138	-	54,660	50,563
Project #13	-	6,781	-	6,781	6,399
Project #14	482	23,207	-	23,689	22,825
Non	825	8,691	837	10,353	7,529
<b>Total</b>	<b>146,516</b>	<b>2,550,427</b>	<b>(2,144)</b>	<b>2,694,799</b>	<b>2,491,493</b>
<b>CARRYING CHARGES</b>					
Project #3	437	1,638	-	2,075	1,659
Project #4	4,328	22,044	-	26,372	18,554
Project #5	1,955	16,180	(704)	17,431	15,102
Project #6	(13)	104	13	104	104
Project #7	9,201	602	2	9,805	-
Project #8	(29)	2,399	29	2,399	2,367
Project #9	6,732	12,306	903	19,941	16,869
Project #10	7,159	23,884	1,754	32,797	23,158
Project #11	7,166	48,014	1,512	56,692	45,121
Project #12	9,010	43,074	1,040	53,124	42,400
Project #13	549	11,221	-	11,770	11,769
Project #14	1,589	30,316	-	31,905	30,566
Project #80	930	-	(930)	-	-
Non	(22)	7,991	953	8,922	7,376
<b>Total</b>	<b>48,992</b>	<b>219,773</b>	<b>4,572</b>	<b>273,337</b>	<b>215,045</b>
<b>SHERWOOD MILL POND</b>					
	22,447	-	2,629	25,076	60
<b>Total</b>	<b>22,447</b>	<b>-</b>	<b>2,629</b>	<b>25,076</b>	<b>60</b>
	<b>\$ 5,140,270</b>	<b>\$ 3,766,047</b>	<b>\$ 7,532</b>	<b>\$ 8,913,849</b>	<b>\$ 3,370,170</b>

Refunds	Charges Waived	Balance Uncollected June 30, 2010
-	-	\$ 72,434
-	-	31,408
-	-	40,835
-	-	505,413
-	-	384,336
-	-	3,355
-	-	10,037
-	-	4,143
-	-	168,123
-	-	344,814
-	-	775,939
-	-	881,508
-	-	229,542
-	-	742,774
-	-	886,456
-	-	172,310
-	-	3,638
-	-	<u>5,257,065</u>
-	-	-
-	-	56,307
-	-	19,371
-	-	42,753
-	-	22,463
-	-	29,155
-	-	2,411
-	-	2,694
-	-	382
-	-	374
-	-	8,208
-	-	11,021
-	-	4,097
-	-	382
-	-	864
-	-	2,824
-	-	<u>203,306</u>
-	-	416
-	-	7,818
-	-	2,329
-	-	-
-	-	9,805
-	-	32
-	-	3,072
-	-	9,639
-	-	11,571
-	-	10,724
-	-	1
-	-	1,339
-	-	-
-	-	1,546
-	-	<u>58,292</u>
-	-	25,016
-	-	<u>25,016</u>
\$ -	\$ -	<u>\$ 5,543,679</u>

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**Statistical Section**

# ***Statistical Section***

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

## **Contents**

### ***Financial Trends***

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

### ***Revenue Capacity***

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

### ***Debt Capacity***

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

### ***Demographic and Economic Information***

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

### ***Operating Information***

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

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



**TOWN OF WESTPORT CONNECTICUT**

**Net Assets By Component - Governmental Activities (amounts in \$000's)**

**Last Nine Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:									
Invested in capital assets, net of related debt									
Restricted	\$ 107,638	\$ 112,345	\$ 114,566	\$ 116,904	\$ 145,846	\$ 173,215	\$ 157,894	\$ 161,774	\$ 162,494
Unrestricted	45,534	44,185	50,781	57,936	43,258	30,187	50,670	51,328	50,656
<b>Total governmental     activities net assets</b>	<b>\$ 153,172</b>	<b>\$ 156,530</b>	<b>\$ 165,347</b>	<b>\$ 174,840</b>	<b>\$ 189,104</b>	<b>\$ 203,402</b>	<b>\$ 208,564</b>	<b>\$ 213,102</b>	<b>\$ 213,150</b>

GASB Statement No. 34 Implemented in Fiscal Year 2002

Source: Town CAFR.

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2002	2003	2004	2005
Expenses:				
Governmental activities:				
General Government	\$ 7,589,066	\$ 5,457,409	\$ 7,968,215	\$ 10,578,056
Education	71,905,892	77,742,983	87,973,022	91,603,615
Public safety	17,336,555	17,681,452	17,189,469	17,793,738
Public works	7,756,440	14,353,685	12,341,834	13,527,504
Public Health	433,824	411,412	423,529	436,124
Human Services	1,048,404	1,172,228	1,326,081	1,218,509
Library	3,261,892	3,366,414	3,548,942	3,651,598
Parks and recreation	4,624,559	4,628,100	4,939,551	4,884,069
Interest on long-term debt	5,454,064	1,576,276	1,415,937	1,532,186
<b>Total governmental activities expenses</b>	<b>119,410,696</b>	<b>126,389,959</b>	<b>137,126,580</b>	<b>145,225,399</b>
Program revenue:				
Charges for services:				
General Government	3,143,074	3,682,323	4,824,791	5,372,582
Education	6,061,786	5,850,706	5,974,481	6,144,753
Public safety	1,803,501	2,080,628	2,337,513	2,575,690
Public works	149,692	158,368	185,228	597,533
Public health	-	-	-	-
Human Services	2,100	-	-	-
Library	-	-	-	-
Parks and recreation	3,551,509	3,333,952	3,473,490	3,638,076
Operating grants and contributions:				
General Government	1,020,840	1,344,580	1,378,640	1,376,913
Education	635,206	1,126,525	1,179,206	1,404,301
Public safety	154,213	317,142	334,080	91,801
Public works	-	210,936	23,568	166,785
Public health	-	-	-	-
Human services	22,258	21,466	21,485	22,042
Library	-	-	-	-
Parks and recreation	5,442	-	1,550	-
Capital grants and contributions:				
General Government	100,000	-	864,764	238,202
Education	2,548,876	1,441,479	3,050,558	5,201,524
Public safety	-	-	-	-
Public works	225,590	104,671	82,957	130,764
Public Health	-	-	-	-
Human Services	-	500,000	500,000	-
<b>Total governmental activities program revenue</b>	<b>19,424,087</b>	<b>20,172,776</b>	<b>24,232,311</b>	<b>26,960,966</b>
<b>Net expense: Governmental activities</b>	<b>(99,986,609)</b>	<b>(106,217,183)</b>	<b>(112,894,269)</b>	<b>(118,264,433)</b>

TOWN OF WESTPORT CONNECTICUT

Changes In Net Assets - Governmental Activities, Continued

Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
General revenues and other changes in net assets:				
Property taxes	97,312,479	106,845,615	119,056,374	123,861,301
Grants and contributions not restricted to specific programs	3,018,068	2,239,464	1,962,855	2,277,121
Investment earnings	2,457,585	1,160,965	1,205,179	1,619,190
Loss on disposal	-	(670,348)	(513,534)	-
<b>Total governmental activities general revenue</b>	<b>102,788,132</b>	<b>109,575,696</b>	<b>121,710,874</b>	<b>127,757,612</b>
Changes in Net Assets:	2,801,523	3,358,513	8,816,605	9,493,179
<b>Governmental activities</b>	<b>\$ 2,801,523</b>	<b>\$ 3,358,513</b>	<b>\$ 8,816,605</b>	<b>\$ 9,493,179</b>

TOWN OF WESTPORT CONNECTICUT

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

	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General Government	\$ 9,578,299	\$ 11,567,492	\$ 12,617,158	\$ 9,852,083	\$ 10,975,715
Education	98,379,924	96,186,377	106,601,139	108,688,097	117,187,399
Public safety	18,217,392	21,342,572	24,331,387	27,957,161	29,151,534
Public works	14,433,874	11,370,516	14,724,492	15,495,836	17,477,526
Public Health	449,097	462,469	380,154	462,459	919,000
Human Services	1,377,170	1,727,457	1,757,647	1,761,349	1,364,063
Library	3,774,015	3,983,028	3,749,404	4,360,884	4,456,497
Parks and recreation	4,946,083	5,901,674	6,069,819	6,622,664	6,684,295
Interest on long-term debt	1,710,093	7,416,503	7,099,026	7,862,532	7,041,180
<b>Total governmental activities expenses</b>	<b>152,865,947</b>	<b>159,958,088</b>	<b>177,330,226</b>	<b>183,063,065</b>	<b>195,257,209</b>
Program revenue:					
Charges for services:					
General Government	4,804,010	4,462,553	7,591,913	4,045,980	4,643,601
Education	8,956,477	9,581,462	11,012,028	12,059,075	11,413,044
Public safety	2,884,667	2,476,645	2,938,472	2,809,108	2,920,687
Public works	1,546,324	1,623,047	4,240,155	4,204,845	6,247,419
Public health	-	-	-	2,888	-
Human Services	-	22,206	-	25,282	100,000
Library	-	-	-	8,477	-
Parks and recreation	3,759,047	4,140,193	4,753,945	4,389,314	4,699,734
Operating grants and contributions:					
General Government	1,369,154	1,405,417	1,489,903	53,835	239,989
Education	1,470,077	1,581,764	1,503,541	3,428,646	4,663,949
Public safety	105,008	191,988	224,424	48,233	-
Public works	292,508	457,758	104,704	270,911	278,084
Public health	-	-	-	29,925	-
Human services	22,131	-	32,379	2,856	25,000
Library	-	-	-	8,518	-
Parks and recreation	-	-	-	11,310	53,464
Capital grants and contributions:					
General Government	4,156,661	3,925,456	1,347,245	802,670	294,034
Education	2,153,502	483,327	143,057	1,054,194	-
Public safety	-	-	-	183,000	-
Public works	445,452	193,137	193,142	-	-
Public Health	-	-	-	-	-
Human Services	-	-	-	-	-
<b>Total governmental activities program revenue</b>	<b>31,965,018</b>	<b>30,544,953</b>	<b>35,574,908</b>	<b>33,439,067</b>	<b>35,579,005</b>
<b>Net expense: Governmental activities</b>	<b>(120,900,929)</b>	<b>(129,413,135)</b>	<b>(141,755,318)</b>	<b>(149,623,998)</b>	<b>(159,678,204)</b>

TOWN OF WESTPORT CONNECTICUT

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

	2006	2007	2008	2009	2010
General revenues and other changes in net assets:					
Property taxes	131,735,933	137,853,097	142,537,842	151,356,844	<b>158,085,030</b>
Grants and contributions not restricted to specific programs	1,972,129	3,156,030	1,696,180	1,317,643	<b>1,031,079</b>
Investment earnings	1,457,328	2,701,593	2,683,477	1,487,694	<b>610,670</b>
Loss on disposal	-	-	-	-	-
<b>Total governmental activities general revenue</b>	<b>135,165,390</b>	<b>143,710,720</b>	<b>146,917,499</b>	<b>154,162,181</b>	<b>159,726,779</b>
Changes in Net Assets:	14,264,461	14,297,585	5,162,181	4,538,183	48,575
<b>Governmental activities</b>	<b>\$ 14,264,461</b>	<b>\$ 14,297,585</b>	<b>\$ 5,162,181</b>	<b>\$ 4,538,183</b>	<b>\$ 48,575</b>

**TOWN OF WESTPORT CONNECTICUT**

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

Function / Program	Fiscal Year			
	2002	2003	2004	2005
Primary government:				
General Government	\$ 4,263,914	\$ 5,026,903	\$ 7,068,195	\$ 6,987,697
Education	9,245,868	8,418,710	10,204,245	12,750,578
Public safety	1,957,714	2,397,770	2,671,593	2,667,491
Public works	375,282	473,975	291,753	895,082
Public health	-	-	-	-
Human Services	24,358	521,466	521,485	22,042
Library	-	-	-	-
Parks and recreation	3,556,951	3,333,952	3,475,040	3,638,076
<b>Total governmental     activities program     revenue</b>	<b>\$ 19,424,087</b>	<b>\$ 20,172,776</b>	<b>\$ 24,232,311</b>	<b>\$ 26,960,966</b>

Source: Town CAFR

GASB Statement No. 34 implemented in fiscal year 2002.

Fiscal Year				
2006	2007	2008	2009	2010
\$ 10,329,825	\$ 9,793,426	\$ 10,429,061	\$ 4,902,485	\$ <b>5,177,624</b>
12,580,056	11,646,553	12,658,626	16,541,915	<b>16,076,993</b>
2,989,675	2,668,633	3,162,896	3,040,341	<b>2,920,687</b>
2,284,284	2,273,942	4,538,001	4,475,756	<b>6,525,503</b>
-	-	-	32,813	-
22,131	22,206	32,379	11,333	<b>125,000</b>
-	-	-	33,800	-
3,759,047	4,140,193	4,753,945	4,400,624	<b>4,753,198</b>
<hr/>				
\$ 31,965,018	\$ 30,544,953	\$ 35,574,908	\$ 33,439,067	\$ <b>35,579,005</b>

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2001	2002	2003	2004
General Fund:				
Reserved or designated	\$ 7,353,374	\$ 2,952,216	\$ 3,360,600	\$ 4,736,196
Unreserved, undesignated	11,531,958	12,397,130	10,259,259	11,225,239
<b>Total General Fund</b>	<b>\$ 18,885,332</b>	<b>\$ 15,349,346</b>	<b>\$ 13,619,859</b>	<b>\$ 15,961,435</b>
All Other Governmental Funds:				
Reserved or designated	\$ 5,646,155	\$ 9,041,052	\$ 14,435,386	\$ 44,275,606
Unreserved, undesignated, reported in:				
Special revenue funds	3,196,890	3,471,938	3,051,206	3,068,128
Debt service funds	1,639,171	1,911,953	2,699,642	2,324,452
Capital projects funds	(1,133,362)	1,822,449	20,953,658	(35,496,494)
Permanent fund	1,629	16,897	16,897	16,897
<b>Total all other government funds</b>	<b>\$ 9,350,483</b>	<b>\$ 16,264,289</b>	<b>\$ 41,156,789</b>	<b>\$ 14,188,589</b>



Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 5,414,238	\$ 6,787,491	\$ 7,261,103	\$ 7,618,009	\$ 6,442,444	<b>\$ 1,168,017</b>
12,869,982	11,889,515	14,024,019	15,914,778	15,789,521	<b>23,992,884</b>
<b>\$ 18,284,220</b>	<b>\$ 18,677,006</b>	<b>\$ 21,285,122</b>	<b>\$ 23,532,787</b>	<b>\$ 22,231,965</b>	<b>\$ 25,160,901</b>
\$ 44,835,997	\$ 21,185,851	\$ 4,683,349	\$ 3,991,911	\$ 2,236,997	<b>\$ 5,910,888</b>
4,645,164	5,493,908	5,483,489	4,848,524	5,307,584	<b>4,985,328</b>
3,617,937	2,975,179	2,896,537	2,898,033	2,709,664	<b>2,614,784</b>
(31,627,218)	(24,782,912)	(22,325,764)	(24,821,250)	721,256	<b>5,357,426</b>
16,897	16,897	16,897	16,897	16,897	<b>16,929</b>
<b>\$ 21,488,777</b>	<b>\$ 4,888,923</b>	<b>\$ (9,245,492)</b>	<b>\$ (13,065,885)</b>	<b>\$ 10,992,398</b>	<b>\$ 18,885,355</b>

TOWN OF WESTPORT CONNECTICUT

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

	Fiscal Year			
	2001	2002	2003	2004
<b>Revenues:</b>				
Property taxes, interest and liens, net	\$ 86,392,627	\$ 95,154,436	\$ 102,751,594	\$ 114,641,421
Intergovernmental	7,558,718	5,755,087	4,764,697	7,025,221
Charges for services	2,187,441	4,339,069	4,736,018	4,891,213
Interest and dividends	3,042,234	1,685,856	1,124,070	1,171,923
Other	18,204,972	16,646,796	17,206,609	17,825,732
<b>Total revenues</b>	<b>117,385,992</b>	<b>123,581,244</b>	<b>130,582,988</b>	<b>145,555,510</b>
<b>Expenditures:</b>				
General Government	4,618,385	4,684,960	5,630,980	7,943,478
Public safety	12,983,469	13,792,800	13,668,339	14,132,320
Public works	8,757,925	8,376,698	8,389,036	8,616,639
Public health	398,641	433,824	411,412	423,529
Human services	625,874	666,361	736,888	780,471
Library	2,788,926	2,886,526	2,987,656	3,165,258
Parks and recreation	3,356,755	3,404,080	3,354,424	3,517,889
Education	65,878,771	69,243,565	69,909,013	77,823,624
Benefits and other	5,747,320	6,622,471	7,228,520	7,500,819
Capital outlay	32,486,759	26,990,529	14,539,228	31,882,835
<b>Debt service:</b>				
Principal	4,485,000	5,437,600	6,915,000	8,050,000
Interest and other charges	4,664,483	5,474,978	5,928,806	6,345,271
<b>Total expenditures</b>	<b>146,792,308</b>	<b>148,014,392</b>	<b>139,699,302</b>	<b>170,182,133</b>
<b>Excess of revenues (under) expenditures</b>	<b>(29,406,316)</b>	<b>(24,433,148)</b>	<b>(9,116,314)</b>	<b>(24,626,623)</b>
<b>Other financing sources (uses):</b>				
Transfers in	4,149,739	2,560,809	2,899,851	5,252,517
Transfers out	(4,149,530)	(2,590,109)	(2,899,851)	(5,252,517)
Issuance of long-term debt	30,500,000	27,825,000	32,045,000	-
Proceeds of refunding bonds	-	-	44,730,000	-
Payment to refunded bond escrow agent	-	-	(48,857,408)	-
Premium (discount) on long-term debt	-	-	4,361,735	-
<b>Total other financing sources (uses)</b>	<b>30,500,209</b>	<b>27,795,700</b>	<b>32,279,327</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>\$ 1,093,893</b>	<b>\$ 3,362,552</b>	<b>\$ 23,163,013</b>	<b>\$ (24,626,623)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8.7%</b>	<b>9.9%</b>	<b>11.4%</b>	<b>11.6%</b>

Fiscal Year						
2005	2006	2007	2008	2009	2010	
\$ 121,001,803	\$ 126,695,262	\$ 132,883,582	\$ 141,064,308	\$ 151,452,153	\$ 155,340,454	
7,855,848	10,180,367	7,940,238	6,872,673	7,777,703	6,886,580	
5,377,348	5,890,472	6,435,494	6,978,208	5,955,655	6,314,037	
1,534,717	1,278,005	2,312,735	2,560,532	1,453,765	599,902	
19,945,476	22,005,740	22,973,310	24,415,887	21,392,514	23,271,793	
155,715,192	166,049,846	172,545,359	181,891,608	188,031,790	192,412,766	
5,492,124	5,779,470	6,386,543	6,193,465	5,928,650	6,358,457	
13,949,133	14,974,359	17,122,350	17,895,446	20,574,482	19,368,191	
9,771,595	10,936,896	7,485,342	10,564,915	10,583,559	10,476,953	
436,124	449,097	462,469	380,154	462,459	919,000	
791,203	928,662	958,565	996,016	1,217,726	610,357	
3,292,008	3,447,396	3,681,562	3,940,588	3,978,035	4,068,152	
3,562,901	3,769,340	4,079,103	4,347,801	4,635,087	4,262,817	
82,111,476	88,987,874	92,539,559	101,335,131	103,600,802	108,825,724	
9,115,590	9,265,366	10,186,912	10,195,795	13,135,461	14,759,082	
42,133,902	37,360,753	22,952,033	9,160,999	11,707,853	4,518,529	
8,915,000	10,270,000	10,974,850	11,355,000	11,155,000	13,768,269	
7,326,017	7,792,701	7,428,580	7,099,026	6,708,698	7,003,393	
186,897,073	193,961,914	184,257,868	183,464,336	193,687,812	194,938,924	
(31,181,881)	(27,912,068)	(11,712,509)	(1,572,728)	(5,656,022)	(2,526,158)	
3,162,981	2,614,886	2,395,446	2,471,423	1,639,535	1,848,484	
(3,162,981)	(2,614,886)	(2,395,446)	(2,471,423)	(1,639,535)	(1,148,484)	
39,940,000	11,705,000	-	-	28,413,483	12,500,000	
-	-	26,460,000	-	-	19,575,000	
-	-	(28,026,668)	-	-	(21,374,493)	
864,854	-	1,752,878	-	-	1,947,544	
40,804,854	11,705,000	186,210	-	28,413,483	13,348,051	
\$ 9,622,973	\$ (16,207,068)	\$ (11,526,299)	\$ (1,572,728)	\$ 22,757,461	\$ 10,821,893	
12.6%	13.0%	12.9%	11.8%	10.9%	12.2%	

**TOWN OF WESTPORT CONNECTICUT**

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

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2001	n/a	n/a	n/a	\$ 85,252,750
2002	n/a	n/a	n/a	93,745,150
2003	n/a	n/a	n/a	101,646,031
2004	105,789,192	2,328,034	5,036,963	113,154,189
2005	110,027,984	2,512,436	5,926,843	118,467,263
2006	116,003,174	2,545,936	6,336,320	124,885,430
2007	125,024,706	1,554,710	4,180,033	130,759,449
2008	135,660,458	1,923,981	4,616,816	142,201,255
2009	143,053,722	2,591,413	4,865,489	150,510,624
<b>2010</b>	<b>146,268,621</b>	<b>3,086,300</b>	<b>4,592,327</b>	<b>153,947,248</b>
Change 2004-2010	38.26%	32.57%	-8.83%	36.05%

**Source:** Town Tax Office

n/a: Information not available.

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TOWN OF WESTPORT, CONNECTICUT

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

Fiscal Year	Residential Property	Commercial Property	Miscellaneous Land	Personal Property	Motor Vehicle
2001	\$ 4,329,641,400	\$ 694,427,900	\$ 28,726,700	\$ 136,787,599	\$ 245,718,666
2002	4,474,623,200	842,182,400	30,432,400	134,806,617	263,606,359
2003	4,505,369,500	679,535,200	28,916,000	148,949,231	271,397,174
2004	4,586,423,006	676,699,800	27,885,100	134,850,106	274,873,192
2005	4,676,605,410	694,643,210	24,010,200	136,130,010	268,720,359
2006	4,808,448,212	681,905,830	69,645,000	130,420,696	288,870,284
2007*	8,356,731,869	1,373,342,900	179,582,758	129,621,182	294,529,873
2008	8,410,220,950	1,381,063,780	189,880,058	141,408,255	292,863,073
2009	8,610,860,982	1,371,963,960	156,834,958	180,461,823	305,860,770
<b>2010</b>	<b>8,789,034,831</b>	<b>1,352,101,849</b>	<b>130,990,168</b>	<b>208,293,325</b>	<b>291,794,465</b>

Source: Assessor's Office

\* Revaluation

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	Total Taxable Assessed Value	Actual Taxable Value	Value as a Percentage of Actual Value
\$	5,435,302,265	\$ 7,764,717,521	70.00%
	5,745,650,976	8,208,072,823	70.00%
	5,634,167,105	8,048,810,150	70.00%
	5,700,731,204	8,143,901,720	70.00%
	5,800,109,189	8,285,870,270	70.00%
	5,979,290,022	8,541,842,889	70.00%
	10,333,808,582	14,762,583,689	70.00%
	10,415,436,116	14,879,194,451	70.00%
	10,625,982,493	15,179,974,990	70.00%
	<b>10,772,214,638</b>	<b>15,388,878,054</b>	<b>70.00%</b>

TOWN OF WESTPORT CONNECTICUT

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

Taxpayer	2010			2001		
	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	112,718,090	1	1.05%	21,377,658	3	0.69%
Nayala Farms Inc.	\$ 88,309,100	2	0.82%	\$ 61,382,440	1	1.99%
Lasry M & C	28,419,000	3	0.26%	-	-	-
Allianz Life Insurance Company	25,272,000	4	0.23%	-	-	0.00%
Riverside Office 285 & 355 LLC	24,782,200	5	0.23%	-	-	0.00%
Roseville Estates, Inc.	24,635,770	6	0.23%	8,205,990	10	0.27%
Bylas Irving Irrevocable Trust	17,535,000	7	0.16%	8,636,800	9	0.28%
Westport Corporate Center	16,968,400	8	0.16%	-	-	0.00%
Westport Retail Co-Investors LLC	16,338,400	9	0.15%	-	-	0.00%
44 Main Street Inc	16,210,300	10	0.15%	-	-	0.00%
Metropolitan Life Insurance Co.	22,454,590	-	0.21%	-	2	0.00%
TIAA Realty Inc.	21,194,700	-	0.20%	25,210,100	4	0.82%
Vornado Westport LLC	14,509,900	-	0.13%	16,329,930	5	0.53%
Bridgeport Hydraulic	10,897,270	-	0.10%	-	7	0.00%
Stauffer Management Company	-	-	0.00%	14,214,850	6	0.46%
Westport View Corporate Center	9,424,400	-	0.09%	-	8	0.00%
AIG Financial Products	11,461,575	-	0.11%	10,191,670	6	0.33%
<b>Total</b>	<b>\$ 348,412,605</b>		<b>3.23%</b>	<b>\$ 144,171,780</b>		<b>4.68%</b>

Source: Town Records



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TOWN OF WESTPORT CONNECTICUT

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

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2001	1999	\$ 86,337,790	\$ 85,252,750	98.74%
2002	2000	95,134,094	93,745,150	98.54%
2003	2001	103,068,764	101,369,885	98.35%
2004	2002	115,443,952	113,154,189	98.02%
2005	2003	120,636,091	118,467,264	98.20%
2006	2004	126,849,557	124,885,430	98.45%
2007	2005	131,793,074	130,610,794	99.10%
2008	2006	142,201,255	139,791,382	98.31%
2009	2007	152,127,173	149,456,246	98.24%
<b>2010</b>	<b>2008</b>	<b>154,608,436</b>	<b>152,030,726</b>	<b>98.33%</b>

Source: Town Tax Records

n/a: Information not available.

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 907,033	\$ 86,159,783	99.79%
1,093,938	94,839,088	99.69%
1,279,733	102,649,618	99.59%
1,617,883	114,772,072	99.42%
1,492,632	119,959,896	99.44%
1,597,350	126,482,780	99.71%
1,000,181	131,610,978	99.86%
966,849	140,758,231	98.99%
924,801	150,381,048	98.85%
<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

TOWN OF WESTPORT CONNECTICUT

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

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Net Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt <sup>(1)</sup>		
2001	\$ 104,780,000	\$ -	\$ 104,780,000	1.351%	\$ 3,952
2002	127,170,000	1,911,953	125,258,047	1.588%	4,786.14
2003	152,710,000	2,699,642	150,010,358	1.864%	5,699.48
2004	144,660,000	2,324,452	142,335,548	1.743%	5,358.21
2005	175,685,000	3,617,937	172,067,063	2.079%	6,477.45
2006	177,120,000	2,975,179	174,144,821	1.172%	6,555.67
2007*	165,865,000	2,820,143	163,044,857	1.097%	6,119.84
2008	154,530,000	2,976,675	151,553,325	1.020%	5,705.21
2009	171,788,483	2,709,664	169,078,819	1.114%	6,460.16
<b>2010</b>	<b>169,880,214</b>	<b>2,614,784</b>	<b>167,265,430</b>	<b>1.082%</b>	<b>6,222.00</b>

\* Revaluation

<sup>(1)</sup> Non-restricted assets.

<sup>(2)</sup> State of Connecticut Department of Public Health July 1, 2009.

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Total Primary Government	Percentage of Per Capita Income	Per Capita <sup>(2)</sup>
\$ 104,780,000	0.004%	\$ 3,952
125,258,047	0.004%	4,786.14
150,010,358	0.004%	5,699.48
142,335,548	0.004%	5,358.21
172,067,063	0.004%	6,477.45
174,144,821	0.004%	6,555.67
163,044,857	0.004%	6,119.84
151,553,325	0.004%	5,705.21
169,078,819	0.004%	6,460.16
<b>167,265,430</b>	<b>0.004%</b>	<b>6,222.00</b>

**TOWN OF WESTPORT CONNECTICUT**

**Direct Governmental Activities Debt  
For the Year Ended June 30, 2010  
(Unaudited)**

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Governmental Unit	Debt Outstanding
General obligation debt	\$ 169,880,214
Less school construction grants receivable - principal portion only	<u>(2,312,188)</u>
<b>Total direct debt</b>	<b><u>\$ 167,568,026</u></b>

**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.

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**TOWN OF WESTPORT CONNECTICUT**

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

	2001	2002	2003	2004
Debt limit	\$ 612,897	\$ 670,861	\$ 721,115	\$ 812,127
Total net debt applicable to limit	99,568	123,140	145,874	143,536
Legal debt margin	513,329	547,721	575,241	668,591
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>19.397%</b>	<b>22.482%</b>	<b>25.359%</b>	<b>21.468%</b>



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	2005		2006		2007		2008		2009		2010
\$	850,737	\$	894,388	\$	937,237	\$	993,171	\$	1,056,150	\$	<b>1,086,199</b>
	174,172		174,167		162,407		151,351		169,175		<b>167,568</b>
	676,565		720,221		774,830		841,820		886,975		<b>918,631</b>
	<b>25.744%</b>		<b>24.182%</b>		<b>20.960%</b>		<b>17.979%</b>		<b>19.073%</b>		<b>18.241%</b>

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TOWN OF WESTPORT CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMITATION

June 30, 2010

Total tax collections (including interest and lien fees) for the year ended June 30, 2010	\$ 155,171,245
Reimbursement for revenue loss: Tax relief for Elderly Homeowner Freeze	<u>-</u>
Base	<u>\$ 155,171,245</u>
Debt limit	<u><u>\$ 1,086,198,715</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 349,135,301	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	698,270,603	-	-	-
3-3/4 times base	-	-	581,892,169	-	-
3-1/4 times base	-	-	-	504,306,546	-
3 times base	-	-	-	-	465,513,735
<b>Total debt limitation</b>	<u>349,135,301</u>	<u>698,270,603</u>	<u>581,892,169</u>	<u>504,306,546</u>	<u>465,513,735</u>
<b>Debt as defined by statute:</b>					
Bonds payable	27,827,194	112,566,500	29,486,470	-	-
Bond anticipation notes payable	-	-	-	-	-
Capital leases	-	-	-	-	-
Bonds authorized but not issued, issue dates not yet established	-	2,810,000	3,554,000	-	-
Construction grants	-	(2,312,188)	-	-	-
<b>Total indebtedness</b>	<u>27,827,194</u>	<u>113,064,312</u>	<u>33,040,470</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 321,308,107</u></u>	<u><u>\$ 585,206,291</u></u>	<u><u>\$ 548,851,699</u></u>	<u><u>\$ 504,306,546</u></u>	<u><u>\$ 465,513,735</u></u>

TOWN OF WESTPORT CONNECTICUT

**Pledged-Revenue Coverage**

**Last Eight Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$ 2,633,605	\$ 1,355,077	\$ 1,278,528	\$ 785,050	\$ 436,320	96%
2004	2,813,059	1,689,808	1,123,251	606,500	362,140	86%
2005	2,802,051	1,447,814	1,354,237	773,900	373,065	85%
2006	3,290,784	1,617,336	1,673,448	789,950	507,602	77%
2007	3,377,640	1,783,179	1,594,461	794,410	657,915	91%
2008	3,245,121	1,916,572	1,328,549	826,980	315,413	86%
2009	3,404,158	1,801,859	1,602,299	783,580	293,605	67%
<b>2010*</b>	<b>3,592,427</b>	<b>1,714,641</b>	<b>1,877,786</b>	<b>2,551,131</b>	<b>756,698</b>	<b>1.7%</b>

\* 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)**

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Fiscal Year Ended June 30	Population*	Per Capita Income**	Median Age**	School Enrollment	Unemployment(*) Rate
2001	26,514	\$ 73,664	39.4	5,007	2.2%
2002	26,171	73,664	39.4	5,124	3.6%
2003	26,320	73,664	39.4	5,225	4.0%
2004	26,564	73,664	39.4	5281	3.8%
2005	26,615	73,664	39.4	5,460	3.8%
2006	26,642	73,664	39.4	5,573	3.4%
2007	26,508	73,664	39.4	5,618	3.2%
2008	26,592	73,664	39.4	5,706	4.1%
2009	26,799	73,664	39.4	5,764	6.3%
<b>2010</b>	N/A	73,664	39.4	5,788	6.0%

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

\*\* Source: Bureau of the Census.

n/a: Information not available.

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TOWN OF WESTPORT CONNECTICUT

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

Functions/Program	Full-Time Equivalent Employees as of June 30,			
	2001	2002	2003	2004
Governmental Services:				
Selectmans Office	4	4	4	4
Town Clerk	5	5	5	5
Finance	12	13	10	11
Internal Audit	-	-	-	-
Information Technology	3	3	3	3
Legal	1	1	1	1
Building Department	5	5	5	5
Personnel	3	3	3	3
Planning & Zoning	8	8	8	8
Historic District	-	-	-	-
Conservation	4	4	4	4
Human Services	10	10	9	9
Assessor	6	6	6	6
Tax collector	5	5	5	5
Registrar	1	1	1	1
Parks and Recreation:				
General & Administrative	8	8	8	8
Program managers	2	2	2	2
Field Maintenance	4	4	4	4
Park Maintenance	3	3	3	3
Maintenance & development	5	5	5	5
Golf Course(s)	7	7	7	7
Boating	1	1	1	1
Police:				
Officers	67	70	70	69
Civilians	17	17	18	15
Fire:				
Firefighters and Officers	54	56	58	56
Civilians	8	8	8	8
Public Works:				
Engineering	11	11	11	11
Highway	18	18	18	18
Equipment Maintenance	2	2	2	2
Solid waste disposal	4	4	4	4
Building Maintenance	6	6	6	6
Custodians	6	6	6	6
Sewage treatment	5	5	5	4
Sewage collection	3	3	3	3
Other Programs/Functions:				
Library	48	50	50	49
<b>Total</b>	<b>346</b>	<b>354</b>	<b>353</b>	<b>346</b>

Sources: Town and Library Records

Full-Time Equivalent as of June 30,

2005	2006	2007	2008	2009	2010
4	4	4	4	4	4
5	5	5	5	5	6
11	11	10	11	9	9
-	-	-	-	-	1
3	4	3	2	3	3
1	1	1	1	1	1
5	5	5	5	5	4
3	3	3	3	3	3
8	8	9	9	9	8
-	-	-	-	1	1
4	4	5	5	5	5
9	9	12	14	14	14
6	7	7	7	8	7
5	5	5	5	5	5
1	1	1	1	1	1
8	8	9	8	8	8
2	2	1	2	2	2
4	4	4	4	4	4
3	3	3	4	4	2
5	5	4	4	4	4
7	7	8	8	7	6
1	1	1	1	1	1
64	67	65	70	70	70
16	17	22	22	24	24
56	55	60	63	67	66
8	8	7	7	7	8
11	11	10	11	11	10
18	18	17	18	18	18
2	2	2	2	2	1
4	4	3	4	4	3
6	6	6	6	6	6
7	7	7	7	7	6
4	5	4	5	5	5
3	3	3	3	3	3
49	49	49	53	52	51
<b>343</b>	<b>349</b>	<b>355</b>	<b>374</b>	<b>379</b>	<b>370</b>

**TOWN OF WESTPORT CONNECTICUT**

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

Function/Program	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Police:</b>					
Calls for service	21,690	21,796	21,671	20,837	19,646
Adult arrest	784	853	841	796	701
Juvenile referrals	31	25	32	46	23
Speeding citations only	1,427	1,290	901	550	403
Traffic citations	2,416	2,705	2,746	2,448	2,196
EMS Patients	2,029	2,031	2,156	2,005	2,250
<b>Fire:</b>					
Total emergency service calls	3,685	3,515	2,554	3,198	3,578
Property loss	\$ 481,008	\$ 1,312,360	\$ 465,326	\$ 222,955	\$ 263,076
<b>Building safety:</b>					
Total building permits	3,841	3,903	3,974	4,296	4,268
Total value all permits (\$000)	\$ 101,369	\$ 108,808	\$ 145,064	\$ 180,867	\$ 155,988
Library, volumes in collection	209,302	217,372	220,889	226,703	220,819
<b>Public works:</b>					
Solid waste collected (ton)	23,308	16,411	16,314	16,735	16,974
Recycle collected (ton)	3,926	3,998	5,068	5,518	6,217
<b>Parks and Recreation:</b>					
Recreation program attendance	6,405	6,672	5,933	6,059	6,684
Aquatics program attendance	676	657	663	697	710
Golf rounds played	47,673	44,105	39,914	41,769	38,992

**Source:** Town Records

n/a: Information not available.

\* Based on calendar year.



Fiscal Year				
2006	2007	2008	2009	2010
19,828	22,540	21,707	21,304	<b>24,718</b>
637	893	895	839	<b>822</b>
33	55	38	14	<b>42</b>
455	923	1,303	999	<b>621</b>
2,670	4,904	2,482	5,709	<b>6,208</b>
1,613	1,705	1,989	1,680	<b>1,807</b>
2,721	3,668	3,730	3,354	<b>3650*</b>
\$ 438,125	\$ 190,196	n/a	n/a	<b>n/a</b>
3,980	3,797	3,897	2,754	<b>3,325</b>
\$ 134,279	\$ 127,895	\$ 169,305	\$ 70,872	<b>\$ 96,925</b>
224,235	223,025	225,704	224,094	<b>224,094</b>
18,735	18,906	19,566	18,222	<b>19,163</b>
6,792	6,571	4,215	1,358	<b>1,312</b>
9,832	9,744	9,866	9,561	<b>10,048</b>
683	764	698	714	<b>951</b>
36,351	35,005	36,332	36,969	<b>37,756</b>

TOWN OF WESTPORT CONNECTICUT

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

Function/Program	2001	2002	2003	2004	2005
Police:					
Stations	1	1	1	1	1
Fire, Fire Stations	4	4	4	4	4
Public Works:					
Public Works Vehicles	51	50	50	50	50
Streets (Miles)	123	123	123	123	124
Traffic Signals	2	2	2	2	2
Parks & Recreation:					
Acreage	400	400	419	419	419
Parks	21	21	22	22	22
Golf Course	1	1	1	1	1
Baseball/Softball Diamonds	21	21	22	22	24
Soccer/Football Fields	12	12	12	12	12
Basketball Courts	2	2	2	2	2
Tennis Courts	26	26	26	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	209,302	217,372	220,889	226,703	220,819
Wastewater:					
Sanitary Sewers (miles)	67	69	70	72	73
Storm Sewers (miles)	44	44	44	44	44
Combination Sanitary and Storm (miles)	111	113	114	116	117

Source: Town Records

n/a: Information not available.

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2006	2007	2008	2009	<b>2010</b>
1	1	1	1	<b>1</b>
4	4	4	4	<b>4</b>
50	50	50	49	<b>49</b>
124	124	124	124	<b>124</b>
2	2	2	2	<b>4</b>
419	419	419	419	<b>419</b>
22	22	22	22	<b>22</b>
1	1	1	1	<b>1</b>
24	24	24	24	<b>24</b>
12	12	12	12	<b>12</b>
2	2	2	2	<b>2</b>
23	23	23	23	<b>23</b>
2	2	2	2	<b>2</b>
4	4	4	4	<b>4</b>
2	2	2	2	<b>2</b>
1	1	1	1	<b>1</b>
224,235	223,025	225,704	224,094	<b>226,417</b>
74	75	76	81	<b>81</b>
44	44	44	44	<b>45</b>
118	119	120	125	126

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