

Preliminary Official Statement Dated April 15, 2019

NEW ISSUE: Book-Entry-Only

RATINGS: Moody's Investors Service "Aaa"

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



Town of Wilton, Connecticut \$3,600,000 General Obligation Bonds, Issue of 2019 (Bank Qualified)

Dated: Date of Delivery

**Due: Serially May 1,
as shown below:**

MATURITY SCHEDULE

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2020	\$ 360,000	___%	___%	972499___	2025	\$ 360,000	___%	___%	972499___
2021	360,000	___%	___%	972499___	2026	360,000	___%	___%	972499___
2022	360,000	___%	___%	972499___	2027	360,000	___%	___%	972499___
2023	360,000	___%	___%	972499___	2028	360,000	___%	___%	972499___
2024	360,000	___%	___%	972499___	2029	360,000	___%	___%	972499___

The Bonds will be general obligations of the Town of Wilton, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein).

The Bonds will bear interest payable on November 1, 2019 and semiannually thereafter on May 1 and November 1 in each year until maturity or earlier redemption. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 and any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry-Only Transfer System" herein).

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut.

The Bonds are subject to redemption prior to maturity, as more fully described herein. (See "Redemption Provisions" herein).

Electronic bids via PARITY[®] for the Bonds will be received until 11:30 A.M. (E.T.) on Thursday, April 25, 2019 at the Office of the First Selectman, Town of Wilton, Town Hall, 238 Danbury Road, Wilton, Connecticut 06897, as described in the Notice of Sale (See "Appendix D" herein).

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about May 6, 2019.



This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other changes without any notice. The securities described herein may not be sold nor any offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently with their sale.

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Certain information in this Official Statement has been obtained by the Town from other sources. Neither the Town nor the Municipal Advisor guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of any of the foregoing.

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth in Appendix B and in "Tax Matters" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that it has independently verified the same.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

Table of Contents

	<i>Page</i>		<i>Page</i>
Bond Issue Summary	1	IV. Tax Base Data	22
I. Introduction	2	Property Tax.....	22
Municipal Advisor.....	2	Assessments.....	22
Description of the Bonds.....	2	Levy.....	22
Redemption Provisions.....	3	Comparative Assessed Valuations.....	23
Authorization and Purpose.....	3	Tax Exempt Property.....	24
Tax Matters.....	4	Property Tax Levies and Collections.....	24
Original Issue Discount.....	4	Top Ten Largest Taxpayers.....	25
Original Issue Premium.....	5	V. Debt Summary	26
School Projects.....	5	Long-Term Bonded Debt.....	26
Book-Entry-Only Transfer System.....	5	Short-Term Debt.....	27
DTC Practices.....	7	Annual Long-Term Bonded Debt Maturity Schedule.....	27
Replacement Bonds.....	7	Overlapping/Underlying Debt.....	27
Security and Remedies.....	7	Debt Statement.....	28
Qualification for Financial Institutions.....	7	Current Debt Ratios.....	28
Availability of Continuing Information.....	8	Bond Authorization.....	29
Ratings.....	8	Maturities.....	29
II. The Issuer	9	Temporary Financing.....	29
Description of the Municipality.....	9	Limitation of Indebtedness.....	29
Description of Government.....	10	Statement of Statutory Debt Limitation.....	30
Municipal Services.....	10	Authorized But Unissued Debt.....	31
Public Safety.....	10	Principal Amount of Outstanding Debt.....	31
Fire Department.....	10	Ratios of Net Long-Term Debt to Valuation, Population, and Income.....	31
Ambulance and Paramedic Services.....	11	Ratio of Annual Long-Term General Fund Debt Service Expenditures to General Fund Expenditures and Transfers Out.....	32
Conservation.....	11	Capital Improvement Program.....	32
Wilton Library Association, Inc.....	12	VI. Financial Administration	33
Parks and Recreation.....	12	Fiscal Year.....	33
Water Commission.....	12	Basis of Accounting.....	33
Wilton Water Pollution Control Authority (WPCA).....	13	Budget Procedure.....	33
Municipal Solid Waste.....	14	Annual Audit.....	33
Education System.....	15	Insurance.....	33
School Enrollment.....	15	Investment Policy.....	35
School Facilities.....	15	Other Post Employment Benefits (GASB 45).....	35
Municipal Employees.....	16	Pension Liability.....	36
Municipal Employee Bargaining Organizations.....	16	Schedule of Funding Progress.....	37
III. Economic and Demographic Information	17	Net Pension Liability.....	37
Population and Density.....	17	General Fund Revenues and Expenditures.....	38
Age Distribution of the Population.....	17	Analysis of General Fund Equity.....	38
Income Distribution.....	17	VII. Legal and Other Information	39
Income Levels.....	18	Litigation.....	39
Educational Attainment.....	18	Transcript and Documents Furnished at Delivery.....	39
Major Employers.....	18	Concluding Statement.....	40
Employment by Industry.....	19	Appendix A - Excerpts from the Town's 2018 Annual Financial Report	
Employment Data.....	19	Appendix B - Form of Opinion of Bond Counsel	
Age Distribution of Housing.....	20	Appendix C - Form of Continuing Disclosure Agreement	
Housing Inventory.....	20	Appendix D - Notice of Sale	
Building Permits.....	20		
Owner Occupied Housing Values.....	21		
Land Use Summary.....	21		

Bond Issue Summary

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

Date of Sale:	Thursday, April 25, 2019 at 11:30 A.M. (E.T.).
Location of Sale:	The Office of the First Selectman, Town of Wilton, Town Hall, 238 Danbury Road, Wilton, Connecticut 06897.
Issuer:	Town of Wilton, Connecticut (the "Town").
Issue:	\$3,600,000 General Obligation Bonds, Issue of 2019 (the "Bonds").
Dated Date:	Date of delivery.
Interest Due:	Interest due November 1, 2019 and semiannually thereafter on May 1 and November 1 in each year until maturity or earlier redemption.
Principal Due:	Principal due serially, May 1, 2020 through May 1, 2029 as detailed in this Official Statement.
Authorization and Purpose:	Proceeds of the Bonds will be used to finance various general purpose and school projects authorized by the Town Meeting.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security and Remedies:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "Aaa" by Moody's Investors Service, Inc.
Bond Insurance:	The Town does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds <u>shall</u> be designated as qualified tax-exempt obligations by the Town under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of the failure by the Town to provide the annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Paying Agent, Certifying Agent, Transfer Agent and Registrar:	U.S. Bank National Association of Hartford, Connecticut.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor.
Legal Opinion:	Robinson & Cole LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about May 6, 2019 against payment in Federal Funds.
Issuer Official:	Questions concerning the Town or this Official Statement should be addressed to Ms. Anne Kelly-Lenz, Chief Financial Officer, Town of Wilton, 238 Danbury Road, Wilton, Connecticut 06897, Telephone (203) 563-0128.

I. Introduction

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Wilton, Connecticut (the "Town"), in connection with the original issuance and sale of its \$3,600,000 General Obligation Bonds, Issue of 2019 (the "Bonds").

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Town since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of laws contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

The Bonds are being offered for sale by public bidding. A Notice of Sale for the Bonds dated April 15, 2019 has been furnished to prospective bidders. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

U.S. Bank National Association will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds.

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion in Appendix B) and makes no representation that is has independently verified the same.

The information set forth herein has been obtained by the Town, from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of the Official Statement.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the Town with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature as described on the front cover of this Official Statement. The Bonds will bear interest payable on November 1, 2019 and semiannually thereafter on May 1 and November 1 in each year until maturity, or earlier redemption, as set forth on the front cover of this Official Statement. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of April and October, in each year, or preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner or, so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC and the Town shall agree. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System."

Redemption Provisions

The Bonds maturing on or before May 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing May 1, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after May 1, 2024 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
May 1, 2024 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

The Town, so long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor nominee. Any failure of DTC to advise any DTC Participant or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town. See “Book-Entry-Only Transfer System”.

Authorization and Purpose

Authorization: The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the charter of the Town and certain bond resolutions approved at various Town Meetings.

Purpose: Proceeds of the Bonds will be used to finance the following projects:

<u>Project</u>	<u>Bonds</u>	
	<u>Authorized</u>	<u>The Bonds</u>
Field Replacement.....	\$ 700,000	\$ 694,518
Bus Barn.....	400,000	199,435
Road Improvements.....	3,000,000	2,706,047
Total.....	\$ 4,100,000	\$ 3,600,000

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

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

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

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

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

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid

during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

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

School Projects

Pursuant to Public Act No. 97-11 of the June Special Session of the 1997 Connecticut General Assembly, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality would issue bonds for the entire amount of a school construction project and the State of Connecticut would reimburse the Town for principal and interest costs for eligible school construction projects over the life of the municipality's outstanding school bonds and subsequent bond issues necessary to completely fund a project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its net share of project costs.

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities

brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

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

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town is authorized to issue fully registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Availability of Continuing Information

The Town prepares, in accordance with state law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management within six months of the end of its fiscal year.

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

The Town has previously undertaken in continuing disclosure agreements for the benefits of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

Ratings

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aaa" on the Bonds. The Town furnished to Moody's certain information and materials, some of which may not have been included in this Official Statement.

The rating reflects only the view of the rating agency and is subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's should be contacted directly for information regarding its rating on the Bonds. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the Town.

(The remainder of this page intentionally left blank)

II. The Issuer



Description of the Municipality

The Town operates under a charter first granted in 1802 and most recently revised in 2009. The Town is located north of the City of Norwalk, west of the Town of Weston, and east of the Town of New Canaan in Fairfield County, Connecticut. Wilton is 55 miles from midtown Manhattan and is within easy driving distance from Westchester County, New York. U.S. Route 7, and State Highways 33, 53, 106 and 107 traverse the Town. Rail service is provided by Metro North at two stations.

Although commercial development in Wilton was approximately 2.0% of the land area in 2017, it accounted for 14.3% of the Total Net Taxable Grand List of October 1, 2018. Top employers in Wilton include ASML, who recently expanded their operations, Bridgewater Associates, Tauck, Inc., Wilton Meadows and Melissa & Doug LLC. The composition of the remaining employers is primarily in retail trade and offices located in two main shopping areas and along a vibrant retail shopping corridor on Route 7 from the Norwalk line to one mile north of the center of Wilton.

Description of Government

The Town was incorporated in 1802, and operates with a Board of Selectmen, Board of Finance and Town Meeting form of government pursuant to the Connecticut Home Rule Act of 1957.

Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>	<u>Length of Service</u>
First Selectman.....	Lynne Vanderslice	Elected	12/01/15 - 11/30/19	3.5 Years
Chief Financial Officer / Treasurer.....	Anne Kelly-Lenz	Appointed	Indefinite	3 years
Chairman - Board of Finance.....	Jeffery Rutishauser	Elected	12/01/17 - 11/30/21	1.5 years
Superintendent of Schools.....	Dr. Kevin J. Smith	Appointed	Indefinite	5 years

Municipal Services

Public Safety

Police Department: The Wilton Police Department’s authorized staffing consists of 44 sworn officers and three civilian employees consisting of two full time dispatchers and one administrative assistant to the chief. The police department operates a Neighborhood Watch Program which began in 1984. The program incorporates a proactive approach by the community which results in the enforcement of laws and aids in the prevention of criminal activity.

Sworn police officers receive ongoing training under state mandates. Police officer certification is achieved through training at the Connecticut Police Academy as well as roll call training, plus attendance at specialized-training schools. The police department assigns two full-time School Resource Officers. A regular part of the school curriculum at the elementary level is the "Officer Friendly" program. The School Resource Officers coordinate sessions on safety, drug, and alcohol abuse by youth, and provide counseling and advice to many youth-related special interest groups. More importantly, the School Resource Officers provide an additional layer of intervention and protection within the school system.

In addition to motorized patrols, the police department utilizes a “bike patrol” community policing initiative for routine patrolling and during special events. The police department facilitates all road signs and road markings including new installations and routine maintenance. The police department has four car seat installation technicians who assist and educate the public in the proper installation of their child safety car seat.

The police department consists of State certified and are designated first responders trained at the EMR level, belongs to a six town regional Emergency Response Team (SWERT), and collaborates with the Wilton Fire Department in a joint SCUBA Team. The police department achieved CT POSTC accreditation on March 7, 2019.

This past calendar year the police department received a significant increase in pistol permit applications similar to most communities in Connecticut. The police department is required to process, investigate and ultimately determine if a pistol permit applicant is eligible for such a permit. The police department provides fingerprinting for all school applicants and for residents who are required to be fingerprinted for other liabilities.

The police department is actively committed to providing service to the community and engages in many community policing initiatives while maintaining transparency and accountability to its citizens. The police department hosts an annual citizen police academy allowing interested citizens to engage in all aspects of police work. The CPA provides an avenue for the officers to interact with citizens in a positive role. A town-wide survey administered in the fall of 2018 resulted in a 97% approval rating by the Wilton Community.

Fire Department: The Wilton Fire Department consists of 28 full-time career firefighters plus an apparatus maintenance supervisor and a full-time administrative secretary. They take pride in being a “community first” organization displayed by their compassion, professionalism, philanthropy and their ability to get the job done. The fire vehicle fleet consists of three engines, one engine/tanker, one ladder truck and six support vehicles operating from two fire stations. All firefighters receive training from, and are certified through, the Connecticut State Fire Academy. All operational shift career firefighters and officers are State Certified Emergency Medical Technicians. In addition to providing fire suppression, the department provides basic life support services during medical emergencies, hazardous materials response, dive rescue, heavy rescue, fire code inspection, fire investigation, and fire and life safety prevention educational services. The department actively participates in fire emergency mutual aid agreements with

all six neighboring communities or departments, automatic mutual aid response agreements with five neighboring communities as well as the Statewide Fire Emergency Response Plan. The department is a charter member of the Fairfield County Hazardous Material Response Team and has eight members trained to the Hazardous Materials “Technician” level. All other firefighters are trained to the “Operations Level” in accordance with OSHA 1910.120(q). The Insurance Services Office (ISO) gives Wilton a primary fire insurance rating of nine on a scale of one to ten (with one being the highest rating) in the northern 2/3 of the town where there are no water mains or fire hydrants. In this section of town, the fire department transports 4,000 gallons of water on mobile apparatus to the scene, in order to start fire operations while mutual aid is en route. In the downtown area where there are water mains and fire hydrants, the ISO rating is 4.

Ambulance and Paramedic Services: Emergency medical care and transportation in Wilton are provided by the not for profit 501 (c)(3) corporation, Wilton Volunteer Ambulance Corps, Inc. (WVAC), from facilities owned by the Town. Emergency services are provided by WVAC personnel or paid staff from Norwalk Hospital (Emergency Medical Technicians, Emergency Medical Responders, and drivers) who are on duty 24/7, 365 days a year. WVAC owns two fully equipped ambulances and responded to 1,403 calls in 2018.

Wilton-Weston Advanced Life Support Association, Inc. is a not for profit corporation formed by the towns of Wilton and Weston for the sole purpose of providing 24 hour paramedic coverage for both towns. This entity contracts with Norwalk Hospital to provide the dedicated paramedic personnel. Paramedics respond from facilities owned by the Town.

Conservation

The Town has approximately 631 acres of open space parks, which are listed below:

Bradley Park.....	82.6 acres	Trails, Boardwalk
Cherry Lane Park.....	50.5 acres	Trails, Pond
Horseshoe Park.....	8.8 acres	Pond, Birding
Schenck's Island.....	17.4 acres	Trails, Picnicking, Birding
Town Forest.....	190.8 acres	Foot Trails, Camping
Wild Duck Reserve.....	16.0 acres	Trails
Sackett Preserve.....	33.0 acres	Trails
Belknap Preserve.....	38.0 acres	Trails
Norwalk River Parks and Fields.....	33.0 acres	Ballfields, Fishing
Ambler Farm.....	23.0 acres	Historic structures, pastures
Black Farm Preserve.....	50.7 acres	Trails, Historic Structures
Grassi Property.....	71.0 acres	Trails
Rice Preserve.....	34.0 acres	Trails
Keiser Property.....	19.6 acres	Trails
Agnew Estate.....	22.0 acres	Trails
Offinger Farm on Chestnut Hill.....	15.0 acres	Farm fields, trail
Stow Property.....	21.0 acres	Trail
Keiser Family Preserve.....	36.0 acres	Farm fields, trail

In addition, other areas of open space include:

Aspetuck Land Trust Inc.....	92.5 acres
Weir Farm Arts Center/Weir Preserve.....	110.0 acres
Wilton Land Conservation Trust.....	393.0 acres
State of CT/Woodcock Nature Center.....	146.0 acres
Open Space Preserves & mini-parks.....	183.0 acres
Vista Road Property.....	36.7 acres
State of Connecticut/Quarry Head*.....	33.7 acres
United States of America/Weir Farm.....	28.2 acres

* Quarry Head is managed by the Town under an agreement with the State.

Wilton Library Association, Inc.

The Wilton Library (“Library”) has served as the principal public library for the Town since 1895. The Library and its contents are owned by the Wilton Library Association, Inc., which is governed by a Board of Trustees of 24 members. Eighteen of the trustees are elected directly by the members of the Association and six are appointed by the Board of Selectmen prior to their election by Association members.

Since 1919, the Library has received partial funding from the Town. Currently approximately 75% of the annual budget is funded by an appropriation from the Town’s General Fund. The Board carries out an annual appeal campaign for the purchase of all Library collection materials. The remainder of operating costs and some major capital expenditures are funded by the Association through fund raising events, sponsorships, grants and fees. Ninety percent of the construction cost of the Library building, in 1973, came from private donations. The balance was paid for with Federal Revenue Sharing funds. In response to growing use of its facility and services, the Library completed an \$11.4 million expansion and renovation in March 2006. Funding for the project included \$4.8 million from bonding authorized by the Town Meeting in May 2003. Additional funds came from the State of Connecticut in the amount of \$500,000 and private donations in the amount of \$6.1 million. As of June 2018, pledge payments and collected contributions total \$6,065,400 not including the grant. A purchase of adjacent property in 1996 enabled the expansion to be logistically feasible. It was financed with \$305,000 of Town bonds. The Library has reimbursed the Town for this debt service.

The Library is located in the heart of Wilton Center. Currently, 577,954 print and audiovisual resources, electronic databases, print and online magazines, newspapers, DVDs, videos, music CDs, and other items comprise its lending collections. Additionally, the Library offers a collection of downloadable e-books, audiobooks, magazines, tutorials, streaming music, and streaming movies. The Library was visited by 273,257 people to use materials and computers or attend programs from July 2017 through June 2018. Over the same period, there were 73,612 visits to the Library’s website which included locating, reserving, and renewing items, using electronic databases and other electronic resources, and interacting with its reference staff. There were 910 programs which took place during the year, with concerts, lectures, training programs, literary discussions, story times, and makers’ workshops in its new Innovation Station which offered 3D printing, robotics, and other STEAM related initiatives to 27,824 adults, teens, and children.

Parks and Recreation

The Town has approximately 219 acres of developed recreation facilities. The Parks and Recreation Department also uses eight school sites for playgrounds and athletic activities which account for 165 acres. The Town’s Park System has 44 acres of developed land. Below is a list of those facilities and their descriptive use.

- Merwin Meadows Park (17 acres) - swimming pond, athletic field, picnic facilities, playground, basketball court.
- Middlebrook Multi-Purpose Athletic Field (7 acres).
- Post Athletic Field (4 acres).
- Allen’s Meadows - six athletic fields (four of the six athletic fields are on state owned property).
- Gilbert and Bennett – athletic field, playground (4 acres).
- Comstock Community Center - indoor recreation facilities, 2 outdoor lighted basketball courts, athletic field (10 acres), 1 baseball field and 1 soccer field.
- In addition there are 12 athletic fields, 1 lighted baseball diamond, 3 softball diamonds, one of which is lighted, along with two synthetic turf athletic fields, and an all-weather track. The stadium and high school baseball and softball fields are illuminated for night events. There is also one lighted field at Middlebrook School.
- 12 Tennis Courts, 8 of which are lighted.
- Ambler Farm – Two rectangular fields.
- Lions Park - picnic pavilion, horseshoe pits, little league baseball field and fishing access.

Water Commission

The Wilton Water Commission was established in 1987 to study, manage and protect water resources serving the Town; to establish and maintain public water supply system(s); to provide for the furnishing of water by contract or otherwise; to extend or provide for the extension of water mains; and to exercise such powers as may be necessary or incidental thereto pursuant to the Connecticut General Statutes and the Code of the Town.

The Commission consists of six members, five of whom are appointed by the Board of Selectmen for five-year terms. By Town ordinance, the First Selectman is the Chairman of the Commission and exercises full voting powers.

If, after conducting a public hearing, the Commission votes to proceed on a project, it then requests an appropriation from the Board of Selectmen. The appropriation and any required authority to issue Town of Wilton general obligation bonds are submitted to the Board of Finance and then to the Town Meeting.

After completion of construction, the Commission levies special assessments upon benefited properties. At the Commission's discretion, assessments may be paid over a period of years, not to exceed ten, at an interest rate that cannot be less than the interest rate on any bonds issued to finance construction of a water project. Unpaid assessments are secured by liens against the properties.

Arrangements for connecting to mains, provision of water service and billing and payment therefore are between the property owners and the utility companies. Neither the Town nor the Water Commission is responsible for the collection of user charges.

The Water Commission is responsible for ensuring that the following projects are properly serviced and maintained in accordance with the agreement with the appropriate utility company:

<i>Project</i>	<i>Year Completed</i>	<i>Number of Properties</i>	<i>Utility Company</i>
Old Kings Highway.....	1989	113	Norwalk Second Taxing District
Deerfield Road.....	1990	31	Aquarion Water Company
Belden Hill.....	1992	64	Norwalk Second Taxing District
Heather Lane.....	1992	20	Aquarion Water Company
Washington Post Drive.....	1995	18	Aquarion Water Company
New Street.....	2001	27	Aquarion Water Company
Church Street/West Church Street.....	2002	15	Aquarion Water Company
Salem Road.....	2005	13	Aquarion Water Company

Wilton Water Pollution Control Authority (WPCA)

The Water Pollution Control Authority (the "WPCA") was established in 1977 pursuant to Sec. 7-246 of the Connecticut General Statutes. The WPCA consists of six members, five of whom are appointed by the Board of Selectmen for five-year terms. By Town ordinance the First Selectman is the Chairman of the WPCA with full voting powers. The WPCA may exercise all of the powers granted under Chapter 103 of the Connecticut General Statutes, as amended.

Upon completion of a sewer construction, acquisition or improvement, the WPCA levies special assessments upon benefited properties which take into account lot size, assessed value and "units of use" as established by the WPCA. The assessments are secured by liens on the properties. Special assessments may be paid in single payments or annual installments, with interest. Under the Connecticut General Statutes, sewer assessments can only be used to construct, improve or expand sewer facilities, or to pay debt service on obligations issued for such purposes. The Town presently has no outstanding sewer-related debt.

Currently, approximately 780 properties in the Town are "sewered." Treatment is provided by the City of Norwalk under a contract with the WPCA. The WPCA is billed annually by Norwalk under a formula, which takes into account volume of treated effluent and the operating and capital costs of the Norwalk Treatment Plant and Norwalk's debt service on system improvements serving Wilton. The WPCA adopts an annual operating budget upon which user charges are based. User charges are flat fees, which are based upon "units of use" as opposed to actual usage, and are due in July of each year and are collected by the Tax Collector of the Town. The user charge for fiscal year 2019 is \$219.00 per unit of use. Delinquent user charges are secured by liens against the properties.

Municipal Solid Waste

Effective January 1, 2014, the Town entered into a five and one half year agreement with City Carting, Inc. (“City Carting”) for the disposing of municipal solid waste (“MSW”). There is no minimum or maximum tonnage that the Town is required to deliver to City Carting. The Town will pay City Carting \$80.00 per ton of delivered MSW with a 3% increase per year beginning July 1, 2015. Effective January 1, 2014, the Town entered into an agreement with City Carting for recyclable materials. The agreement runs from January 1, 2014 through June 30, 2019. The Town receives \$20.00 for each ton of recyclable material delivered to City Carting.

The Town is in the process of negotiating a new contract for disposal services for both MSW and recyclable materials to begin July 1, 2019. At the present time, the Town anticipates that both MSW & Recycling costs will increase approximately 6%. The Town estimates that it will no longer receive a rebate on recyclable material and may be required to pay a tipping fee for the disposal.

The Town charges fees to commercial haulers and residents who use the Town’s Transfer Station. Operations of the Transfer Station are accounted for in an enterprise fund, subsidized by annual appropriations from the general fund, mainly to support recycling activities. The maximum annual subsidies have been as follows:

<i>Fiscal Year</i>	<i>Subsidy</i>
2020	\$375,000
2019	275,000
2018	275,000
2017	375,000
2016	275,000

(The remainder of this page intentionally left blank)

Education System

The Board of Education consists of six members, each of whom serves a four year term of office. Three members are elected at one regular Town election; three members are elected at the next succeeding regular Town election; and so forth alternately. Under the provisions of the Connecticut General Statutes sec. 10-220, the Board “shall maintain good public elementary and secondary schools, implement the educational interests of the state...and provide such other educational activities as in its judgments will best serve the interests of the school district.” Two elementary schools, one middle school, and one high school provide educational programs to students in grades pre-kindergarten special education through twelve.

In the last ten years, the (K-5) elementary student population has decreased by 19.3%, the middle school (grades 6-8) has decreased by 2.8%, and the high school has decreased by 1.4%. The enrollment for school year as of October 1, 2018 totaled 3,933 pupils pre-K through grade 12. Projections for 2019 through 2021 estimate the elementary school population will increase by 0.03%, the middle school population will decrease by 0.11%, and the high school population will decrease by 0.03%.

School Enrollment

<i>Historical</i>						
<i>October 1,</i>	<i>Pre-K</i>		<i>K-5</i>	<i>6-8</i>	<i>9-12</i>	<i>Total</i>
	<i>Sp. Ed.</i>					
2009	60		1,970	1,034	1,293	4,357
2010	60		1,910	1,058	1,294	4,322
2011	75		1,910	1,058	1,294	4,337
2012	75		1,876	1,053	1,310	4,314
2013	75		1,854	1,057	1,313	4,299
2014	78		1,782	1,047	1,353	4,260
2015	78		1,745	1,019	1,340	4,182
2016	38		1,669	1,018	1,351	4,076
2017	54		1,628	1,005	1,334	4,021
2018	63		1,590	1,005	1,275	3,933
<i>Projected</i> ¹						
2019	64		1,602	948	1,285	3,899
2020	65		1,613	923	1,291	3,892
2021	66		1,644	899	1,241	3,850

¹ Plus 20 out of district students each year.
 Source: Superintendent's Office, Town of Wilton.
 Projected results from Milone & McBroom as of January 2019

School Facilities

<i>School</i>	<i>Grades</i>	<i>Enrollment</i> <i>10/1/2018</i>	<i>Rated</i> <i>Capacity</i>	<i>Date Opened</i> <i>(Additions or</i> <i>Renovations)</i>	<i>Exterior</i> <i>Construction</i>	<i>Number of</i> <i>General</i> <i>Classrooms</i>
Miller/Driscoll...	K-2	730	1,080	1964, 1969 (1989, 1996, 2015)	Brick	54
Cider Mill.....	3-5	860	1,100	1950 (1958, 2001)	Brick	49
Middlebrook.....	6-8	1,005	1,134	1962 (1988, 1993, 1998)	Brick	47
Wilton High.....	9-12	1,275	1,500	1971 (2001)	Brick	31
Total.....		3,870	4,814			181

Note: Total enrollment does not include 54 Pre-K and Special Education students.
 Source: Superintendent's Office, Town of Wilton.

Over the last decade the Town has completed major capital programs which provided for the expansion of Middlebrook and Wilton High schools and for the expansion and complete renovation of Cider Mill School. In addition, in October 2014 the Town approved approximately \$50 million for renovations and additional space at Miller-Driscoll school to bring the building up to code, address HVAC issues and accommodate the needs of the pre-K program. That project has been completed and bonded for. Future bonding, as proposed in the 5-year capital improvement program, will be for improvements and upgrades to existing school facilities.

Municipal Employees

The following table illustrates the full-time Town employment rolls for the last five fiscal years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government.....	147	152	153	157	156
Board of Education.....	605	602	584	589	595
Total.....	752	754	737	746	751

Municipal Employee Bargaining Organizations

<u>Board of Education (Full-Time Equivalent)</u>	<u>Positions Covered</u>	<u>Current Contract Expiration Date</u>
WASA Administrators.....	23	June 30, 2020
WEA Teachers.....	383	June 30, 2020
AFSCME Local 1303 Custodians.....	36	June 30, 2021
WAESCA School Secretaries and Aides.....	130 ¹	June 30, 2021
Sub-Total.....	572	
Non-Bargaining Employees.....	33	
Total Board of Education.....	605	
 <u>Town Groups (Full-time and/or salaried positions)</u>		
Wilton Police Union, Local 1429	37	June 30, 2021 ² June 30, 2019 ^{3,4}
International Association of Firefighters, Local 2233.....	26	June 30, 2019 ^{2,4} June 30, 2018 ^{3,4}
Teamster's Local 145.....	17	June 30, 2019 ^{2,4}
AFSCME Local 1303-160.....	36	June 30, 2020 ²
Sub-Total.....	116	
Non-Bargaining Employees.....	31	
Total Town Groups.....	147	
Total Town of Wilton.....	752	

¹ Full-time equivalent.

² Operating contract.

³ Pension contract.

⁴ In negotiations.

General Statutes Sections 7-473c, 7-474 and 10-153a through 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teacher's contracts, in assessing the financial capability of the municipality, there is an irrefutable presumption that a budget reserve of 15% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. Economic and Demographic Information

Population and Density

Year	Population¹	% Increase	Density²
2017	18,659 ³	3.3%	692
2010	18,062	2.4%	670
2000	17,633	10.3%	654
1990	15,989	4.2%	593
1980	15,351	12.0%	570
1970	13,711	70.8%	509
1960	8,026	--	298

¹ U.S Bureau of the Census.

² Per square mile: 26.95 square miles.

³ American Community Survey, 2013-2017

Age Distribution of the Population

Age	Town of Wilton		State of Connecticut	
	Number	Percent	Number	Percent
Under 5.....	950	5.1%	186,188	5.2%
5 to 9 years.....	1,503	8.1	206,536	5.7
10 to 14 years.....	1,806	9.7	225,831	6.3
15 to 19 years.....	1,697	9.1	249,777	6.9
20 to 24 years.....	805	4.3	245,849	6.8
25 to 34 years.....	849	4.6	439,239	12.2
35 to 44 years.....	2,170	11.6	433,401	12.1
45 to 54 years.....	3,222	17.3	535,611	14.9
55 to 59 years.....	1,542	8.3	266,501	7.4
60 to 64 years.....	1,238	6.6	229,788	6.4
65 to 74 years.....	1,593	8.5	318,515	8.9
75 to 84 years.....	888	4.8	167,133	4.6
85 years and over.....	396	2.1	90,109	2.5
Total.....	18,659	100.0%	3,594,478	100.0%
Median Age (Years).....	43.2		40.8	

Source: American Community Survey, 2013-2017

Income Distribution

Income	Town of Wilton		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	47	1.0%	27,787	3.1%
\$10,000 to \$14,999.....	22	0.5	16,143	1.8
\$15,000 to \$24,999.....	75	1.5	41,072	4.6
\$25,000 to \$34,999.....	105	2.2	52,218	5.8
\$35,000 to \$49,999.....	117	2.4	82,371	9.2
\$50,000 to \$74,999.....	266	5.4	134,356	15.0
\$75,000 to \$99,999.....	252	5.2	122,244	13.6
\$100,000 to \$149,999.....	834	17.1	186,352	20.8
\$150,000 to \$199,999.....	619	12.7	100,359	11.2
\$200,000 or more.....	2,545	52.1	132,765	14.8
Total.....	4,882	100.0%	895,667	100.0%

Source: American Community Survey, 2013-2017

Income Levels

	<u>Town of Wilton</u>	<u>State of Connecticut</u>
Per Capita Income, 2017 ¹	\$ 82,428	\$41,365
Per Capita Income, 2010 Census.....	\$ 78,887	\$36,468
Per Capita Income, 2000 Census.....	\$ 65,806	\$28,766
Median Family Income, 2017 ¹	\$205,902	\$93,800
Median Family Income, 2010 Census.....	\$188,958	\$83,797
Median Family Income, 2000 Census.....	\$161,611	\$79,105
Percent Below Poverty (All Families), 2010.....	0.8%	7.9%

¹ U.S Bureau of the Census. American Community Survey, 2013-2017

Source: U.S. Bureau of Census, 2000 and 2010 Census.

Educational Attainment Persons 25 Years and Older

	<u>Town of Wilton</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	168	1.4%	104,623	4.2%
9th to 12th grade, no diploma.....	90	0.8	137,877	5.6
High School graduate (includes equivalency)....	764	6.4	673,582	27.2
Some college, no degree.....	1,103	9.3	422,535	17.0
Associate degree.....	674	5.7	188,481	7.6
Bachelor's degree.....	4,693	39.4	532,055	21.5
Graduate or professional degree.....	4,406	37.0	421,144	17.0
Total	11,898	100.0%	2,480,297	100.0%
Total high school graduate or higher (%).....		97.8%		90.2%
Total bachelor's degree or higher (%).....		76.5%		38.4%

Source: American Community Survey, 2013-2017

Major Employers As of March 2019

<u>Name</u>	<u>Business</u>	<u>Number of Employees</u>
ASML Lithography Systems.....	Printing Machinery & Equipment	1,493
Bridgewater Associates Investments.....	Investment Advisors	462
Tauck, Inc.....	Tour Operator	243
Wilton Meadows.....	Nursing Home	234
Melissa & Doug LLC.....	Toy and Puzzle Wholesaler	230
Tracy Locke Partnership.....	Marketing Communications Services	182
TLP Inc.....	Advertising Services	182
Wilton Retirement Housing.....	Nursing Home	166
Louis Dreyfus.....	Agri Business	159
Cotiviti.....	Recovery Auditing	156

Source: Town of Wilton - Community Development Department and Telephone Survey

Employment by Industry
(Employed Persons 16 Years and Over)

Sector	Town of Wilton		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	25	0.3%	7,166	0.4%
Construction.....	214	2.4	104,122	5.8
Manufacturing.....	585	6.7	191,519	10.6
Wholesale trade.....	232	2.7	44,741	2.5
Retail trade.....	848	9.7	193,016	10.7
Transportation and warehousing, and utilities.....	143	1.6	68,926	3.8
Information.....	558	6.4	42,200	2.3
Finance, insurance, real estate, and rental Professional, scientific, management, administrative, and waste management services.....	1,642	18.8	163,810	9.1
Education, health and social services.....	2,187	25.0	208,130	11.5
Arts, entertainment, recreation, accommodation and food services.....	1,562	17.9	478,083	26.5
Other services (except public administration).....	365	4.2	153,679	8.5
Public Administration.....	233	2.7	82,538	4.6
Total Labor Force, Employed.....	156	1.8	67,156	3.7
	8,750	100.0%	1,805,086	100.0%

Source: American Community Survey, 2013-2017

Employment Data
(by Place of Residence)

Period	Percentage Unemployed				
	Town of Wilton		Town of	Bridgeport-	State of
	Employed	Unemployed	Wilton	Stamford	Connecticut
February 2019	8,130	304	3.6	4.4	4.4
Annual Average					
2018.....	8,207	266	3.1	4.1	4.1
2017.....	8,320	321	3.7	4.7	4.7
2016.....	8,236	349	4.1	5.2	5.3
2015.....	8,233	341	4.0	5.5	5.6
2014.....	8,180	388	4.5	6.2	6.7
2013.....	7,818	470	5.7	7.3	7.9
2012.....	7,919	499	5.9	7.8	8.3
2011.....	7,796	494	6.0	8.2	8.8
2010.....	7,839	512	6.1	8.4	9.0
2009.....	7,858	504	6.0	7.8	8.2

Source: Department of Labor, State of Connecticut.

Age Distribution of Housing

Year Built	Town of Wilton		State of Connecticut	
	Units	Percent	Units	Percent
2010 or later.....	99	1.5%	22,675	1.5%
2000 to 2009.....	624	9.7	105,131	7.0
1990 to 1999.....	553	8.6	114,261	7.6
1980 to 1989.....	1,014	15.7	191,939	12.7
1970 to 1979.....	1,117	17.3	200,217	13.3
1940 to 1969.....	2,320	35.9	535,477	35.5
1939 or earlier.....	739	11.4	338,011	22.4
Total Housing Units.....	6,466	100.0%	1,507,711	100.0%
Percent Owner Occupied.....		85.9%		66.6%

Source: American Community Survey, 2013-2017

Housing Inventory

Type	Town of Wilton		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	5,454	84.3%	892,621	59.2%
1-unit, attached.....	250	3.9	81,393	5.4
2 units.....	96	1.5	123,040	8.2
3 or 4 units.....	124	1.9	130,914	8.7
5 to 9 units.....	56	0.9	82,787	5.5
10 to 19 units.....	143	2.2	56,540	3.8
20 or more units.....	343	5.3	128,477	8.5
Mobile home.....	-	-	11,564	0.8
Boat, RV, van, etc.....	-	-	375	0.0
Total Inventory.....	6,466	100.0%	1,507,711	100.0%

Source: American Community Survey, 2013-2017

Building Permits

Fiscal Year Ending 6/30	Residential ¹		Commercial ¹		Totals	
	No.	Value	No.	Value	No.	Value
	2018	6	\$ 4,039,200	52	\$ 45,797,594	58
2017	7	4,701,225	37	12,992,052	44	17,693,277
2016	10	10,659,720	42	54,792,417	52	65,452,137
2015	17	11,702,470	50	22,704,409	67	34,406,879
2014	26	15,347,530	47	17,230,260	73	32,577,790
2013	11	7,909,260	67	30,109,749	78	38,019,009
2012	10	7,960,090	75	23,430,312	85	31,390,402
2011	7	4,825,220	84	29,805,444	91	34,630,664
2010	7	5,792,575	53	8,001,542	60	13,794,117
2009	7	5,607,940	44	39,159,116	51	44,767,056

¹ New construction only for residential, all permits for commercial.

Source: Town of Wilton, Building Department.

Owner-Occupied Housing Values

Specified Owner-Occupied Units	Town of Wilton		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	29	0.6%	24,038	2.7%
\$50,000 to \$99,999.....	-	-	29,789	3.3
\$100,000 to \$149,999.....	20	0.4	83,320	9.2
\$150,000 to \$199,999.....	50	1.0	141,024	15.6
\$200,000 to \$299,999.....	117	2.3	244,356	26.9
\$300,000 to \$499,999.....	545	10.6	236,671	26.1
\$500,000 to \$999,999.....	2,983	58.1	106,192	11.7
\$1,000,000 or more.....	1,391	27.1	41,408	4.6
Total.....	5,135	100.0%	906,798	100.0%
Median Sales Price.....	\$815,500		\$270,100	

Source: American Community Survey, 2013-2017

Land Use Summary

Type of Land Use	1987		2001		2017	
	Land Area in Use (Acres)	% of Total Town Area	Land Area in Use (Acres)	% of Total Town Area	Land Area in Use (Acres)	% of Total Town Area
Residential.....	8,751	50.0%	9,465	54.1%	9,501	54.3%
Commercial.....	198	1.1	351	2.0	355	2.0
Corporate/R&D.....	507	2.9	81	0.5	94	0.5
Governmental/Institutional...	512	2.9	607	3.5	607	3.5
Public Parks & Open Space..	705	4.0	1,413	8.1	1,413	8.1
Private Open Space & Rec...	596	3.4	634	3.6	634	3.6
Watershed.....	1,177	6.7	1,174	6.7	1,174	6.7
Roads & Utilities.....	1,570	9.0	972	5.6	972	5.6
Total in Use.....	14,016	80.1	14,697	84.0	14,750	84.3
Vacant/Undeveloped.....	3,474	19.9	2,793	16.0	2,740	15.7
Total Area.....	17,490	100.0%	17,490	100.0%	17,490	100.0%

¹ The next update will not be available until June 2019. There has not been substantial development spikes weighted towards any particular land use category, so allocation of development growth should remain largely constant.

Source: Town of Wilton, Planning and Zoning Department

(The remainder of this page intentionally left blank)

IV. Tax Base Data

Property Tax

Assessments

The maintenance of an accurate tax base and the location and appraisal of all real and personal property within the Town for inclusion in the Grand List are the responsibilities of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last completed revaluation (Grand List 10/1/18).

Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. Wilton's next revaluation is October 1, 2022.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of full months of ownership from the date of registration to the end of the assessment year (September 30). Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 39.00 mills for the assessment year commencing October 1, 2016, and 45.00 mills for the assessment year commencing October 1, 2017, and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2017 assessment year (the fiscal year ending June 30, 2019) is 28.19 mills.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Levy

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness

law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

Property taxes are levied on all assessed taxable property on the Grand List of October 1 prior to the beginning of the fiscal year. Tax bills are payable in two installments - July 1 and January 1, except for motor vehicle taxes, and tax bills under \$100, which are payable in one installment in July. Estimating a collection rate of less than 100% when computing anticipated property tax revenue from the current levy provides a margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor corrections. Delinquent tax notices are mailed at least two times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants are used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property taxes that the Tax Collector deems uncollectable are annually transferred to suspense subject to approval of the Board of Finance. In Fiscal Year 2018, \$7,322 was transferred to suspense.

Under Section 12-129n of Connecticut General Statutes, the Town has a local tax relief program for qualified elderly and disabled taxpayers. Wilton's program permits tax deferrals, tax credits, or a combination thereof. Each fiscal year, deferred taxes bear interest at an annual rate set by the Board of Selectmen. Those annual rates were 2.75% in 2017 and 2.75% in 2018. Fiscal Year 2018 credits and deferrals are \$997,618 and \$84,373, respectively. Deferred taxes are secured by liens against the real estate to guarantee future collection.

Pursuant to state law, except for deferrals, all taxes uncollected 15 years from the original due date must be written off as uncollectable. In accordance with generally accepted accounting principles, taxes, interest and lien fees collected within 60 days after June 30 are accrued as revenue as of June 30.

Comparative Assessed Valuations

Grand List of 10/1	Residential Real Property (%)	Commercial/Industrial Real Property (%)	All Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
2018 ¹	73.0	14.3	0.9	7.1	4.7	\$ 4,351,823,670	\$ 100,089,110	\$ 4,251,734,560
2017	74.3	13.9	1.0	6.2	4.6	4,413,739,795	71,585,821	4,342,153,974
2016	75.6	14.1	1.0	4.7	4.6	4,382,916,700	66,789,800	4,316,126,900
2015	74.5	13.9	1.2	5.8	4.6	4,363,500,779	58,929,829	4,304,570,950
2014	74.2	14.0	1.3	5.9	4.6	4,352,260,300	55,474,700	4,296,785,600
2013	74.4	14.0	1.3	5.7	4.6	4,313,344,800	47,712,750	4,265,632,050
2012 ¹	74.4	14.1	1.4	5.6	4.5	4,284,449,770	46,555,460	4,237,894,310
2011	78.0	13.8	1.0	3.4	3.8	5,147,385,340	34,438,540	5,112,946,800
2010	78.1	13.5	1.2	3.6	3.6	5,114,369,442	32,764,142	5,081,605,300
2009	78.1	13.5	1.2	3.7	3.5	5,082,822,539	24,339,827	5,058,482,712

¹ Revaluation

Source: Town of Wilton, Assessor's Office

Tax Exempt Property

Public	Assessed Value 10/1/2018
State of Connecticut.....	\$ 72,495,150
Town of Wilton.....	194,513,690
Other Governments.....	20,165,180
Sub-Total Public.....	287,174,020
Private	
Private Hospitals and Colleges.....	4,333,560
Scientific, Educational.....	14,292,600
Agricultural.....	360,430
Historical & Charitable.....	42,425,480
Cemeteries.....	2,456,790
Churches.....	54,117,280
Veteran's Organizations.....	786,520
Sub-Total Private.....	118,772,660
Motor Vehicles.....	1,064,060
Total Exempt Property.....	\$ 407,010,740
Percent Compared to Net Taxable Grand List ¹	9.57%

¹ Based on October 1, 2018 Net Taxable Grand List of \$4,251,734,560.

Source: Town of Wilton, Assessor's Office

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Original Net Taxable Grand List	Original Tax Levy	Net Adjustments ²	Mill Rate	Adjusted Taxes to be Collected	Percent Collected in Year Due ³	Percent Collected through 6/30/2018	Percent Uncollected as of 6/30/2018
2017	2019 ¹	\$ 4,342,153,974	\$ 122,114,326	n/a	28.19	n/a	<i>IN COLLECTION</i>		
2016	2018	4,316,126,900	118,738,006	\$ 761,758	27.77	\$ 119,531,262	99.2%	99.2%	0.8%
2015	2017	4,304,570,950	117,448,866	689,148	27.34	117,228,993	99.2	99.6	0.4
2014	2016	4,296,785,600	114,269,247	779,022	26.83	115,114,009	99.3	99.8	0.6
2013	2015	4,265,632,050	112,054,635	791,563	26.51	112,846,198	99.3	99.5	0.6
2012 ⁴	2014	4,237,894,310	109,058,765	677,326	25.99	109,436,091	99.4	99.4	0.6
2011	2013	5,112,946,800	106,615,955	540,201	21.06	107,156,156	99.4	99.7	0.2
2010	2012	5,081,605,300	104,963,812	467,905	20.85	105,431,717	99.4	99.7	0.1
2009	2011	5,058,482,712	101,237,589	321,267	20.16	101,505,090	99.3	99.8	0.0
2008	2010	5,021,331,498	97,619,745	291,408	19.58	97,977,183	99.4	99.5	0.0
2007 ⁴	2009	4,971,093,805	95,441,502	400,955	19.31	95,842,457	99.5	99.9	0.0

¹ Unaudited and subject to adjustment.

² Includes Supplemental Motor Vehicle levies, suspense transfers, Assessor's corrections, etc.

³ Note: Prior to FYE2014, the numbers listed in the Town's annual audit report did not include collections through August. In order to make the number comparable with prior years, the numbers have been updated to include July and August's collections.

⁴ Revaluation

Source: Town of Wilton, Tax Collector

Percent Uncollected includes taxes deferred under the local Tax Relief for Elderly and Disabled Program. Total taxes receivable, including deferrals, are listed below:

Grand List of 10/1	Year Ending 6/30	Taxes Receivable¹
2016	2018	\$ 854,279
2015	2017	467,881
2014	2016	244,365
2013	2015	185,756
2012	2014	140,837
2011	2013	114,947
2010	2012	110,900
2009	2011	55,836
2008	2010	57,450
2007	2009	49,670

¹ As of June 30, 2018. The total for all years (including those not listed here), is \$2,421,621. Includes deferrals.

Top Ten Largest Taxpayers

Name	Nature of Business	Assessed Value	Percent of Net Taxable Grand List¹
Connecticut Light & Power Company....	Public Utility	\$ 101,155,200	2.38%
Teachers Insurance & Annuity Assoc.....	Financial Services	63,600,110	1.50
Avalonbay Communities, Inc.....	Rental Housing	52,482,010	1.23
ASML US Inc.....	Semiconductors & Lithographic Equip.	38,185,150	0.90
Wilton Campus 1691 LLC.....	Investment Company	29,022,980	0.68
Wilton 50 LLC.....	Investment Company	19,896,350	0.47
Wilton 40 LLC.....	Investment Company	18,485,740	0.43
Wilton River Park 1688 LLC.....	Investment Company	16,791,460	0.39
Wilton Retirement Housing LLC.....	Health Care	16,710,800	0.39
I Park Norwalk II LLC.....	Investment Company	14,819,420	0.35
Total.....		\$ 371,149,220	8.73%

¹ Based on October 1, 2018 Net Taxable Grand List of \$4,251,734,560.

Source: Town of Wilton, Assessor's Office.

(The remainder of this page intentionally left blank)

V. Debt Summary
Long-Term Bonded Debt
As of May 6, 2019
(Pro Forma)

<u>Year Issued</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u> ²	<u>Fiscal Year of Maturity</u>
2000	Public Improvement.....	5.00-5.25	\$ 6,595,000	\$ 367,534	2020
2000	School.....	5.00-5.25	2,735,000	152,419	2020
2000	Water. ¹	5.00-5.25	270,000	15,047	2020
2009	Public Improvement Refunding...	3.00-5.00	3,750,379	801,155	2022
2009	School Refunding.....	3.00-5.00	8,633,377	938,935	2022
2009	Water Refunding	3.00-5.00	111,244	9,910	2022
2011	General Purpose Refunding.....	2.00-4.00	7,238,000	3,795,000	2025
2011	Schools Refunding.....	2.00-4.00	2,607,000	1,250,000	2025
2012	General Purpose	2.00-2.50	5,110,000	3,550,000	2033
2012	Schools	2.00-2.50	2,800,000	1,960,000	2033
2014	General Purpose	2.00-4.00	3,320,000	2,475,000	2034
2014	Schools	2.00-4.00	1,400,000	1,050,000	2034
2015	General Purpose	2.125-5.00	14,211,000	11,370,000	2035
2015	Schools	2.125-5.00	8,539,000	6,820,000	2035
2015	Schools Refunding.....	3.00-5.00	7,731,000	6,660,000	2030
2016	General Purpose	2.00-5.00	90,000	80,000	2034
2016	Schools	2.00-5.00	15,698,000	14,125,000	2036
2016	Schools Refunding.....	2.00-3.00	3,450,000	2,760,000	2028
2017	General Purpose	2.00-5.00	1,800,000	1,440,000	2037
2017	Schools	2.00-5.00	6,850,000	6,110,000	2037
2018	General Purpose	3.00-5.00	4,510,500	4,260,500	2038
2018	Schools	3.00-5.00	7,204,500	6,834,500	2038
	Sub-Total Outstanding.....		\$ 114,654,000	\$ 76,825,000	
<u>This Issue</u>					
2019	General Purpose	<i>tbd</i>	\$ 3,400,565	\$ 3,400,565	2029
2019	Schools	<i>tbd</i>	199,435	199,435	2029
	Sub-Total This Issue Bonds.....		3,600,000	3,600,000	
	Total All Bonds.....		\$ 118,254,000	\$ 80,425,000	

¹ Water debt is paid by assessments levied against benefited property owners. The assessments are secured by liens against the properties and are therefore self-supporting.

² Excludes refunded bonds.

Short-Term Debt
As of May 6, 2019
(Pro Forma)

The Town has no outstanding short term debt as of the date of this Official Statement.

Annual Long-Term Bonded Debt Maturity Schedule
As of May 6, 2019
(Pro Forma)

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	This Issue:			Total Principal	Cumulative Principal Retired %
				Gen. Purp.	Schools	Total		
2019 ¹	\$ 790,000	\$ 230,850	\$ 1,020,850	\$ -	\$ -	\$ -	\$ 790,000	0.98%
2020	7,340,000	2,489,354	9,829,354	340,565	19,435	360,000	7,700,000	10.56
2021	6,015,000	2,229,335	8,244,335	340,000	20,000	360,000	6,375,000	18.48
2022	6,030,000	1,958,335	7,988,335	340,000	20,000	360,000	6,390,000	26.43
2023	5,710,000	1,699,585	7,409,585	340,000	20,000	360,000	6,070,000	33.98
2024	5,460,000	1,468,573	6,928,573	340,000	20,000	360,000	5,820,000	41.21
2025	5,225,000	1,269,898	6,494,898	340,000	20,000	360,000	5,585,000	48.16
2026	4,410,000	1,120,098	5,530,098	340,000	20,000	360,000	4,770,000	54.09
2027	4,410,000	1,001,179	5,411,179	340,000	20,000	360,000	4,770,000	60.02
2028	4,170,000	888,779	5,058,779	340,000	20,000	360,000	4,530,000	65.65
2029	4,105,000	787,066	4,892,066	340,000	20,000	360,000	4,465,000	71.20
2030	4,085,000	676,603	4,761,603	-	-	-	4,085,000	76.28
2031	3,405,000	563,890	3,968,890	-	-	-	3,405,000	80.52
2032	3,400,000	468,953	3,868,953	-	-	-	3,400,000	84.74
2033	3,400,000	371,365	3,771,365	-	-	-	3,400,000	88.97
2034	3,025,000	276,534	3,301,534	-	-	-	3,025,000	92.73
2035	2,785,000	183,688	2,968,688	-	-	-	2,785,000	96.20
2036	1,645,000	95,925	1,740,925	-	-	-	1,645,000	98.24
2037	865,000	45,200	910,200	-	-	-	865,000	99.32
2038	550,000	17,875	567,875	-	-	-	550,000	100.00
	<u>\$ 76,825,000</u>	<u>\$ 17,843,082</u>	<u>\$ 94,668,082</u>	<u>\$ 3,400,565</u>	<u>\$ 199,435</u>	<u>\$ 3,600,000</u>	<u>\$ 80,425,000</u>	

¹ Excludes principal payments of \$7,470,000 and interest payments of \$2,580,159 paid from July 1, 2018 through May 6, 2019.

Overlapping/Underlying Debt

The Georgetown Fire District (the "District") is a volunteer fire company that provides fire/rescue services to portions of Redding, Weston, and the Town. The District has \$1,091,829 of long-term debt. The Town is responsible for approximately 36.62% or \$399,827 of the District's debt, pursuant to an agreement between the Town and the District.

Debt Statement
As of May 6, 2019
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes This Issue).....	\$ 31,539,754
Schools (Includes This Issue).....	48,860,289
Water.....	<u>24,957</u>
Total Long-Term Debt.....	80,425,000
Short-Term Debt	<u>-</u>
Total Direct Debt.....	80,425,000
Less: School Construction Grants Receivable (As of June 30, 2018) ¹	(1,797)
Less: Water Assessments (Self-Supporting Debt) ²	<u>(24,957)</u> (26,754)
Total Net Direct Debt.....	80,398,246
Overlapping/Underlying Debt ³	<u>399,827</u>
Total Overall Net Debt.....	<u>\$ 80,798,073</u>

¹ Principal portion of approved and pending State of Connecticut school construction grants receivable over the life of outstanding school bonds. For projects approved by the Connecticut General Assembly after July 1, 1996, school construction grants will be paid during construction and the Town will bond only its net share. See "School Projects" herein for further information regarding state school grants.

² Water debt is paid by assessments levied against benefited property owners. The assessments are secured by liens against the properties.

³ The Town contributes approximately 36.62% of the Georgetown Fire District's revenues. As of July 1, 2018 the District has \$1,091,829 of outstanding debt and the Town's share of the District's total long-term debt is \$399,827.

Current Debt Ratios
As of May 6, 2019
(Pro Forma)

Population ¹	18,659
Net Taxable Grand List (10/1/18).....	\$4,251,734,560
Estimated Full Value (70%).....	\$6,073,906,514
Equalized Grand List (10/1/16).....	\$6,590,104,067
Money Income per Capita ¹	\$82,428

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
Per Capita.....	\$4,310.25	\$4,308.82	\$4,330.25
Ratio to Net Taxable Grand List.....	1.89%	1.89%	1.90%
Ratio to Estimated Full Value.....	1.32%	1.32%	1.33%
Ratio to Equalized Grand List.....	1.22%	1.22%	1.23%
Debt per Capita to Money Income per Capita.....	5.23%	5.23%	5.25%

¹ U.S Bureau of the Census. American Community Survey, 2013-2017.

Bond Authorization

The authorization of bonds, except for refunding bonds, shall be by resolution of the Town Meeting. The Board of Selectmen shall, in advance of such Town meeting, submit the bond resolution to the Board of Finance for review; should the Board of Finance object to any aspect of the bond resolution, it shall report its reasons to the Town Meeting. The Town Meeting may not amend any bond resolution. Immediately following adjournment of the Town Meeting, the voters shall vote for or against such proposal. Refunding bonds are authorized by the Board of Selectman pursuant to Section 7-370c of the General Statutes.

Maturities

Original issue general obligation (serial or term) bonds are required to be paid in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of the issue may not exceed twenty years except in the case of sewer and school bonds which may mature in up to thirty years.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be authorized and issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of bonds issued for the project must be reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently financed no later than ten years from the initial borrowing date except for school and sewer notes issued in anticipation of state and/or federal grants. If a written commitment exists, the municipality may renew temporary notes from time to time with a maturity date not to exceed six months from the issue date until such time the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause the aggregate indebtedness by class to exceed the following:

General Purposes: 2.25 times annual receipts from taxation.

School Purposes: 4.50 times annual receipts from taxation.

Sewer Purposes: 3.75 times annual receipts from taxation.

Urban Renewal Purposes: 3.25 times annual receipts from taxation.

Unfunded Past Pension Purposes: 3.00 times annual receipts from taxation.

In no case, however, shall total indebtedness exceed seven times the base.

Annual receipts from taxation (the "base") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement, and for indebtedness issued in anticipation of the receipt of proceeds from state or federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

**Statement of Statutory Debt Limitation
As of May 6, 2019
(Pro Forma)**

Total Tax Collections (including interest and lien fees)
Received by the Treasurer for the year ended June 30, 2018..... \$ 117,681,996

Reimbursement For Revenue Loss:

Tax relief for elderly 53,261
Base for Debt Limitation Computation..... \$ 117,735,257

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 264,904,328	-	-	-	-
4 1/2 times base.....	-	\$529,808,657	-	-	-
3 3/4 times base.....	-	-	\$441,507,214	-	-
3 1/4 times base.....	-	-	-	\$ 382,639,585	-
3 times base.....	-	-	-	-	\$ 353,205,771
Total Debt Limitation	\$ 264,904,328	\$529,808,657	\$441,507,214	\$ 382,639,585	\$ 353,205,771
Indebtedness: ¹					
Bonds Outstanding	\$ 28,139,189	\$ 48,660,854	\$ -	\$ -	\$ -
Bonds – This Issue.....	3,400,565	199,435	-	-	-
Overlapping Debt (Town's Share) ²	399,827	-	-	-	-
Debt Authorized But Unissued.....	299,435	200,565	-	-	-
Total Indebtedness	32,239,016	49,060,854	-	-	-
Less:					
State School Grants Receivable ³	-	(1,797)	-	-	-
Total Net Indebtedness	32,239,016	49,059,057	-	-	-
DEBT LIMITATION IN EXCESS					
OF OUTSTANDING INDEBTEDNESS	\$ 232,665,312	\$480,749,600	\$441,507,214	\$ 382,639,585	\$ 353,205,771

¹ \$24,957 of water bonds outstanding are excluded from this calculation pursuant to Connecticut General Statutes.

² The Town contributes approximately 36.62% of the Georgetown Fire District's revenues. As of July 1, 2018 the District has \$1,091,829 of outstanding debt and the Town's share of the District's total long-term debt is \$399,827.

³ See "School Projects" herein for further information regarding state school grants.

Note: At no time shall total indebtedness exceed seven times the base which equals \$824,146,799.

THE TOWN OF WILTON HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Authorized but Unissued Debt
As of May 6, 2019
(Pro Forma)

Project	Bonds Authorized	Previously Bonded	The Bonds	Authorized But Unissued Debt
Field Replacement.....	\$ 700,000	\$ -	\$ 694,518	\$ 5,482
Bus Barn.....	400,000	-	199,435	200,565
Road Improvements.....	3,000,000	-	2,706,047	293,953
Total.....	\$ 4,100,000	\$ -	\$ 3,600,000	\$ 500,000

Principal Amount of Outstanding Debt
Last Five Fiscal Years

Long-Term Debt ¹	2018	2017	2016	2015	2014
Bonds	\$ 84,295,000	\$ 81,880,000	\$ 81,778,000	\$ 74,075,000	\$ 58,735,000
Short-Term Debt					
Bond Anticipation Notes	-	-	-	-	-
Totals	\$ 84,295,000	\$ 81,880,000	\$ 81,778,000	\$ 74,075,000	\$ 58,735,000

¹ Does not include debt issued for Business-Type Activities or capital leases.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value ¹	Net Long-Term Debt ²	Ratio of Net Long-Term Debt to			Population ³	Ratio of Net Long-Term Debt per Capita to Per Capita Income ⁴ (%)	
				Assessed Value (%)	Estimated Full Value (%)	Population ³		Net Long-Term Debt per Capita	Per Capita Income ⁴ (%)
2018	\$ 4,316,126,900	\$ 6,165,895,571	\$ 84,293,203	1.95	1.37	18,659	\$ 4,517.56	5.48	
2017	4,304,570,950	6,149,387,071	81,873,518	1.90	1.33	18,659	4,387.88	5.32	
2016	4,296,785,600	6,138,265,143	81,623,244	1.90	1.33	18,659	4,374.47	5.31	
2015	4,265,632,050	6,093,760,071	73,920,244	1.73	1.21	18,659	3,961.64	4.81	
2014	4,237,894,310	6,054,134,729	58,243,014	1.37	0.96	18,659	3,121.44	3.79	

¹ Assessment Ratio, 70%.

² Excludes School Construction Grants (principal only).

³ Sources of Population Statistics: U.S. Bureau of the Census (2013-17).

⁴ Money Income per Capita (2017): \$82,428.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
to General Fund Expenditures and Transfers Out**

Fiscal Year Ended 6/30	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures
2019 ¹	\$ 9,353,076	\$ 2,127,626	\$ 11,480,702	\$ 142,312,646	8.07%
2018	9,420,333	2,481,858	11,902,191	140,490,556	8.47%
2017	8,548,000	2,753,664	11,301,664	138,034,560	8.19%
2016	8,208,138	2,553,157	10,761,295	130,652,578	8.24%
2015	6,970,000	2,017,764	8,987,764	126,675,792	7.10%
2014	6,890,000	2,184,841	9,074,841	124,496,295	7.29%

¹ Budget for Fiscal Year 2019. GAAP Basis for all other fiscal years. Includes transfers out.

Capital Improvement Program

Proposed Projects	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Total
Fire.....	\$ -	\$ 550,000	\$ 480,000	\$ -	\$ -	\$ 1,030,000
Police.....	-	6,000,000	5,394,000	-	-	11,394,000
Public Works.....	3,548,150	3,310,085	3,425,940	2,813,900	2,446,640	15,544,715
Parks & Recreation.....	-	900,000	250,000	-	-	1,150,000
Subtotal Selectmen.....	\$ 3,548,150	\$ 10,760,085	\$ 9,549,940	\$ 2,813,900	\$ 2,446,640	\$ 29,118,715
BOE.....	\$ 1,430,000	\$ 1,350,000	\$ 1,450,000	\$ 1,900,000	\$ 1,500,000	\$ 7,630,000
Subtotal Education.....	1,430,000	1,350,000	1,450,000	1,900,000	1,500,000	7,630,000
Total Project Costs.....	\$ 4,978,150	\$ 12,110,085	\$ 10,999,940	\$ 4,713,900	\$ 3,946,640	\$ 36,748,715
Proposed Funding						
G.O. Bonds.....	\$ 4,978,150	\$ 12,110,085	\$ 10,999,940	\$ 4,713,900	\$ 3,946,640	\$ 36,748,715
Total Funding Sources.....	\$ 4,978,150	\$ 12,110,085	\$ 10,999,940	\$ 4,713,900	\$ 3,946,640	\$ 36,748,715

Note: Year is fiscal year of appropriation and/or bond authorization, which is not necessarily the year of bond issuance. Fiscal years 2020 through 2024 are estimates for planning purposes only and do not represent appropriations or bond authorizations.

VI. Financial Administration

Fiscal Year

The Town's fiscal year begins July 1 and ends June 30.

Basis of Accounting

The Town's accounting policies are summarized in Note 1 of the Audited Financial Statements.

Budget Procedure

The Town uses the following schedule in the preparation and adoption of the annual General Fund Budget:

- All departments (except the Board of Education) submit their requests to the First Selectman on or prior to a date determined by the First Selectman.
- Requests are reviewed and modified as necessary prior to submission to the Board of Finance.
- The Board of Selectmen and the Board of Education must submit their requests to the Board of Finance at least 60 days prior to the Annual Town Meeting.
- The Board of Finance must hold public hearings at least 35 days prior to the Annual Town Meeting.
- The Board of Finance recommends to the Annual Town Meeting a budget and rate for taxation.
- The Annual Town Meeting occurs in the first week of May, on a day determined by the Board of Selectmen.

If at least 15% of the eligible electorate votes, and a majority thereof reject the recommended budget, the Board of Finance reconsiders its recommendations in consultation with the Board of Selectmen and the Board of Education, and submits reconsidered recommendations to a reconvened Town Meeting, which must be held within 25 days of the date the original recommended budget was rejected. At the reconvened Town Meeting, the reconsidered recommendation shall either be approved or amended and reduced, provided no appropriation may be reduced below the legal obligation of the Town. The reconsidered recommendation cannot be rejected in its entirety.

Annual Audit

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Board of Finance, is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2018 the financial statements of the various funds of the Town are being audited by Blum Shapiro & Company, P.C. of West Hartford, Connecticut.

Insurance

The Town is exposed to various risks of loss related to employee health; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years. For the 2016 Fiscal Year, the Town's major insurance coverage is as follows:

General Liability

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each occurrence
\$2,000,000 general aggregate
Deductible: None

Commercial Property

Carrier: Great American Insurance Co.
Limits: \$182,311,637 blanket
Deductible: \$10,000

Boiler and Machinery

Carrier: Great American Insurance Co.
Limits: \$50,000,000 blanket
Deductible: \$10,000

Commercial Automobile

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 combined single limit per incident
Deductible: Collision \$2,000; Other than collision \$1,000

Umbrella Liability

Carrier: Argonaut Insurance Company
Limits: \$10,000,000
Retention: \$10,000

Workers' Compensation

Carrier: CIRMA
Limits: Statutory benefits as prescribed by Connecticut General Statutes
Deductible: Paid loss deductible capped at: \$250,000 per loss event/\$650,000 aggregate

Law Enforcement Liability

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each wrongful act /\$3,000,000 aggregate
Deductible: \$10,000 each wrongful act

Public Officials (excluding Board of Education)

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each wrongful act /\$3,000,000 aggregate
\$500,000 wrongful employment act loss adjustment expense
Deductible: \$15,000 each wrongful act
\$15,000 each wrongful employment act

Employment Practices Liability (excluding Board of Education)

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each wrongful act /\$3,000,000 aggregate
\$500,000 wrongful employment act loss adjustment expense
Deductible: \$15,000 each wrongful act
\$15,000 each wrongful employment act

School Leaders Professional

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each wrongful act/\$3,000,000 aggregate
\$500,000 wrongful employment act loss adjustment expense
Deductible: \$10,000 each wrongful act
\$15,000 each wrongful employment act

Employment Practices Liability

Carrier: Argonaut Insurance Co.
Limits: \$1,000,000 each wrongful act/\$3,000,000 aggregate
\$500,000 wrongful employment act loss adjustment expense
Deductible: \$10,000 each wrongful act
\$15,000 each wrongful employment act

Effective July 1, 2011, the Town joined the BOE in self-insuring its employee health insurance costs. The Town and the Board of Education (“BOE”) report their self-insured employee health insurance activities in an Internal Service Fund. Claim expense and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. They have also purchased “stop loss” insurance to limit losses to \$225,000 per person per year with a maximum aggregate for all claims of approximately 125% of anticipated claims. A reserve has been increased to cover significant claims for both organizations. The organizations are witnessing a reduction in claims through the introduction of health savings accounts for various employee groups.

CIRMA provides Wilton’s workers’ compensation coverage through a paid loss program with a \$250,000 per occurrence deductible and \$650,000 annual aggregate. The limits are statutory benefits prescribed by Connecticut General Statutes. CIRMA has a 33-year track record of providing risk financing, claims management and risk management services exclusively to Connecticut municipalities, boards of education and local public agencies.

The Town has established a Heart & Hypertension reserve for the recording of expenditures for Heart & Hypertension claims.

Investment Policy

Available cash is invested by the Treasurer in the following short-term investments: various certificates of deposit and municipal money market accounts with a Connecticut bank which meets the collateral, risk based capital and other requirements of Qualified Public Depositories as defined in section 36a-338 of the Connecticut General Statutes. The proceeds of the Town's tax exempt obligations are invested in money market accounts at US Bank.

Eligible investments for Connecticut municipalities are determined by sections 7-400 and 7-402 of the Connecticut General Statutes. In response to a recommendation by the Town's external auditor, in fiscal year ending 2008, the Board of Finance formally adopted an investment policy which incorporates the statutory provisions. The Town expects to continue to invest in the foregoing investments and those of a similar character as permitted by statutes. In 2011, the Town of Wilton initiated investment of its undesignated fund balance with approximately \$3,050,000 in mortgaged backed securities and agency funds with an average life of approximately four years with principal and interest being returned on a monthly basis. In December 2012 an additional \$3,000,000 was similarly invested. In July 2014, the Board of Finance restricted use of mortgaged backed securities for investment purposes. The WPCA has also invested capital assessment funds of approximately \$3,323,489 in authorized investment vehicles since August of 2011. Those investment vehicles have been used to bring the total of such investments of the Town as of June 30, 2018 to \$5,465,932 and the WPCA to \$1,297,000.

Please refer to Note 3 of the Town's Audited Financial Statements for a description of the Town's cash and cash equivalent investments and investment practices at June 30, 2018.

Other Post-Employment Benefits (GASB 45)

The Town elected to comply early with GASB 45 and created an OPEB Trust, effective July 1, 2007 for post-employment health insurance for employees of the Town and Board of Education. Since that time, the Town has contributed 100% of the Annual Required Contribution ("ARC"), as detailed below. Over several meetings and in consultation with the actuary, the Board adopted a tiered funding policy which is tied to the funded ratio as shown in the following table.

<u>Funded Ratio</u>	<u>Contribution</u>
Less than 85%	120% of actuary's recommendation
85% to 89.9%	115% of actuary's recommendation
90% to 94.9%	110% of actuary's recommendation
95% to 99.9%	105% of actuary's recommendation
> 99.9%	100% of actuary's recommendation

The last full valuation was completed on July 1, 2016, and based on the actuarial report that was adjusted for the increased value of the fund as of July 1, 2017, to provide the fiscal year 2018 ARC of \$326,632; however, based on the Town's funding policy, it contributed \$391,959 for fiscal year 2018. The full amount of the ARCs are deposited into the OPEB Trust.

The primary assumptions are (1) 20 year amortization of the unfunded liability, and (2) a 5.75% rate of return.

In addition to the ARC, the Trust's other sources of revenue are employee contributions, investment income and reimbursements from the State Teachers Retirement Fund ("TRB") for certified retirees of the Board of Education for periods in which they are covered by the Board's health insurance but were eligible for coverage under the TRB program.

Contributions as a percentage of the annual OPEB cost are set forth below:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed
6/30/2019 ¹	\$ 337,749	\$ 337,749	100.0%
6/30/2018	326,632	391,958	120.0%
6/30/2017	590,880	590,880	100.0%
6/30/2016	570,912	570,912	100.0%
6/30/2015	710,251	710,251	100.0%
6/30/2014	691,605	691,605	100.0%
6/30/2013	786,671	786,617	100.0%
6/30/2012	760,833	760,833	100.0%

¹ *Adopted Budget.*

Fiscal year 2018 was the Trust's eleventh year of operation. Summarized, audited financial information is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
7/1/2016	\$ 5,307,422	\$ 6,329,854	\$ (1,022,432)	83.8%	\$ 54,444,575	-1.9%
7/1/2014	4,398,419	7,665,302	(3,266,883)	57.4%	54,092,000	(6.0%)
7/1/2012	2,584,820	7,426,288	(4,841,468)	34.8%	51,627,000	(9.4%)
7/1/2010	1,454,122	7,836,743	(6,382,621)	18.6%	51,760,000	(12.3%)
7/1/2008	389,000	5,435,000	(5,046,000)	7.2%	47,744,000	(10.6%)

Pension Liability

Due to the fact that the July 1, 2006 valuation of the Town's pension plan showed an accrued, unfunded liability of \$9,956,617 vs. \$6,287,875 as of July 1, 2005 the Board of Finance had a series of meetings with the Plan Trustees, the Investment Committee and the Plan actuary to discuss actuarial assumptions, collective bargaining strategies and structural changes to reverse a troublesome trend.

Several changes resulted from those discussions. First, the Trustees immediately reduced the assumed rate of return from 8.1% to 7.8%, which was then further reduced to 7.6% with the July 1, 2011 Valuation and again to 7.25% with the July 1, 2012 Valuation. The July 1, 2017 valuation included a 6.875% assumed rate of return. Second, the Board of Trustees was expanded to include one representative each from the Board of Education and the Board of Finance. Third, the Board of Selectmen formally designated an Investment Committee comprised of citizens with professional investment expertise, and gave the Committee a formal written charge. Fourth, the Trustees engaged Mercer Investment Consulting to perform an asset/liability analysis. An additional and very significant change occurred through collective bargaining between the Town and one of its unions, AFSCME Local 1303-160. Effective July 1, 2007 newly hired employees covered by that contract will not be eligible for participation in the defined benefit plan but instead will participate in a defined contribution plan. The employer's original contribution to that plan was 9.00% of current salary, which was considerably less than the 17.56% contribution to the defined benefit plan for those employees at that time. As of October 2016, the employer contribution was lowered to 5.00%. The change also applies to newly hired non-union employees, other than sworn police and fire. Town Teamster Union employees became part of the Town's defined contribution plan in fiscal year 2013. Board of Education Custodians new to the schools as of July 1, 2010 and BOE Discretionary and WAESCA employees as of July 1, 2011 have also initiated participation in a defined contribution plan.

Of particular importance is a funding policy change formally adopted by the Board of Finance in April 2007 in conjunction with its development of the fiscal year ending 2008 budget. Historically and through fiscal year ending 2007 the Board's policy and practice had been to make the actuarially recommended employer's contribution. Over several meetings and in consultation with the actuary, the Board adopted a tiered funding policy which is tied to the funded ratio as shown on the following page.

Funded Ratio	Contribution
Less than 85%	120% of actuary's recommendation
85% to 89.9%	115% of actuary's recommendation
90% to 94.9%	110% of actuary's recommendation
95% to 99.9%	105% of actuary's recommendation
> 99.9%	100% of actuary's recommendation

More recently the Retirement Trust implemented several additional changes to the July 1, 2012 actuarial calculation of the Town's pension contribution including the retirement age, turnover, increase in compensation, mortality, amortization period for the unfunded liability and the investment return so that the actuarial valuation more closely adhered to the actual experience in Wilton. The July 1, 2012 Valuation was conducted using these changes in the formula and used to budget for contributions from fiscal year 2014 forward.

The latest revised policy was first effective with the contribution for fiscal year ending 2017. Historical ARC funding ratios are listed below:

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
6/30/2018	\$ 2,321,719	\$ 2,437,805	105.0%
6/30/2017	2,278,522	2,392,448	105.0%
6/30/2016	2,851,154	3,136,270	110.0%
6/30/2015	3,005,290	3,456,084	115.0%
6/30/2014	3,056,746	3,515,258	115.0%

Note: Based on an estimate of the ADC, the Town has budgeted to pay 105% of that amount for Fiscal Year 2019.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
6/30/2018	\$ 117,356,131	\$ 118,911,726	\$ 1,555,595	98.7%	\$ 16,643,071	9.3%
6/30/2017	111,417,634	113,018,328	1,600,694	98.6%	17,102,432	9.4%
6/30/2016	105,203,310	109,272,907	4,069,597	96.3%	17,379,052	23.4%
6/30/2015	99,899,098	103,478,298	3,579,200	96.5%	17,959,515	19.9%
6/30/2014	90,252,521	98,440,558	8,188,037	91.7%	18,413,453	44.5%
6/30/2013	79,854,638	89,679,267	9,824,629	89.0%	18,996,097	51.7%
6/30/2012	72,890,925	84,045,141	11,154,216	86.7%	19,012,434	58.7%
6/30/2011	67,773,544	80,728,579	12,955,035	84.0%	19,074,084	67.9%
6/30/2010	62,749,422	74,982,330	12,232,908	83.7%	18,868,063	64.8%
6/30/2009	59,617,503	69,666,174	10,048,671	85.6%	17,785,135	56.5%

Net Pension Liability

The Town's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the Town at June 30, 2018 were as follows:

Total Pension Liability	\$ 118,911,726
Plan Fiduciary Net Position	<u>117,356,131</u>
Total Net Pension Liability	<u>\$ 1,555,595</u>
Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	98.69%

For more information, please see Appendix A, Note 4 of the Annual Financial Statements.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis),
and Current Budget (Budget Basis)

	Budget 6/30/2019 ¹	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
REVENUES					
Property Taxes.....	\$ 121,751,796	\$ 119,834,376	\$ 116,833,151	\$ 115,159,880	\$ 112,997,545
Intergovernmental	16,896,846	19,305,709	17,419,308	11,964,934	11,115,023
Charges for Services.....	1,535,550	1,966,907	1,644,484	1,748,748	1,775,855
Use of Money and Property.....	230,000	473,121	175,166	320,606	214,098
Other.....	444,201	558,334	846,109	1,452,348	659,154
Total Revenues.....	\$ 140,858,393	\$ 142,138,447	\$ 136,918,218	\$ 130,646,516	\$ 126,761,675
EXPENDITURES					
General Government.....	\$ 5,914,863	\$ 5,677,131	\$ 5,675,347	\$ 5,910,482	\$ 5,649,253
Public Safety.....	14,043,854	13,314,407	13,038,129	12,738,128	12,993,063
Public Works.....	3,557,900	2,969,565	3,110,343	3,084,639	3,401,405
Public Health & Welfare.....	2,186,956	2,088,299	2,061,255	1,997,420	1,963,333
Other.....	4,520,313	3,855,222	4,520,332	3,849,682	3,831,582
Parks & Recreation.....	1,993,216	1,714,520	1,715,617	1,760,300	1,846,229
Board of Education.....	98,163,881	98,096,932	95,887,758	89,568,730	86,677,283
Debt Service.....	10,921,766	11,902,191	11,252,994	10,761,295	9,083,680
Capital Outlay.....	1,009,897	872,289	772,785	981,902	1,229,964
Board of Education Capital Outlay.....	-	-	-	-	-
Contingency.....	-	-	-	-	-
Total Expenditures.....	\$ 142,312,646	\$ 140,490,556	\$ 138,034,560	\$ 130,652,578	\$ 126,675,792
Excess (Deficiency) of Revenues					
Over Expenditures.....	(1,454,253)	1,647,891	(1,116,342)	(6,062)	85,883
Other Financing Sources					
(Uses) – Net.....	(275,000)	(776,584)	(375,000)	(1,013,042)	558,880
Net Operating Results.....	\$ (1,729,253)	\$ 871,307	\$ (1,491,342)	\$ (1,019,104)	\$ 644,763
Fund Equity Beginning of Year.....	21,141,880	20,270,573	21,761,915	22,781,019	22,136,256
Residual Equity Transfers.....	-	-	-	-	-
Fund Equity End of Year.....	N/A	\$ 21,141,880	\$ 20,270,573	\$ 21,761,915	\$ 22,781,019

Analysis of General Fund Equity

	Budget 6/30/2019 ¹	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
Nonspendable.....	N/A	\$ 98,331	\$ 807,989	\$ 106,439	\$ 92,488
Restricted.....	N/A	-	-	-	-
Committed.....	N/A	-	-	1,252,447	1,002,447
Assigned.....	N/A	6,501,041	6,152,309	4,513,735	6,359,222
Unassigned.....	N/A	14,542,508	13,310,275	15,889,294	15,326,862
Total Fund Balance.....	N/A	\$ 21,141,880	\$ 20,270,573	\$ 21,761,915	\$ 22,781,019

¹ Budgetary basis and subject to audit.

Sources: Audits for fiscal years ending 2015 through 2018. Budget (2019): Finance Department.

VII. Legal and Other Information

Litigation

As of this date there are several actions pending against the Town, the Wilton Planning and Zoning Commission, the Wilton Board of Assessment Appeals, Wilton Inland Wetlands Commission and the Wilton Zoning Board of Appeals. Although some of the actions claim monetary damages, in the opinion of Town Attorney, the monetary exposure to the Town, if any, will have no material adverse effect upon the Town's financial position.

There are other monetary claims against the Town which are being handled by the Town's insurance company and therefore will not have a materially adverse financial impact on the Town.

Transcript and Documents Furnished at Delivery

The original purchaser will be furnished the following documents when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman and the Town Treasurer, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel in substantially the form attached hereto as Appendix B.
5. An executed continuing disclosure agreement for the Bonds in substantially the form attached hereto as Appendix C.

The Town of Wilton has prepared this Official Statement for the Bonds which is dated April __, 2019. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser of the Bonds twenty-five (25) copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening at the office of the Town's Municipal Advisor. If the Town's Municipal Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriters, the name of the insurer, if any, and any changes on the Bonds. The purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchasers. Additional copies of the Official Statement may be obtained by the purchasers at its own expense by arrangement with the printer.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association of Hartford, Connecticut and may be examined upon reasonable request.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provision of law is subject to repeal or amendment.

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

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

TOWN OF WILTON, CONNECTICUT

By: _____
LYNNE VANDERSLICE, *First Selectman*

By: _____
ANNE KELLY-LENZ, *Chief Financial Officer & Town Treasurer*

Dated: April __, 2019

Appendix A

Excerpts from the Town of Wilton's 2018 Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Wilton, Connecticut for the fiscal year ended June 30, 2018. The supplemental information which is a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

Independent Auditors' Report

To the Board of Finance
Town of Wilton, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Wilton, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Wilton, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Wilton, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Wilton, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Wilton, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

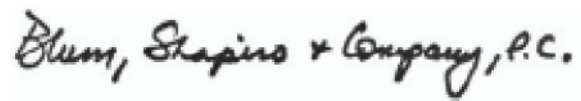
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wilton, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019 on our consideration of the Town of Wilton, 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 solely 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 effectiveness of the Town of Wilton, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wilton, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Blum, Shapiro & Company, P.C." followed by a vertical line.

West Hartford, Connecticut
January 28, 2019

**Town of Wilton, Connecticut
Management's Discussion and Analysis
June 30, 2018**

As management of the Town of Wilton, 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, 2018. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and the Town's financial statements that follow this section.

Financial Highlights

In fiscal 2018, the Town's net position increased by \$11,614,749 or 8.8% to \$143,249,983. Of this amount, \$32,889,577 (unrestricted net assets) may be used to meet the Town's ongoing obligations. Overall, the continuing high level of net assets contributes to the Town's financial strength.

The Town's governmental funds, which are reported on a current financial resource basis, had a combined ending fund balance of \$30,076,687 an increase of \$3,132,059 from the prior fiscal year-end period due to an increase in the General Fund of \$871,307, an increase in the Capital Projects Fund of \$2,475,135 offset by a decrease in the Non Major Governmental Funds of \$214,383.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information for the past several years.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a general understanding of the Town's finances. All of the resources the Town has at its disposal are reported, including major capital assets such as buildings and infrastructure. In addition, a thorough accounting of the costs of government operations as well as its revenue sources is provided.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net 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. However, other non-financial factors need to be considered as well, including changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

The statement of activities presents information showing how the Town'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. Uncollected taxes and earned but unused vacation leave are examples of these types of items.

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).

Governmental activities of the Town encompass most of the Town's basic services, including education, public safety, general government, public works, public health and welfare and recreation and parks. Property taxes, intergovernmental grants and charges for services finance the majority of the activities.

Business-type activities of the Town include the Water Pollution Control Authority and the Transfer Station. They are reported as business-type activities because the Town charges fees to service users to cover all or most of the costs of operations.

The government-wide financial statements (Statement of Net Position and Statement of Activities) can be found on pages 15 and 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of funds, as follows:

Governmental Funds Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. They are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a year, but do not include capital assets such as land and buildings and improvements. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis on page 18 that reconciles the total fund balance to the amount of net assets presented in the governmental activities column on the statement of net position. In addition, there is an analysis on page 20 that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis is presented on pages 19 and 20.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) can be found on pages 17 through 20 of this report.

Proprietary Funds Proprietary Fund financial statements consist of a statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows. These are prepared on an accounting basis that is similar to the basis used to prepare the government wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The Town maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The Town uses Enterprise Funds to account for its Water Pollution Control Authority and the Transfer Station. The Town uses its Internal Service Funds to account for employee health benefits costs and workers' compensation costs for both the Town and Board of Education ("BOE") employees. Because the Internal Service Funds predominantly benefit governmental rather than business-type functions, they are 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 Water Pollution Control Authority which is considered to be a major proprietary fund and the Transfer Station which is considered to be a non-major proprietary fund. In addition, individual fund data for the Internal Service Funds are provided in separate columns in the Proprietary Fund financial statements.

The propriety fund financial statements can be found on pages 21 through 23 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 provide services to the Town's constituency. The Town's fiduciary funds include the Pension Trust Fund, Other Post-Employment Benefits Trust Fund and the Student Activity Funds. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements 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 26 through 70 of this report.

Town of Wilton, Connecticut
Net Positions (\$000's Omitted)

By far the largest portion of the Town's net assets (78%) is its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment and infrastructure); net of accumulated depreciation and any related debt used to acquire those assets that is 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's 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.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 44,967	\$ 46,791	\$ 9,561	\$ 9,323	\$ 54,528	\$ 56,114
Capital assets, net of accumulated depreciation	<u>193,282</u>	<u>188,631</u>	<u>3,992</u>	<u>4,124</u>	<u>197,274</u>	<u>192,755</u>
Total assets	<u>238,249</u>	<u>235,422</u>	<u>13,553</u>	<u>13,447</u>	<u>251,802</u>	<u>248,869</u>
Deferred outflows of resources	<u>3,715</u>	<u>6,105</u>			<u>3,715</u>	<u>6,105</u>
Current liabilities	16,745	21,221	41	47	16,786	21,268
Long-term liabilities outstanding	<u>89,324</u>	<u>93,059</u>			<u>89,324</u>	<u>93,059</u>
Total liabilities	<u>106,069</u>	<u>114,280</u>	<u>41</u>	<u>47</u>	<u>106,110</u>	<u>114,327</u>
Deferred inflows of resources	<u>6,157</u>	<u>8,923</u>		89	<u>6,157</u>	<u>9,012</u>
Net Position:						
Net investments in capital assets	106,368	102,691	3,992	4,124	110,360	106,815
Unrestricted	<u>23,370</u>	<u>15,633</u>	<u>9,520</u>	<u>9,187</u>	<u>32,890</u>	<u>24,820</u>
Total Net Position	<u>\$ 129,738</u>	<u>\$ 118,324</u>	<u>\$ 13,512</u>	<u>\$ 13,311</u>	<u>\$ 143,250</u>	<u>\$ 131,635</u>

Net assets increased by \$11,614,749 from June 30, 2018 as shown in the following table.

Town of Wilton, Connecticut
Changes in Net Position (\$000's Omitted)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,343	\$ 6,350	\$ 1,200	\$ 1,461	\$ 7,543	\$ 7,811
Operating grants and contributions	20,602	18,888			20,602	18,888
Capital grants and contributions		7,151			-	7,151
General revenues:						
Property taxes	120,573	116,979			120,573	116,979
Grants not restricted to specific programs	70	140			70	140
Unrestricted investment earnings	570	236	38	6	608	242
Miscellaneous revenue		89			-	89
Total revenues	<u>148,158</u>	<u>149,833</u>	<u>1,238</u>	<u>1,467</u>	<u>149,396</u>	<u>151,300</u>
Expenses:						
General government	7,218	7,058			7,218	7,058
Public safety	14,744	15,223			14,744	15,223
Public works	2,928	3,175			2,928	3,175
Public health and welfare	2,564	2,574			2,564	2,574
Recreation and parks commission	8,367	8,325			8,367	8,325
Education	98,215	105,063			98,215	105,063
Interest	2,283	1,935			2,283	1,935
WPCA			825	829	825	829
Transfer station			637	716	637	716
Total expenses	<u>136,319</u>	<u>143,353</u>	<u>1,462</u>	<u>1,545</u>	<u>137,781</u>	<u>144,898</u>
Change in net position before transfers	11,839	6,480	(224)	(78)	11,615	6,402
Transfers	(425)	(375)	425	375	-	-
Change in net position	<u>11,414</u>	<u>6,105</u>	<u>201</u>	<u>297</u>	<u>11,615</u>	<u>6,402</u>
Net Position at Beginning of Year	118,324	112,245	13,311	13,014	131,635	125,259
Restatement		(26)				(26)
Net Position at End of Year	<u>\$ 129,738</u>	<u>\$ 118,324</u>	<u>\$ 13,512</u>	<u>\$ 13,311</u>	<u>\$ 143,250</u>	<u>\$ 131,635</u>

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. As shown in the Statement of Changes in Net Assets above, the revenues of governmental activities were greater than expenses by \$11.6 million. There are two classes of governmental activities revenue: program revenue and general revenue. As the classifications imply, program specific revenue is directly associated with and/or generated by specific programs. General revenue, such as property taxes and interest on investments, is not. Key elements of this increase are as follows:

81.4% of the governmental activities revenue was derived from property taxes, followed by 13.9% from grants and contributions. Fees accounted for 4.3% and interest and other miscellaneous revenues accounted for 0.4%.

Major revenue factors included:

- ◆ Property tax revenue exceeded budget 3.7%. The combined current levy collection rate was 99.4%. The current year mill rate was 28.1875 compared to 27.7685 for the prior fiscal year. The Grand List increased 0.27%.
- ◆ Property Tax exceeded budget by approximately \$420,859 due to receipt of a large delinquent account that was in collections.
- ◆ Charges for Services were greater than budgeted by \$321,187. Major drivers were primarily due to 2 large Building Department Permits \$262,531 received at the end of fiscal year, Planning and Zoning \$19,736, Environmental Affairs Permits \$57,041, Investment income \$293,121, State Grants \$269,890 offset by lower Environmental Health permits of \$31,819. Other Revenue was over budget by \$138,930, the major revenues were a sign on bonus for a new cell tower contract \$125,000 and misc. revenues of \$56,429.

Major expense factors included:

- ◆ Total operating budget was under-expended by \$4,042,522. General Government savings amounted to \$374,307, Public Works \$253,065, Parks and Recreation \$203,768, and Health and Welfare \$66,152. Public Safety costs were favorable to budget due to Police Department \$279,282, Central Dispatch \$33,077, Paramedic 43,896, Fire Department 90,362 and Georgetown Fire District \$12,852. Total other savings amounted to \$210,860. The savings were related to a reduction in headcount due to operating efficiencies and vacancies. The Town did not use any of the Additional Appropriation funds budgeted resulting in savings of \$1,255,490.

Business-Type Activities

Business-type activities consist of the Water Pollution Control Authority (WPCA) and the Transfer Station. These activities increased the Town's net assets by \$201,159.

The WPCA operates the Town's liquid waste system, which consists of collection infrastructure but no treatment facilities. Sewage treatment is provided by the City of Norwalk, Connecticut ("City") under a contract with the Town's WPCA. Capital assessments, user charges and interest comprise the WPCA's revenues. Capital assessments are levied by the WPCA on properties that benefit from sewer construction. The assessments may be paid over twenty years with interest. By general statute, income from assessment payments may be used only for debt service on sewer-related bonds and for capital improvements to the system. The Town has no sewer debt outstanding as of June 30, 2018. User charges are established annually to pay for operating expenses, including the non-debt service component of the City fee. For fiscal 2018, the WPCA's operations resulted in an increase of \$33,017 in net assets of business-type activities due to new assessments.

The Town's Transfer Station accepts and then transfers solid waste of the Town from both commercial haulers and citizens. This includes trash and recyclables. As of January 1, 2014 the Town entered into an agreement with City Carting and Recycling, Inc. for the disposing of municipal solid waste. The agreement runs through June 30, 2019. There is no minimum or maximum tonnage that the Town is required to deliver to City Carting and Recycling. As of January 1, 2014 the Town entered into agreement with City Carting and Recycling for recyclables. The agreement runs through June 30, 2019. The Town receives \$20 for each ton of recyclables delivered to City Carting. Transfer Station operations resulted in an increase in net assets of \$168,142.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with generally accepted accounting principles and emphasize accountability, segregating specific activities in accordance with laws, regulations or special restrictions.

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

The Town's governmental funds reported combined ending fund balances of \$30,076,687. The unassigned balance was \$14,532,835 or 10.23% of revenues and other financing sources. This is an increase of \$1,222,560 from June 30, 2017. All other governmental funds reported ending fund balances of \$8,934,807, an increase of \$2,260,752 primarily due to new bonding revenue for capital projects.

General Fund At June 30, 2018 the total General Fund balance was \$21,141,880 of which \$14,542,508 was unassigned. This is 10.29% of expenditures and other financing uses and 10.23% of revenues and other financing sources. The total fund balance increased by \$871,307.

Actual revenues reflected a positive variance aggregating \$1,443,987 as compared to the final budget. Collections on property taxes and interest and lien fees resulted in \$420,859 of revenue more than budgeted. Intergovernmental Revenue was \$537,252 over budget for BOE and \$267,362 less than budget for The Town. Miscellaneous Revenues exceeded budget by \$138,930. Expenditures posted a favorable variance compared to the final budget of \$4,042,522.

General Fund Budgetary Highlights (000's Omitted)

The difference between the original and final budget was \$817,105 consisted of unobligated capital appropriations and encumbrances continued from fiscal 2017.

- ◆ Property tax revenue exceeded budget by 3.7%. The combined current levy collection rate was 99.4%. The current year mill rate was 28.1875 compared to 27.7685 for the prior fiscal year. The Grand List increased 0.27%.
- ◆ Property Tax exceeded budget by approximately \$420,859 due to receipt of a large delinquent account that was in collections.
- ◆ Charges for Services were greater than budgeted by \$321,187. Major drivers were primarily due to 2 large Building Department Permits \$262,531 received at the end of fiscal year, Planning and Zoning \$19,736, Environmental Affairs Permits \$57,041, Investment income \$293,121, State Grants \$269,890 offset by lower Environmental Health permits of \$31,819. Other Revenue was \$138,930, the major revenues were a sign on bonus for a new cell tower contract \$125,000 and misc. revenues of \$56,429.

Major expense factors included:

- ◆ Total operating budget was under-expended by \$4,042,522. General Government savings amounted to \$374,307, Public Works \$253,065, Parks and Recreation \$203,768, and Health and Welfare \$66,152. Public Safety costs were favorable to budget due to Police Department \$279,282, Central Dispatch \$33,077, Paramedic 43,896, Fire Department 90,362 and Georgetown Fire District \$12,852. Total other savings amounted to \$210,860. The savings were related to a reduction in headcount due to operating efficiencies and vacancies.
- ◆ The Town did not use any of the Additional Appropriation funds budgeted resulting in savings of \$1,255,490.
- ◆ The BOE ended fiscal 2018 with a final positive variance to budget of \$2,941.

The Medical Health Insurance Internal Service Fund ended the year with an increase in net assets of \$1,080,286 and a resulting fund balance of \$4,169,128.

Capital Asset and Debt Administration

**Capital Asset Balance at Year End (\$000's Omitted)
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 22,272	\$ 22,272	\$ 129	\$ 129	\$ 22,401	\$ 22,401
Buildings and improvements	89,206	92,956			89,206	92,956
Machinery and equipment	3,960	3,670	45	69	4,005	3,739
Infrastructure	25,843	24,682	3,818	3,926	29,661	28,608
Construction in progress	52,001	45,051			52,001	45,051
Total	\$ 193,282	\$ 188,631	\$ 3,992	\$ 4,124	\$ 197,274	\$ 192,755

Capital Assets The Town’s investment in capital assets as of June 30, 2018, is \$197,274,399 (net of accumulated depreciation). This investment includes land, buildings and improvements, machinery and equipment and infrastructure.

Major capital asset events during the current fiscal year included sewer mains, athletic fields, vehicles, rolling stock, fire apparatus and school improvements.

Additional information on the Town’s capital assets can be found on pages 38 and 39 (Note 3 Section C) of this report.

Long-term Debt At the end of the fiscal year, the Town had total bonded debt outstanding of \$84,295,000 all of which is backed by the full faith and credit of the government. Although all of the Town’s bonded debt is secured by the Town’s full taxing power, \$49,870 will be paid from water capital assessments.

General Obligation Bonds Outstanding at June 30 (\$000's Omitted)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 84,295	\$ 81,880	\$ -	\$ -	\$ 84,295	\$ 81,880

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. At June 30, 2018, the Town’s statutory debt limitation was \$824,146,799.

On March 8, 2018, the Town issued \$11,715,000 of general obligation bonds with interest rates ranging from 3.0% to 5.0% with a premium of \$349,792. For FY 2018, \$11,823,602 of debt was retired with the breakdown of Principal \$9,420,333 and Interest \$2,403,268.

Additional information on the Town’s long-term debt can be found on pages 42 through 44 of this report.

Pension and Other Post-Employment Benefits

The Town maintains a defined benefit, contributory pension plan for eligible employees of the Town, the Board of Education and the Wilton Library Association. According to the 2018 GASB Pension Disclosure report dated June 30th, 2018 the plan's funded ratio is 98.69%. The Board of Finance adopted the following policy of making additional contributions to the Pension and OPEB plans, depending upon the individual Plans' funded ratio.

Funded Ratio	Employer's Contribution
Less than 85%	120% of actuary's recommendation
85% to 89.9%	115% of actuary's recommendation
90% to 94.9%	110% of actuary's recommendation
95% to 99.9%	105% of actuary's recommendation
>99.9%	100% of actuary's recommendation

In accordance with the policy above, the actual contribution was \$2,437,805.

The summarized operating results of The Retirement Trust are (000's omitted):

Revenues:	
Employer's Contribution	\$ 2,438
Employee Contribution	1,216
Net Changes in Fair Value of Investments	5,679
Interest and Dividends	<u>2,422</u>
Total Additions	<u>11,755</u>
Expenses:	
Pension Benefits	5,295
Administration Fees	<u>152</u>
	<u>5,447</u>
Change in Net Position	6,308
Balance Beginning of Year	<u>111,048</u>
Balance End of Year	<u>\$ 117,356</u>

In order to comply with GASB Statement No. 45, the Town created an Other Post-Employment Benefits Trust on July 1, 2007. The purpose of the trust is to account for the financing of post-employment health insurance for eligible employees of the Town and the BOE. Based on the 2018 GASB OPEB Disclosure report dated June 30, 2018 the plan's funded ratio is 107.99%, (using a 5.75% discount rate) the Actuarial Accrued Liability (AAL) was \$6,922,254 and the Unfunded Actuarial Accrued Liability (UAAL) was \$(553,453). The Annual Required Contribution (ARC) for fiscal 2018 was \$326,632 which the Town based on the above funding policy contributed \$391,959.

The summarized operating results of the OPEB Trust's Plan are (000's omitted):

Revenues:		
Employer's Contribution	\$	392
Employee/retiree Contributions		497
Net Change in Fair Value of Investments		
Interest and dividends		<u>481</u>
		1,370
Expenses		
Insurance Premiums, Benefits and Administration		<u>496</u>
Change in Net Position		874
Balance Beginning of Year		<u>6,602</u>
Balance End of Year	\$	<u><u>7,476</u></u>

The components of the employer's contribution consisted of \$156,389 contributed by the Town and \$235,569 contributed by the Board of Education.



BASIC FINANCIAL STATEMENTS

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 35,185,086	\$ 5,100,296	\$ 40,285,382
Investments	5,465,932	1,297,000	6,762,932
Receivables, net:			
Property taxes	2,352,393		2,352,393
Accounts	911,191	25,059	936,250
Intergovernmental	238,187		238,187
Special assessments		2,992,331	2,992,331
Due from fiduciary fund	255,217		255,217
Internal balances	(146,643)	146,643	-
Prepaid expenses	122,598		122,598
Inventories	29,463		29,463
OPEB assets	553,423		553,423
Capital assets, nondepreciable	74,273,899	128,955	74,402,854
Capital assets, net of accumulated depreciation	119,008,505	3,863,040	122,871,545
Total assets	<u>238,249,251</u>	<u>13,553,324</u>	<u>251,802,575</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	1,100,040		1,100,040
Deferred outflows related to pensions	2,615,385		2,615,385
Total deferred outflows of resources	<u>3,715,425</u>	<u>-</u>	<u>3,715,425</u>
Liabilities:			
Accounts payable and accrued items	4,992,115	40,906	5,033,021
Unearned revenue	1,255,705		1,255,705
Noncurrent liabilities:			
Due within one year	10,497,777		10,497,777
Due in more than one year	89,324,014		89,324,014
Total liabilities	<u>106,069,611</u>	<u>40,906</u>	<u>106,110,517</u>
Deferred Inflows of Resources:			
Advance property tax collections	645,160		645,160
Deferred inflows related to pensions	5,161,230		5,161,230
Deferred inflows related to OPEB	351,110		351,110
Total deferred inflows of resources	<u>6,157,500</u>	<u>-</u>	<u>6,157,500</u>
Net Position:			
Net investment in capital assets	106,368,411	3,991,995	110,360,406
Unrestricted	23,369,154	9,520,423	32,889,577
Total Net Position	<u>\$ 129,737,565</u>	<u>\$ 13,512,418</u>	<u>\$ 143,249,983</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Function/Program Activities	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 7,218,260	\$ 2,221,127	\$ 445,002	\$ -	\$ (4,552,131)	\$ -	\$ (4,552,131)
Public safety	14,744,421	75,271	246,890	-	(14,422,260)	-	(14,422,260)
Public works	2,927,613	-	252,428	-	(2,675,185)	-	(2,675,185)
Public health and welfare	2,563,754	100,000	24,798	-	(2,438,956)	-	(2,438,956)
Recreation and parks commission	8,367,039	862,210	33,235	-	(7,471,594)	-	(7,471,594)
Education	98,214,867	3,084,518	19,598,775	-	(75,531,574)	-	(75,531,574)
Interest	2,283,612	-	425	-	(2,283,187)	-	(2,283,187)
Total governmental activities	<u>136,319,566</u>	<u>6,343,126</u>	<u>20,601,553</u>	<u>-</u>	<u>(109,374,887)</u>	<u>-</u>	<u>(109,374,887)</u>
Business-type activities:							
Water Pollution Control Authority	824,982	820,333	-	-	(4,649)	-	(4,649)
Transfer station	636,367	379,243	-	-	(257,124)	-	(257,124)
Total business-type activities	<u>1,461,349</u>	<u>1,199,576</u>	<u>-</u>	<u>-</u>	<u>(261,773)</u>	<u>-</u>	<u>(261,773)</u>
Total	<u>\$ 137,780,915</u>	<u>\$ 7,542,702</u>	<u>\$ 20,601,553</u>	<u>\$ -</u>	<u>(109,374,887)</u>	<u>(261,773)</u>	<u>(109,636,660)</u>
General revenues:							
Property taxes				120,573,351			120,573,351
Grants and contributions not restricted to specific programs				69,760			69,760
Unrestricted investment earnings				570,366		37,932	608,298
Transfers				(425,000)		425,000	-
Total general revenues and transfers				<u>120,788,477</u>		<u>462,932</u>	<u>121,251,409</u>
Change in net position				11,413,590		201,159	11,614,749
Net Position at Beginning of Year, as Restated				118,323,975		13,311,259	131,635,234
Net Position at End of Year				<u>\$ 129,737,565</u>		<u>\$ 13,512,418</u>	<u>\$ 143,249,983</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 20,764,980	\$ 4,449,250	\$ 5,451,326	\$ 30,665,556
Investments	5,465,932			5,465,932
Property taxes receivable, net	2,352,393			2,352,393
Due from other governments			238,187	238,187
Other receivables, net	851,858		59,333	911,191
Due from other funds	1,164,462		761,982	1,926,444
Prepaid expenditures	98,331		24,267	122,598
Inventories			29,463	29,463
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 30,697,956</u>	<u>\$ 4,449,250</u>	<u>\$ 6,564,558</u>	<u>\$ 41,711,764</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 3,467,792	\$ 210,740	\$ 242,516	\$ 3,921,048
Due to other funds	2,075,916	233,259	674,845	2,984,020
Unearned revenue	538,064		717,641	1,255,705
Total liabilities	<u>6,081,772</u>	<u>443,999</u>	<u>1,635,002</u>	<u>8,160,773</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	2,829,144			2,829,144
Advance property tax collections	645,160			645,160
Total deferred inflows of resources	<u>3,474,304</u>	<u>-</u>	<u>-</u>	<u>3,474,304</u>
Fund balances:				
Nonspendable	98,331		53,730	152,061
Restricted		4,005,251	126,652	4,131,903
Committed			4,758,847	4,758,847
Assigned	6,501,041			6,501,041
Unassigned	14,542,508		(9,673)	14,532,835
Total fund balances	<u>21,141,880</u>	<u>4,005,251</u>	<u>4,929,556</u>	<u>30,076,687</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,697,956</u>	<u>\$ 4,449,250</u>	<u>\$ 6,564,558</u>	<u>\$ 41,711,764</u>

(Continued on next page)

TOWN OF WILTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$ 30,076,687
--	---------------

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

Governmental capital assets	\$ 291,707,254	
Less accumulated depreciation	<u>(98,424,850)</u>	
Net capital assets		193,282,404

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property tax receivables greater than 30 days	2,151,561
Interest receivable on property taxes	677,583
Deferred outflows related to actuarial assumptions - pension	2,253,358
Deferred outflows related to projected investment earnings - pension	362,027

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

4,169,128

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

Bonds payable	(84,295,000)
Heart and hypertension claims	(509,660)
Teamsters pension plan withdrawal liability	(2,395,967)
Deferred charge on refunding	1,100,043
Premium on bonds	(4,143,553)
Interest payable on bonds	(914,861)
Net pension liability	(1,555,595)
Deferred inflows related to actuarial experience - pension	(1,118,487)
Deferred inflows related to actuarial assumptions - pension	(4,042,743)
Deferred inflows related to actuarial experience - OPEB	(278,880)
Deferred inflows related to projected investment earnings - OPEB	(72,230)
Capital lease	(1,403,700)
Compensated absences	<u>(4,157,973)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 129,737,565</u>
---	-----------------------

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 119,834,376	\$	\$	\$ 119,834,376
Intergovernmental revenues	19,305,709		1,252,982	20,558,691
Charges for services	1,966,907		3,854,768	5,821,675
Use of money and property	473,121	43,890	21,629	538,640
Other local revenues	558,334		64,756	623,090
Total revenues	<u>142,138,447</u>	<u>43,890</u>	<u>5,194,135</u>	<u>147,376,472</u>
Expenditures:				
Current:				
General government	5,677,131		74,676	5,751,807
Public safety	13,314,407		123,617	13,438,024
Public works	2,969,565			2,969,565
Public health and welfare	2,088,299		295	2,088,594
Other	3,855,222			3,855,222
Recreation and parks commission	1,714,520		850,812	2,565,332
Education	98,096,932		4,374,821	102,471,753
Debt service:				
Principal retirement	9,420,333		108,883	9,529,216
Interest and other charges	2,481,858		570,401	3,052,259
Capital outlay	872,289	10,308,755	6,389	11,187,433
Total expenditures	<u>140,490,556</u>	<u>10,308,755</u>	<u>6,109,894</u>	<u>156,909,205</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,647,891</u>	<u>(10,264,865)</u>	<u>(915,759)</u>	<u>(9,532,733)</u>
Other Financing Sources (Uses):				
General obligation bonds issued		11,715,000		11,715,000
Capital lease issued		1,025,000		1,025,000
Premium on general obligation bonds			349,792	349,792
Transfers in from other funds			351,584	351,584
Transfers out to other funds	(776,584)			(776,584)
Total other financing sources (uses)	<u>(776,584)</u>	<u>12,740,000</u>	<u>701,376</u>	<u>12,664,792</u>
Net Change in Fund Balances	871,307	2,475,135	(214,383)	3,132,059
Fund Balances at Beginning of Year	<u>20,270,573</u>	<u>1,530,116</u>	<u>5,143,939</u>	<u>26,944,628</u>
Fund Balances at End of Year	<u>\$ 21,141,880</u>	<u>\$ 4,005,251</u>	<u>\$ 4,929,556</u>	<u>\$ 30,076,687</u>

(Continued on next page)

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 3,132,059
---	--------------

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

Capital outlay	9,897,310
Depreciation expense	(4,922,632)
Loss on disposition of capital assets	(323,264)

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

Property taxes collected after 60 days	80,836
Interest income on property taxes	658,139
Intergovernmental revenue on school bonds	(6,482)
Change in deferred outflows related to actuarial assumptions - pension	(536,513)
Change in deferred outflows related to projected investment earnings - pension	(1,664,885)
Change in net OPEB assets	553,423

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.

General obligation bond proceeds	(11,715,000)
Principal payments on bonds	9,300,000
Principal payments on leases	935,589
Premiums on bonds	(349,792)
Capital lease proceeds	(1,025,000)

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.

Amortization of deferred charge on refunding	(188,167)
Amortization of premiums	423,671
Accrued interest	(173,230)
Teamsters pension plan withdrawal liability	149,746
Change in heart and hypertension claims	37,202
Change in long-term compensated absences	4,000,067
Change in net pension liability	3,301,232
Change in net OPEB liability	25,903
Deferred inflows related to actuarial experience - pension	(444,302)
Deferred inflows related to assumptions - pension	(461,496)
Deferred inflows related to actuarial experience - OPEB	(278,880)
Deferred inflows related to projected investment earnings - OPEB	(72,230)

The net expense of the internal service funds is reported with governmental activities.	<u>1,080,286</u>
---	------------------

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 11,413,590</u>
--	----------------------

The accompanying notes are an integral part of the financial statements

TOWN OF WILTON, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund			Activities
	Water Pollution Control Authority	Transfer Station	Total	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 5,054,742	\$ 45,554	\$ 5,100,296	\$ 4,519,532
Investments	1,297,000		1,297,000	
Accounts receivable, net	4,754	20,305	25,059	
Due from other funds		147,784	147,784	1,166,150
Total current assets	<u>6,356,496</u>	<u>213,643</u>	<u>6,570,139</u>	<u>5,685,682</u>
Noncurrent assets:				
Receivables - special assessments and connection charges, net	2,992,331		2,992,331	
Capital assets, nondepreciable		128,955	128,955	
Capital assets, net of accumulated depreciation	3,839,740	23,300	3,863,040	
Total noncurrent assets	<u>6,832,071</u>	<u>152,255</u>	<u>6,984,326</u>	<u>-</u>
Total assets	<u>13,188,567</u>	<u>365,898</u>	<u>13,554,465</u>	<u>5,685,682</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued items	3,715	37,191	40,906	156,211
Due to other funds	1,141		1,141	
Current portion of claims payable			-	1,004,000
Total current liabilities	<u>4,856</u>	<u>37,191</u>	<u>42,047</u>	<u>1,160,211</u>
Noncurrent liabilities:				
Claims payable			-	356,343
Total liabilities	<u>4,856</u>	<u>37,191</u>	<u>42,047</u>	<u>1,516,554</u>
Net Position:				
Investment in capital assets	3,839,740	152,255	3,991,995	
Unrestricted	9,343,971	176,452	9,520,423	4,169,128
Total Net Position	<u>\$ 13,183,711</u>	<u>\$ 328,707</u>	<u>\$ 13,512,418</u>	<u>\$ 4,169,128</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund			Activities
	Water Pollution Control Authority	Transfer Station	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 820,333	\$ 378,288	\$ 1,198,621	\$ 14,815,613
Miscellaneous		955	955	
Total operating revenues	<u>820,333</u>	<u>379,243</u>	<u>1,199,576</u>	<u>14,815,613</u>
Operating Expenses:				
Salaries	55,260	160,488	215,748	
Employee benefits	45,720	115,881	161,601	13,396,606
Operations and supplies	609,142	342,523	951,665	
Judgments and claims			-	387,912
Depreciation expense	<u>114,860</u>	<u>17,475</u>	<u>132,335</u>	
Total operating expenses	<u>824,982</u>	<u>636,367</u>	<u>1,461,349</u>	<u>13,784,518</u>
Operating Income (Loss)	(4,649)	(257,124)	(261,773)	1,031,095
Nonoperating Revenues:				
Income on investments	<u>37,666</u>	<u>266</u>	<u>37,932</u>	<u>49,191</u>
Income (Loss) Before Transfers	33,017	(256,858)	(223,841)	1,080,286
Transfers In		<u>425,000</u>	<u>425,000</u>	
Change in Net Position	33,017	168,142	201,159	1,080,286
Net Position at Beginning of Year	<u>13,150,694</u>	<u>160,565</u>	<u>13,311,259</u>	<u>3,088,842</u>
Net Position at End of Year	<u>\$ 13,183,711</u>	<u>\$ 328,707</u>	<u>\$ 13,512,418</u>	<u>\$ 4,169,128</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WILTON, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Funds
	Water Pollution Control Authority	Transfer Station	Total	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 909,532	\$ 228,273	\$ 1,137,805	\$ 14,815,613
Payments to suppliers	(617,001)	(470,223)	(1,087,224)	
Payments for benefits, employees and claims	(100,980)	(276,369)	(377,349)	(14,003,790)
Net cash provided by (used in) operating activities	<u>191,551</u>	<u>(518,319)</u>	<u>(326,768)</u>	<u>811,823</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in from (out to) other funds		425,000	425,000	(1,100,771)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>425,000</u>	<u>425,000</u>	<u>(1,100,771)</u>
Cash Flows from Investing Activities:				
Sale (purchases) of investments	539,543		539,543	
Interest on investments	37,666	266	37,932	49,191
Net cash provided by (used in) investing activities	<u>577,209</u>	<u>266</u>	<u>577,475</u>	<u>49,191</u>
Net Increase (Decrease) in Cash and Cash Equivalents	768,760	(93,053)	675,707	(239,757)
Cash and Cash Equivalents at Beginning of Year	<u>4,285,982</u>	<u>138,607</u>	<u>4,424,589</u>	<u>4,759,289</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,054,742</u>	<u>\$ 45,554</u>	<u>\$ 5,100,296</u>	<u>\$ 4,519,532</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (4,649)	\$ (257,124)	\$ (261,773)	\$ 1,031,095
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	114,860	17,475	132,335	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,419)	(3,186)	(6,605)	
(Increase) decrease in special assessments	181,469		181,469	
(Increase) decrease in other assets		80	80	
Increase (decrease) in advance fee collections	(88,851)		(88,851)	
Increase (decrease) in due to other funds	(5,752)	(124,361)	(130,113)	
Increase (decrease) in accounts payable	(2,107)	(3,419)	(5,526)	(1,479)
Increase (decrease) in claims payable				(217,793)
Total adjustments	<u>196,200</u>	<u>(261,195)</u>	<u>(64,995)</u>	<u>(219,272)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 191,551</u>	<u>\$ (518,319)</u>	<u>\$ (326,768)</u>	<u>\$ 811,823</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018**

	Pension and Other Employee Benefit Trust Funds	Agency Fund Student Activity Funds
Assets:		
Cash and cash equivalents	\$ 80,200	\$ 581,894
Investments, at fair value:		
Mutual funds	125,043,154	
Accounts receivable	3,671	
	<u>125,127,025</u>	<u>581,894</u>
Total assets		<u>\$ 581,894</u>
Liabilities:		
Accounts payable	40,000	\$
Due to other funds	255,217	
Fiduciary deposits		581,894
	<u>295,217</u>	<u>581,894</u>
Total liabilities		<u>\$ 581,894</u>
Net Position:		
Restricted for Pension and OPEB Benefits	<u>\$ 124,831,808</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF WILTON, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 2,829,764
Plan members	1,215,697
Other revenues	49,280
Total contributions	<u>4,094,741</u>
Investment earnings:	
Net change in fair value of investments	5,688,349
Interest and dividends	2,894,353
Total investment gain	<u>8,582,702</u>
Less investment expenses:	
Investment management fees	152,137
Net investment gain	<u>8,430,565</u>
Total additions	<u>12,525,306</u>
Deductions:	
Benefits	5,328,229
Administration	15,722
Total deductions	<u>5,343,951</u>
Change in Net Position	7,181,355
Net Position at Beginning of Year	<u>117,650,453</u>
Net Position at End of Year	<u>\$ 124,831,808</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Wilton, Connecticut (the Town) was incorporated as a Town in 1802. The Town operates under a Board of Selectmen, Board of Finance and Town Meeting 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.

Accounting principles generally accepted in the United States of America (GAAP) 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. These criteria have been considered, and there are no agencies or entities that should be presented with the Town.

B. Basis of Presentation

The accompanying financial statements conform to GAAP as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 *Capital Projects Fund* accounts for and reports financial resources that are restricted or committed to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds.

The Town reports the following major proprietary funds:

The *Water Pollution Control Authority Fund* accounts for activities of the government's water operations.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for risk management services including claims for medical and workers' compensation provided to other departments of the government on a cost-reimbursement basis.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities the Town's defined benefit pension plan for qualified employees and for the activities for both Town and Board of Education for other postemployment benefits (e.g. health insurance) that accumulate resources for other postemployment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

C. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Investments

Investments are recorded at fair value based on quoted market prices.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

G. Net Other Post Employment Benefit (OPEB) Asset

The Net OPEB Asset is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB asset is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activity column in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and then using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on specific project related debt, during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction-in-progress are not depreciated. Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-50
Infrastructure	20-75
Machinery and equipment	50-100

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

H. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience and investment gains or

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

losses. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

I. Deferred Inflows of Resources

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

J. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or payment upon termination or retirement. In accordance with GASB Statement No. 16, Accounting for Compensated Absences, the Town accrues compensated absences as they are earned by employees if the leave is attributable to past service and it is probable that the employer will compensate the employee by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2018 is recorded in the government-wide financial statements since the benefits are to be funded from future financial resources and will be paid from the General Fund, Debt Service Fund, Water Pollution Control Authority Fund or Transfer Station Fund, as may be appropriate. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

K. Net Pension Liability

The net pension liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

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

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.

M. 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 committed or assigned fund balance, depending on the nature of the restriction, for GAAP purposes, as they do not constitute expenditures or liabilities, and reported as expenditures for budgetary purposes as they do not constitute expenditures or liabilities.

The Town charter stipulates that every appropriation shall lapse at the end of the fiscal year if such appropriation is not expended or encumbered, except for continuing appropriations for capital and nonrecurring expenditures. Continuing appropriations are reflected in the accompanying financial statements as assigned fund balance.

N. Fund Equity and Net Position

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

Net Investment in Capital Assets

This category includes all capital assets, including infrastructure, less accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets.

Restricted Net Position

This category includes net position with restrictions externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Nonspendable Fund Balance

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

Restricted Fund Balance

This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Board of Selectmen and the Board of Finance are the highest level of decision making authority for the Town that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Board of Selectmen and the Board of Finance removes or changes the purpose by taking the same action that was used to establish the commitment.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Chief Financial Officer who has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

This balance represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Property Taxes

Property taxes are assessed as of October 1, levied on the following July 1, and billed and due in two installments, July 1 and January 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicles taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by June 1 following the due date.

P. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town uses the following procedures in establishing the budgetary data included in the financial statements. The Town adopts a formal budget for the General Fund only.

The Board of Selectmen and the Board of Finance have established legal control of the budget at the Selectman's Operating and Capital budget bottom line. The Selectmen have the responsibility to present a budget request with supporting documentation depicting the department's proposed expenditures, and the Board of Finance has the authority to reduce a recommendation made by the Board of Selectmen. The Board of Selectmen can override the Board of Finance by redirecting the reduction to other areas of the budget but they cannot exceed the maximum budget provided by the Board of Finance. The Board of Selectman and Board of Finance have no charter provision provided to it to authorize a budget transfer between departments. The Board of Selectmen have the authority to pass an appropriation of up to $\frac{1}{4}$ of 1% of the total annual budget of the Town as provided for in the contingency known as the Charter Authority with provision of notice to the Board of Finance within two weeks. The Board of Finance has the authority to approve a supplemental appropriation up to 1% of the total annual budget for the Town for the then-current fiscal year, and the total amount of any and all Supplemental Appropriations authorized by the Board of Finance cannot exceed 2% of the annual Town budget. For the year ended June 30, 2018, the Town had \$817,105 of supplemental appropriations.

Any portion of an annual capital and nonrecurring appropriation, for any uncompleted projects remaining unexpended and unencumbered at the close of the fiscal year is continued in force for five succeeding fiscal years. There were no such appropriations continued in force as of June 30, 2018.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major differences between the budget and GAAP bases are as follows:

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year, whereas they are shown as a reservation of fund balance under the GAAP basis of accounting.
- State of Connecticut payments on behalf of the Town teachers for the State teacher retirement system are reported for GAAP purposes only.
- The State of Connecticut Excess Cost Grant is netted with expenditures in accordance with the Connecticut General Statutes 10-76g.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

B. Expenditures in Excess of Appropriations

The following line items/funds in the legally-adopted budget were overspent:

General Fund:		
Town Counsel	\$	53,095
Other Town Properties		76,351
Tax Collector		85,504
Conservation and Inland-Wetlands		46,808
Transfer Out to Transfer Station		401,584

C. Deficit Fund Balances

The Summer School Fund had a deficit of \$9,673 at June 30, 2018 which will be funded by the Continuing Education Fund.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

Deposit Custodial Credit Risk

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

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$42,600,049 of the Town's bank balance of \$44,682,216 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 38,131,833
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,468,216</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 42,600,049</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2018, the Town had no cash equivalents.

Investments

As of June 30, 2018, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificates of deposit	*	\$ 2,344,356	\$ 1,600,520	\$ 743,836	\$
Mortgage/Asset Backed Securities	**	2,613,396		492,371	2,121,025
Mortgage/Asset Backed Securities	AAA	<u>1,805,180</u>	<u>1,805,180</u>		
Total		6,762,932	<u>\$ 3,405,700</u>	<u>\$ 1,236,207</u>	<u>\$ 2,121,025</u>
Other investments:					
Alternative Investments	**	7,006,142			
Equity Mutual funds	**	<u>118,037,012</u>			
Total Investments		<u>\$ 131,806,086</u>			

* Not applicable

** Not available

Investment Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2018, the Town did not have any uninsured and unregistered securities held by counterparts, or by their trust department or agents that were not in the Town's name.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Credit Risk - Investments

The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk

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

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Deposits and investments for retirement and other postemployment benefit funds are also disclosed in Notes 4 and 5.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 118,037,012	\$ 118,037,012	\$	
Mortgage/Asset Backed Securities	4,418,576		4,418,576	
Alternative Investments	7,006,142			7,006,142
	129,461,730	<u>\$ 118,037,012</u>	<u>\$ 4,418,576</u>	<u>\$ 7,006,142</u>
Investments not included above:				
Certificates of deposit	<u>2,344,356</u>			
Total Investments	<u>\$ 131,806,086</u>			

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

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

B. Fund Receivables

Receivables at June 30, 2018, including the applicable allowances for collection losses, are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental and Other</u>	<u>Water Pollution Control Authority</u>	<u>Total</u>
Property Taxes	\$ 2,421,621	\$	\$	\$ 2,421,621
Interest and Lien Fees	712,017			712,017
Special Assessments			2,992,331	2,992,331
Due from Other Governments		238,187		238,187
Other Receivables	<u>139,841</u>	<u>83,309</u>	<u>4,754</u>	<u>227,904</u>
	3,273,479	321,496	2,997,085	6,592,060
Less allowance for uncollectible accounts	<u>(69,228)</u>			<u>(69,228)</u>
Net Accounts Receivable	<u>\$ 3,204,251</u>	<u>\$ 321,496</u>	<u>\$ 2,997,085</u>	<u>\$ 6,522,832</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 22,272,441	\$	\$	\$ 22,272,441
Construction in progress	<u>45,050,787</u>	<u>6,955,316</u>	<u>4,645</u>	<u>52,001,458</u>
Total capital assets not being depreciated	<u>67,323,228</u>	<u>6,955,316</u>	<u>4,645</u>	<u>74,273,899</u>
Capital assets being depreciated:				
Buildings and improvements	161,203,085			161,203,085
Machinery and equipment	14,762,866	1,260,494	323,264	15,700,096
Infrastructure	<u>38,844,029</u>	<u>1,686,145</u>		<u>40,530,174</u>
Total capital assets being depreciated	<u>214,809,980</u>	<u>2,946,639</u>	<u>323,264</u>	<u>217,433,355</u>
Less accumulated depreciation for:				
Buildings and improvements	68,247,482	3,750,295		71,997,777
Machinery and equipment	11,093,189	646,734		11,739,923
Infrastructure	<u>14,161,547</u>	<u>525,603</u>		<u>14,687,150</u>
Total accumulated depreciation	<u>93,502,218</u>	<u>4,922,632</u>	<u>-</u>	<u>98,424,850</u>
Total capital assets being depreciated, net	<u>121,307,762</u>	<u>(1,975,993)</u>	<u>323,264</u>	<u>119,008,505</u>
Governmental Activities Capital Assets, Net	<u>\$ 188,630,990</u>	<u>\$ 4,979,323</u>	<u>\$ 327,909</u>	<u>\$ 193,282,404</u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 128,955	\$	\$	\$ 128,955
Capital assets being depreciated:				
Buildings and improvements	183,803			183,803
Machinery and equipment	283,328			283,328
Infrastructure	16,998,416			16,998,416
Total capital assets being depreciated	<u>17,465,547</u>	<u>-</u>	<u>-</u>	<u>17,465,547</u>
Less accumulated depreciation for:				
Buildings and improvements	183,802			183,802
Machinery and equipment	214,664	23,346		238,010
Infrastructure	13,071,706	108,989		13,180,695
Total accumulated depreciation	<u>13,470,172</u>	<u>132,335</u>	<u>-</u>	<u>13,602,507</u>
Total capital assets being depreciated, net	<u>3,995,375</u>	<u>(132,335)</u>	<u>-</u>	<u>3,863,040</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,124,330</u>	<u>\$ (132,335)</u>	<u>\$ -</u>	<u>\$ 3,991,995</u>

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

Governmental activities:	
General Government	\$ 632,158
Public Safety	276,590
Public Works	733,001
Health and Welfare	6,560
Culture and Recreation	2,970,998
Education	302,174
Other-General	<u>1,151</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,922,632</u>
Business-type activities:	
Water Pollution Control Authority	\$ 108,989
Transfer Station	<u>23,346</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 132,335</u>

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

Construction Commitments

The Town has the following construction commitments as of June 30, 2018:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Road Improvement	\$ 2,092,036	\$ 702,464
Tennis Court Repairs	424,084	25,916
BOE Roofs Study	<u>24,222</u>	<u>75,778</u>
Total	<u>\$ 2,540,342</u>	<u>\$ 804,158</u>

The commitments are being financed with permanent financing and general fund appropriations.

D. Interfund Receivables, Payables and Transfers

As of June 30, 2018, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 674,845
	Water Pollution Control Authority	1,141
	Capital Projects	233,259
	Trust Funds	<u>255,217</u>
		1,164,462
Internal Service Fund	General Fund	1,166,150
Nonmajor Enterprise Fund	General Fund	147,784
Nonmajor Governmental Fund	General Fund	<u>761,982</u>
	Total	<u>\$ 3,240,378</u>

The balance of \$1,164,462 due from other funds to the General Fund represents amounts committed to the General Fund from various special revenue, capital projects, sewer and trust fund operations. The amount of \$1,166,150 from the Medical Fund was for insurance claims. The remaining amounts were due from other funds for various special revenue and transfer station activity.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Interfund Transfers

Interfund transfers during the year ended June 30, 2018 were as follows:

	Transfers In		Total
	Nonmajor Business-Type Funds	Nonmajor Governmental Funds	
Transfers out:			
General Fund	\$ <u>425,000</u>	\$ <u>351,584</u>	\$ <u>776,584</u>

Transfers are used to account for revenues collected mainly in the General Fund and appropriated to other funds to finance various programs in accordance with budget authorizations. Transfers out to the Transfer Station Fund consisted of budgetary transfers to fund deficit operations and replacement of capital assets.

E. Fund Balance

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 29,463	\$ 29,463
Prepays	98,331		24,267	122,598
Restricted for:				
Permanent funds			126,652	126,652
Various capital projects		4,005,251		4,005,251
Committed to:				
Public works			315,593	315,593
Public safety			53,638	53,638
Education			1,218,825	1,218,825
Culture and recreation programs			80,124	80,124
Various grants			1,407	1,407
Debt service			3,089,260	3,089,260
Assigned to:				
Education encumbrances	950,579			950,579
General Government encumbrances	524,561			524,561
Public works encumbrances	298,277			298,277
Public safety encumbrances	57,512			57,512
Recreation encumbrances	18,011			18,011
Health and welfare encumbrances	14,950			14,950
Capital Project related encumbrances	1,233,536			1,233,536
Assessment appeals	300,000			300,000
Stadium replacement	97,359			97,359
Subsequent year's budget	3,006,256			3,006,256
Unassigned	<u>14,542,508</u>		<u>(9,673)</u>	<u>14,532,835</u>
Total Fund Balances	<u>\$ 21,141,880</u>	<u>\$ 4,005,251</u>	<u>\$ 4,929,556</u>	<u>\$ 30,076,687</u>

Encumbrances of \$1,863,890 are contained in the above table in the assigned category of the General Fund.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

F. Long-Term Debt

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 81,880,000	\$ 11,715,000	\$ 9,300,000	\$ 84,295,000	\$ 8,260,000
Premium on bonds	<u>4,217,432</u>	<u>349,792</u>	<u>423,671</u>	<u>4,143,553</u>	
Total bonds payable	86,097,432			88,438,553	8,260,000
Capital leases	1,314,289	1,025,000	935,589	1,403,700	668,232
Compensated absences	8,158,040	333,273	4,333,340	4,157,973	415,797
Teamsters pension plan liability	2,545,715		149,748	2,395,967	149,748
Net OPEB liability	25,903		25,903	-	
Net pension liability	4,856,827		3,301,232	1,555,595	
Claims payable	<u>2,124,998</u>	<u>13,842,318</u>	<u>14,097,313</u>	<u>1,870,003</u>	<u>1,004,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 105,123,204</u>	<u>\$ 15,200,591</u>	<u>\$ 22,843,125</u>	<u>\$ 99,821,791</u>	<u>\$ 10,497,777</u>

The liability for compensated absences will be funded through the General Fund and/or the Debt Service Fund. Pension liabilities are typically funded by the General Fund and the Debt Service Fund.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Bonds

All bonds are general obligation debt of the Town and are secured by the general revenue raising powers of the Town. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2018</u>
General purpose:				
General obligation	1999	2019	5.00	\$ 900,000
General obligation	2000	2020	5.00-5.25	1,085,047
General obligation	2009	2025	2.00-4.00	1,104,533
General obligation	2009	2022	5.00	1,735,420
General obligation	2011	2025	2.00-4.00	6,005,000
General obligation	2012	2033	2.00-2.50	5,910,000
General obligation	2014	2034	2.00-4.00	3,760,000
General obligation	2015	2030	3.05-5.0	6,995,000
General obligation	2015	2035	2.125-5.00	19,330,000
General obligation	2016	2034	2.00-5.00	80,000
General obligation	2016	2036	2.00-5.00	14,125,000
General obligation	2016	2027	2.00-3.00	3,450,000
General obligation	2017	2037	2.25-3.00	8,100,000
General obligation	2018	2038	3.00-5.00	<u>11,715,000</u>
Total General Purpose				<u>\$ 84,295,000</u>

The Town's general obligation bonds bear interest at rates from 2% to 6.9% and mature as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 8,260,000	\$ 2,811,009
2020	7,340,000	2,489,354
2021	6,015,000	2,229,335
2022	6,030,000	1,958,335
2023	5,710,000	1,699,585
2024-2028	23,675,000	5,748,525
2029-2033	18,395,000	2,867,876
2034-2038	<u>8,870,000</u>	<u>619,222</u>
	<u>\$ 84,295,000</u>	<u>\$ 20,423,241</u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes, as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
Public improvement	\$ 264,904,328	\$ 42,541,563	\$ 222,362,765
Schools	529,808,657	56,134,165	473,674,492
Sewers	441,507,214		441,507,214
Urban renewal	382,639,585		382,639,585
Pension deficit	353,205,771		353,205,771

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, including coterminous municipalities, or \$824,146,799. All long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Additionally, underlying debt of \$399,828 is included in the calculation of indebtedness. There is \$13,980,900 of bonds authorized unissued debt of which \$13,778,500 is for the Miller-Driscoll School, \$202,000 is for Middlebrook School electrical and HVAC improvements, and \$400 for gas conversion at various schools.

General Obligation Bonds Issue

On March 8, 2018, the Town issued \$11,715,000 of general obligation bonds with interest rates ranging from 3.0% to 5.0% with a premium of \$349,792.

Capital Leases

The Town has entered into three lease agreements as lessee for financing the acquisition of copier equipment at the Board Education. The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2018 were as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 668,232	\$ 25,409
2020	451,156	14,063
2021	284,312	4,786
	<u>\$ 1,403,700</u>	<u>\$ 44,258</u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Teamsters Pension Plan Liability

The Town was required to contribute to the Teamsters Union Local No. 145, New England Teamsters and Trucking Industry Pension Fund, a multiple-employer defined contribution plan, on behalf of full-time employees in the Public Works Department.

Effective October 17, 2013, the Town withdrew from the Pension Fund and agreed to a withdrawal liability of \$2,994,960 consisting of annual payments of \$148,734 to be made over a 20-year period commencing on July 13, 2014 and ending on July 13, 2034. The balance of the settlement at June 30, 2018 was \$2,395,967.

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

The Town is the administrator of a single-employer defined benefit pension plan (the Plan) that covers substantially all full-time employees of the Town, other than members of the Teamsters Union, certified teachers and other Board of Education personnel, who participate in a contributory retirement plan administered by the State Teachers' Retirement Board.

The Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. Stand-alone financial statements are not issued for the Plan.

The Trustees of the Retirement Plan for Employees of the Town of Wilton, Connecticut, include the five members of the Board of Selectmen and one member each from the Board of Finance and Board of Education and also the CFO of the Town. The Board of Education and CFO are nonvoting ex-officio members.

Plan Description and Benefits Provided

Eligibility

All full-time employees, customarily employed for more than 20 hours per week and more than five months per year, and not covered by any other nongovernmental retirement plan contributed to by State funds. Employees become active participants upon their date of employment.

Employees hired or rehired after the date indicated below are not eligible to participate in the Plan:

Non-Union	July 1, 2007
AFSCME	July 1, 2007
Library Association	June 1, 2009
BOE Custodians	July 1, 2010
BOE Discretionary and WAESCA	July 1, 2011

Vesting

Police and firefighters are 100% vested upon ten (10) years of credited service. Other employees are 100% vested upon ten (10) years of continuous service.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Membership

At July 1, 2017, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	223
Active plan members	265
Terminated plan members entitled to, but not yet receiving benefits	<u>53</u>
Total Participants	<u><u>541</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Funding Policy

Police

Police employees fund the Plan at a rate of 7.75% of annual base compensation.

Firefighters

Fire employees fund the Plan at a rate of 9.25% of annual base compensation (effective July 1, 2011).

Other Town Employees

All other Town employees fund the Plan at a rate of 3.5% of annual base compensation (6.0% for Town and Library members effective July 1, 2002, Board of Education Discretionary and WAESCA effective July 1, 2006, and for Board of Education custodians effective July 1, 2012).

The Town funds periodic contributions at an actuarially determined rate.

Administrative costs of the Plan are financed through investment earnings.

Benefits

Police

2.50% of average annual salary for each year of credited service (for highest consecutive three-year average compensation within the last 10 years preceding retirement date). Maximum benefits are 73% of average annual salary or maximum 29.2 years of credited service.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

Firefighters

2.00% of average annual salary for each year of service through September 30, 1979 plus 2.5% of average annual salary for each year of credited service thereafter (average of the highest consecutive three years (effective July 1, 2003) average base contributable compensation, which effective July 1, 2002 includes holiday pay and effective July 1, 2003 includes longevity pay and effective July 1, 2008 includes EMT stipend, within the last 10 years preceding retirement). Maximum benefit is 71.25% of average annual salary.

Other Town Employees

2.00% of average annual salary (average of the highest consecutive four years compensation within the last ten years preceding the earlier of retirement or the cessation of contributions upon completion of 30 years of credited service) 2.25% for Town and Library members effective July 1, 2002, for Board of Education discretionary and WAESCA effective July 1, 2006, and for Board of Education custodians effective July 1, 2013. Maximum benefit is 60% (67.5% for Town and Library members effective July 1, 2002, for Board of Education discretionary and WAESCA, effective July 1, 2006, and for Board of Education custodians effective July 1, 2013) of average annual salary or maximum 30 years of credited service.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Trustees of the Plan by a majority vote of its members. It is the policy of the Trustees pursue an investment strategy that achieves the stated actuarial target of the Plan, maintains sufficient liquidity to meet the obligations of the Plan, diversifies the assets of the Plan in order to reduce risk, and achieves investment results of the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indices. The following was the Board's asset allocation as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	21.00%
Global Fixed Income	5.00%
High Yield Fixed Income	2.50%
U.S. Large Cap	22.00%
U.S. Small Cap	8.00%
International Developed	20.00%
Emerging Markets	10.00%
Inflation Protectoin Fixed Income	1.50%
Private Debt	5.00%
Real Estate	<u>5.00%</u>
Total	<u><u>100.00%</u></u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The Town's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017.

The components of the net pension liability of the Town at June 30, 2018 were as follows:

Total pension liability	\$	118,911,726
Plan fiduciary net position		<u>117,356,131</u>
Total Net Pension Liability	\$	<u><u>1,555,595</u></u>
Plan fiduciary net position as a percentage of the total pension liability		98.69%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.6% (Prior: 3.0%)
Salary increases	2.5%
Investment rate of return	6.875%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to measurement date with Scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2016.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan’s target asset allocation. The information below is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.75% and 7.25%. An expected rate of return of 6.875% was used.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	1.65%
Global Fixed Income	1.85%
High Yield Fixed Income	3.05%
U.S. Large Cap	5.55%
U.S. Small Cap	6.00%
International Developed	5.55%
Emerging Markets	6.50%
Inflation Protection Fixed Income	1.65%
Private Debt	5.15%
Real Estate	4.20%

Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2017	\$ 115,905,267	\$ 111,048,440	\$ 4,856,827
Changes for the year:			
Service cost	2,756,790		2,756,790
Interest on total pension liability	7,979,014		7,979,014
Differences between expected and actual experience	(717,710)		(717,710)
Employer contributions		2,437,805	(2,437,805)
Member contributions		1,215,697	(1,215,697)
Net investment income		7,949,531	(7,949,531)
Benefit payments, including refund to employee contributions	(5,295,342)	(5,295,342)	-
Net changes	3,006,459	6,307,691	(3,301,232)
Balances as of June 30, 2018	\$ 118,911,726	\$ 117,356,131	\$ 1,555,595

- Members employed as a Police Officer on September 17, 2014, including members who have retired through April 8, 2015, shall be credited with an additional two years of Credited Service solely for purposes of determining the amount of his or her monthly Retirement Allowance.
- The Plan is closed to employees hired on or after April 2, 2015.
- Effective April 8, 2015, mandatory retirement age is 65 (previously 62).
- Effective April 7, 2015, the maximum retirement allowance is 76% (previously 73%)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.875%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Net Pension Liability (Asset)	\$ 17,774,804	\$ 1,555,595	\$ (11,921,150)

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Town recognized pension expense of \$3,421,715. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 1,118,487
Changes of assumptions	2,253,358	4,042,743
Net difference between projected and actual earning on pension plan investments	<u>362,027</u>	<u> </u>
Total	<u>\$ 2,615,385</u>	<u>\$ 5,161,230</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 302,742
2020	(743,708)
2021	(2,005,645)
2022	(135,883)
2023	<u>36,649</u>
	<u>\$ (2,545,845)</u>

B. Connecticut State Teachers’ Retirement System

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the three years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>127,644,082</u>
Total	<u>\$ 127,644,082</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$14,764,692 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

C. Defined Contribution Pension Plan

The Town is the administrator of a single employer, defined contribution pension plan. In a defined contribution pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Beginning in fiscal year 2008, the Town provided pension benefits for all full-time Town employees hired after July 1, 2007, except members of the Police Department who were hired before April 2, 2015 and Fire Department, through a single-employer, contributory, defined contribution pension plan. The Teamsters became members of this plan as of July 1, 2013. This plan has a five-year vesting. Employees are eligible to participate in the plan upon employment. Any participant who has attained his normal retirement date and required years of credited service is eligible for a normal retirement benefit. The normal retirement date for participating employees is attained at age 65.

The plan requires the Town to contribute an amount equal to 5% of the employee's base salary for employees hired after October 4, 2016 and 9% for all others. Employees are required to contribute 5% of their annual salary. Benefits vest 100% after five years. Loans are not permitted under the plan. During 2014, the Teamsters withdrew from the Teamster Pension and entered this plan. The Town made a one-time contribution totaling 1.5% for each year of credited service under the Teamsters Pension times the employee's base pay.

Town contributions amounted to \$303,546. Employees contributed \$122,680 to the plan. Contributions made by the Town and its employees represent 9% and 5%, respectively, of covered payroll for the year.

The assets for the plan are held and administered by ICMA Retirement Corporation. The Board of Selectmen has the authority to establish or amend plan provisions and contribution requirements.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

D. Fiduciary Trust Funds

Combining Statement of Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 80,200	\$ 80,200
Investments, at fair value:			
Mutual funds	117,354,965	7,688,189	125,043,154
Accounts receivable	<u>1,166</u>	<u>2,505</u>	<u>3,671</u>
Total assets	<u>117,356,131</u>	<u>7,770,894</u>	<u>125,127,025</u>
Liabilities:			
Accounts payable		40,000	40,000
Due to other funds		<u>255,217</u>	<u>255,217</u>
Total liabilities	<u>-</u>	<u>295,217</u>	<u>295,217</u>
Net Position:			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 117,356,131</u>	<u>\$ 7,475,677</u>	<u>\$ 124,831,808</u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Combining Statement of Revenues, Expenses and Changes in Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 2,437,805	\$ 391,959	\$ 2,829,764
Plan members	1,215,697		1,215,697
Other revenues		49,280	49,280
Total contributions	<u>3,653,502</u>	<u>441,239</u>	<u>4,094,741</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	5,688,349		5,688,349
Interest and dividends	<u>2,413,319</u>	<u>481,034</u>	<u>2,894,353</u>
Total investment gain	8,101,668	481,034	8,582,702
Less investment expenses:			
Investment management fees	<u>152,137</u>		<u>152,137</u>
Net investment gain	<u>7,949,531</u>	<u>481,034</u>	<u>8,430,565</u>
Total additions	<u>11,603,033</u>	<u>922,273</u>	<u>12,525,306</u>
Deductions:			
Benefits	5,295,342	32,887	5,328,229
Administration		<u>15,722</u>	<u>15,722</u>
Total deductions	<u>5,295,342</u>	<u>48,609</u>	<u>5,343,951</u>
Change in net position	6,307,691	873,664	7,181,355
Net Position at Beginning of Year	<u>111,048,440</u>	<u>6,602,013</u>	<u>117,650,453</u>
Net Position at End of Year	<u>\$ 117,356,131</u>	<u>\$ 7,475,677</u>	<u>\$ 124,831,808</u>

5. OTHER POST EMPLOYMENT BENEFIT PLANS

Postemployment Healthcare Plan

A. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Town's Other Post Employment Benefits Fund (OPEB) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when they are due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the OPEB plan.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

The OPEB Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when they are 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. Administrative costs are financed through investment earnings.

Investments are reported at fair value. Investment income is recognized as earned.

Management of the post employment benefits plan is vested with the First Selectman and CFO. Policy oversight is provided by the OPEB Committee, which consists of three members.

Plan Description

The Town provides post employment benefits for Police Department, Teachers and certain other retirees. This benefit is provided per various bargaining agreements. The Town pays for 100% of retiree and spouse costs for Police and 75% of retiree costs for Town and Board of Education administrators. The Town is required to provide medical, dental and life insurance to certain retired police officers. The Town is also required to provide medical and dental insurance to certain other retirees until the retirees reach the age of 65 or unless covered elsewhere. The post employment benefits plan is a single-employer defined benefit healthcare plan administered by the Town. The post employment benefits plan is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial report as the Other Post Employment Benefits Trust Fund. The Town does not issue a separate stand-alone financial statement for this program.

Management of the post employment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Employee Insurance and Pension Benefits Committee, which consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education and two alternate members.

At July 1, 2017, plan membership consisted of the following:

Inactive employees currently receiving benefit payments	38
Active employees	<u>772</u>
Total	<u><u>810</u></u>

B. Funding Policy and Benefits Provided

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The Town's funding strategy for post employment obligations are based upon characteristics of benefits on three distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- AFSCME Board of Education and Town employees are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55, and 5 years of continuous service or 15 years of aggregate service. Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.
- Police officers are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 50 or completion of 20 years of service. Early retirement is age 45 and 10 years of continuous service. For officers hired on or after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age and an officer retiring prior to normal retirement shall not be eligible for retiree health care benefits.
- Per state statute, any Teacher and School Certified Administrator hired prior to March 1986 that does not qualify for Medicare is eligible for retiree health coverage for lifetime at the earlier of age 55 with 20 years of service or 25 years of service. Those qualifying for Medicare are allowed to remain on the health insurance plan until age 65.
- Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.
- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

C. Investments

Investment Policy

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the Employee Insurance and Pension Benefits Committee by a majority vote of its members. It is the policy of the Employee Insurance and Pension Benefits Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Employee Insurance and Pension Benefits Committee's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

D. Net OPEB Liability (Asset) of the Town

The Town's net OPEB liability (asset) was measured as of June 30, 2018. The components of the net OPEB liability of the Town at June 30, 2018 were as follows:

Total OPEB liability	\$	6,922,254
Plan fiduciary net position		<u>7,475,677</u>
Net OPEB Liability (Asset)	\$	<u><u>(553,423)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		107.99%

Actuarial Assumptions

The total OPEB liability at June 30, 2018 was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	3.50%, average, including inflation
Discount rate	5.75%
Healthcare cost trend rates	7.6% for 2016, decreasing 0.5% per year to an ultimate rate of 4.6% for 2022 and later years
Retirees' share of benefit-related costs	50% for police and fire and 100% for all other retirees

Mortality rates for healthy participants were based on the RP-2000 Combined Healthy Mortality Table for males and females, projected forward 19 years using scale AA, with a two-year age setback. Mortality rates for disabled participants were based on RP-2000 Combined Healthy Mortality Table for males and females, projected forward 19 years using scale AA, with an eight-year set forward.

The plan has not had a formal actuarial experience study performed.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.35 %
Core Fixed Income	30.00	1.65
Global Fixed Income	5.00	1.85
High Yield Fixed Income	5.00	3.05
U.S. Large Cap Equity	24.00	5.55
U.S. Small Cap Equity	6.00	6.00
International Developed Equity	16.00	5.55
Emerging Markets Equity	4.00	6.50
REITs	5.00	4.40
	<u>100.00</u>	
Total	<u>100.00</u>	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

F. Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2017	\$ 6,627,916	\$ 6,602,013	\$ 25,903
Changes for the year:			
Service cost	234,914		234,914
Interest on total OPEB liability	393,681		393,681
Differences between expected and actual experience	(301,370)		(301,370)
Employer contributions		391,959	(391,959)
TRB subsidy contributions		49,280	(49,280)
Net investment income		481,034	(481,034)
Benefit payments	(32,887)	(32,887)	-
Administrative expenses		(15,722)	15,722
Net changes	<u>294,338</u>	<u>873,664</u>	<u>(579,326)</u>
Balances as of June 30, 2018	<u>\$ 6,922,254</u>	<u>\$ 7,475,677</u>	<u>\$ (553,423)</u>

G. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current discount rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB Liability (Asset)	\$ 133,579	\$ (553,423)	\$ (1,162,847)

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

H. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.60% decreasing to 3.60%) or 1 percentage point higher (8.60% decreasing to 5.60%) than the current healthcare cost trend rates:

	1% Decrease (6.60% Decreasing to 3.60%)	Healthcare Cost Trend Rates (7.60% Decreasing to 4.60%)	1% Increase (8.60% Decreasing to 5.60%)
Net OPEB Liability (Asset)	\$ (1,358,932)	\$ (553,423)	\$ 403,003

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized OPEB expense of \$163,743. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$	\$ 278,880
Changes of assumptions		
Net difference between projected and actual earning on OPEB plan investments	<u> </u>	<u>72,230</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ 351,110</u></u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (40,548)
2020	(40,548)
2021	(40,548)
2022	(40,546)
2023	(22,490)
Thereafter	(166,430)

The following schedule presents the net position held in trust for OPEB benefits at June 30, 2018 and the changes in net position for the year ended June 30, 2018:

	<u>OPEB Trust Fund</u>
Assets:	
Cash and cash equivalents	\$ 80,200
Investments:	
Mutual funds	7,688,189
Accounts receivable	<u>2,505</u>
Total assets	<u>7,770,894</u>
Liabilities:	
Due to other funds	255,217
Unpaid claims	<u>40,000</u>
Total liabilities	<u>295,217</u>
Net Position:	
Restricted for OPEB Benefits	<u>\$ 7,475,677</u>

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

	OPEB Trust Fund
Additions:	
Contributions:	
Employer	\$ <u>391,959</u>
Investment income:	
Interest and dividends	<u>481,034</u>
Total investment income	<u>481,034</u>
Other revenues	<u>49,280</u>
Total additions	<u>922,273</u>
Deductions:	
Benefits	32,887
Administration	<u>15,722</u>
Total deductions	<u>48,609</u>
Change in Net Position	873,664
Net Position - Beginning of Year	<u>6,602,013</u>
Net Position - End of Year	<u>\$ <u>7,475,677</u></u>

State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

Medicare Supplement with Prescriptions	\$ 92
Medicare Supplement with Prescriptions and Dental	136
Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>32,854,130</u>
Total	<u>\$ 32,854,130</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$1,522,626 in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

6. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss, including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and medical; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for workers' compensation and employee health and medical claims. Under the Town's current policy, the Medical Benefits Fund covers all employee claims up to \$225,000 per claim with a stop-loss policy covering amounts exceeding the limit. The Town also purchases aggregate stop-loss coverage for claims in excess of 120% of expected claim level, which approximates \$16 million. The Workers' Compensation Fund covers claims associated with work-related injuries. The Town purchases commercial insurance for claims in excess of coverage provided by the Workers' Compensation Fund with an individual claim maximum of \$250,000 and a \$650,000 aggregate maximum per year. Town management has estimated a liability using actuarial methods at June 30, 2018 for claims incurred but not reported as shown below. Heart and Hypertension cases are estimated and negotiated by legal counsel.

**TOWN OF WILTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Changes in the claims liability were as follows:

Medical Benefits				
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 1,114,000	\$ 13,396,606	\$ (13,506,606)	\$ 1,004,000
2016-17	1,106,000	13,914,745	(13,906,745)	1,114,000

Workers' Compensation				
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 464,136	\$ 387,912	\$ (495,705)	\$ 356,343
2016-17	156,197	957,427	(649,488)	464,136

Heart and Hypertension				
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 546,862	\$ 57,800	\$ (95,002)	\$ 509,660
2016-17	836,243	-	(289,381)	546,862

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

B. Contingencies

The Town is currently involved in several litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not materially affect the financial condition of the Town.

**TOWN OF WILTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

7. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

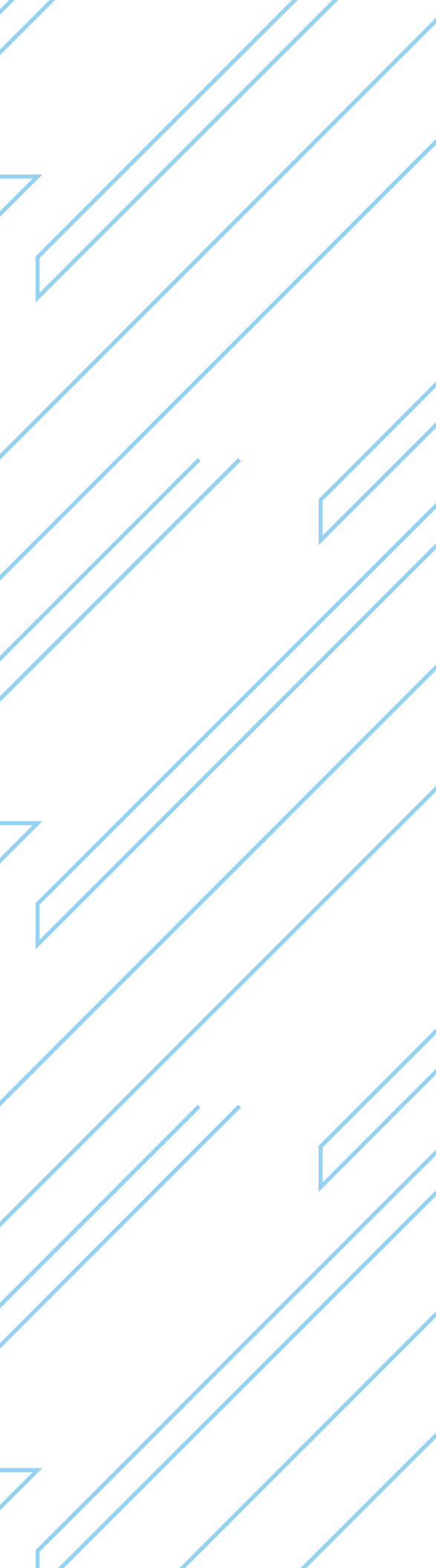
Governmental Activities:

Net position at June 30, 2017, as previously reported \$ 118,349,878

Adjustments:

Record starting total OPEB liability per GASB No. 75 (25,903)

Net Position at July 1, 2017, as Restated \$ 118,323,975



Required Supplementary Information

TOWN OF WILTON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest and lien fees	\$ 119,413,517	\$ 119,413,517	\$ 119,834,376	\$ 420,859
Intergovernmental revenues:				
Federal and State Board of Education Grants			537,252	537,252
Town:				
State property refund			302	302
Tax relief for elderly	54,000	54,000	467	(53,533)
Town aid road	315,938	315,938	316,675	737
Telephone line tax	65,000	65,000	53,575	(11,425)
Veteran's exemption	4,500	4,500	4,554	54
Pequot PILOT	10,891	10,891	10,862	(29)
Youth Service Bureau	20,171	20,171	19,798	(373)
Local capital improvements	225,524	225,524		(225,524)
Municipal revenue sharing			307,058	307,058
Other Town Grants	383,938	383,938	112,877	(271,061)
Bioterrorism	13,568	13,568		(13,568)
Total intergovernmental revenues	1,093,530	1,093,530	1,363,420	269,890
Charges for services:				
Fees, permits and other:				
Town Clerk	704,900	704,900	700,674	(4,226)
Building	507,000	507,000	769,531	262,531
Planning and Zoning	20,900	20,900	40,636	19,736
Police reports	1,300	1,300	1,788	488
Finance Department	40,000	40,000	43,554	3,554
Police permits	4,200	4,200	4,245	45
DPW permits	2,500	2,500	2,000	(500)
Other police revenue	12,500	12,500	16,171	3,671
Registrar of voters	75	75		(75)
Assessor	2,500	2,500	1,821	(679)
Animal Control	5,070	5,070	5,399	329
Fire Department	25,050	25,050	36,630	11,580
Environmental Affairs	26,000	26,000	83,041	57,041
Swimming fees	50,000	50,000	43,244	(6,756)
Dial-A-Ride	7,000	7,000	3,724	(3,276)
Senior center	20,000	20,000	22,833	2,833
Environmental health	116,725	116,725	84,906	(31,819)
Paramedic Services	100,000	100,000	100,000	-
Athletic fees - Board of Education			6,505	6,505
Self Sustaining Recreation Programs			205	205
Total charges for services	1,645,720	1,645,720	1,966,907	321,187
Interest and dividends	180,000	180,000	473,121	293,121

(Continued on next page)

TOWN OF WILTON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Other:				
Rental:				
Town Property	\$ 100,000	\$ 200,000	\$ 143,226	\$ (56,774)
Town Green	100,000	100,000	102,767	2,767
Comstock School	10,000	10,000	22,341	12,341
Radio Tower	100,000	100,000	224,167	124,167
Marvin Tavern	37,200			-
Miscellaneous	9,404	9,404	65,833	56,429
Total other	356,604	419,404	558,334	138,930
Total revenues	122,689,371	122,752,171	124,196,158	1,443,987
Expenditures:				
General government:				
Board of Selectmen	521,753	520,953	473,176	47,777
Finance Office	824,356	822,830	721,920	100,910
Human Resources	249,316	248,614	173,705	74,909
Town Counsel	174,800	174,800	227,895	(53,095)
Town Hall and Annex	297,925	285,925	240,198	45,727
Major Utilities	264,363	301,803	283,944	17,859
Other Town Properties	138,729	88,954	165,305	(76,351)
Dial-A-Ride	180,147	180,710	160,864	19,846
Town Clerk	445,727	444,400	420,871	23,529
Planning and Zoning	587,640	588,018	556,340	31,678
Board of Finance	63,537	63,537	56,739	6,798
Assessor	380,345	424,209	366,179	58,030
Tax Collector	255,617	253,815	339,319	(85,504)
Probate Court	21,000	21,000	6,444	14,556
Registrar of Voters	204,514	205,143	178,295	26,848
Code Enforcement - Building	401,424	394,186	377,764	16,422
Comstock Community Center	293,531	293,131	234,048	59,083
Information Systems	781,631	818,681	773,396	45,285
Total general government	6,086,355	6,130,709	5,756,402	374,307
Expenditures:				
Public safety:				
Police	7,770,420	7,790,801	7,511,519	279,282
Community Emergency Response Team	13,250	13,791	13,736	55
Paramedic Services	397,309	397,309	353,413	43,896
Fire and Emergency Service	4,833,257	4,800,949	4,710,587	90,362
Central Dispatch	337,924	332,049	298,972	33,077
Georgetown Fire District	407,360	407,360	394,508	12,852
Economic Development	18,000	18,000	3,580	14,420
Total public safety	13,777,520	13,760,259	13,286,315	473,944

(Continued on next page)

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works:				
Public Works Department	\$ 3,498,252	\$ 3,511,507	\$ 3,258,442	\$ 253,065
Health and welfare:				
Health and Sanitation	470,759	464,752	456,471	8,281
Public Health Nursing	936,878	936,878	930,470	6,408
Welfare and Social Services	770,136	767,771	716,308	51,463
Total health and welfare	2,177,773	2,169,401	2,103,249	66,152
Other:				
Employee Benefits and Unemployment Compensation	451,519	378,352	207,944	170,408
Insurance	729,685	667,010	665,043	1,967
Library Association	2,752,453	2,752,453	2,752,453	-
Route 7 Bus	5,000	5,000	5,000	-
Teen Center	125,920	125,920	125,920	-
Ambler Farm	34,316	34,316	25,843	8,473
Wilton Garden Club	5,000	5,000	4,651	349
Animal Control	143,527	133,277	103,614	29,663
Total other	4,247,420	4,101,328	3,890,468	210,860
Culture and recreation:				
Park and Recreation Department	1,445,089	1,474,305	1,270,537	203,768
Conservation and Inland-Wetlands	427,061	415,186	461,994	(46,808)
Total culture and recreation	1,872,150	1,889,491	1,732,531	156,960
Education:				
Board of Education	80,572,640	80,572,640	80,569,699	2,941
Capital outlay:				
General Government	324,649	817,750	188,849	628,901
Public Safety	509,756	664,585	257,406	407,179
Public Works	315,001	381,568	233,678	147,890
Parks, Recreation and Conservation Transfer Station	25,000	68,135	25,794	42,341
		21,572	(919)	22,491
Total capital outlay	1,174,406	1,953,610	704,808	1,248,802
Debt service:				
Principal retirement	9,277,920	9,420,333	9,420,333	-
Interest	2,489,596	2,403,269	2,403,268	1
Issuance Costs		78,590	78,590	-
Total debt service	11,767,516	11,902,192	11,902,191	1

(Continued on next page)

TOWN OF WILTON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Additional Appropriation	\$ 1,255,490	\$ 1,255,490	\$	\$ 1,255,490
Total expenditures	<u>126,429,522</u>	<u>127,246,627</u>	<u>123,204,105</u>	<u>4,042,522</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,740,151)</u>	<u>(4,494,456)</u>	<u>992,053</u>	<u>5,486,509</u>
Other Financing Uses:				
Transfers out	<u>(375,000)</u>	<u>(375,000)</u>	<u>(776,584)</u>	<u>(401,584)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	<u>\$ (4,115,151)</u>	<u>\$ (4,869,456)</u>	<u>\$ 215,469</u>	<u>\$ 5,084,925</u>
	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>	<u>Fund Balance</u>	
Reconciliation from Budget to GAAP:				
Balance, budgetary basis per above	\$ 124,196,158	\$ 123,980,689	\$ 19,277,990	
Encumbrances June 30, 2017		813,456		
Encumbrances June 30, 2018		(1,469,294)	1,469,294	
Encumbrances prior to June 30, 2017 still outstanding			394,596	
State Teachers' Retirement on-behalf payment:				
OPEB	1,522,626	1,522,626		
Pension	14,764,692	14,764,692		
Excess Cost Grant	<u>1,654,971</u>	<u>1,654,971</u>		
Per Exhibit IV	<u>\$ 142,138,447</u>	<u>\$ 141,267,140</u>	<u>\$ 21,141,880</u>	

TOWN OF WILTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION PLAN
LAST FOUR FISCAL YEARS*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability:				
Service cost	\$ 2,835,172	\$ 2,957,904	\$ 2,773,844	\$ 2,756,790
Interest	7,218,115	7,847,615	7,613,502	7,979,014
Changes of benefit terms	836,836			
Differences between expected and actual experience	(939,929)	(30,688)	(70,700)	(717,710)
Changes of assumptions	4,399,410	(5,417,785)		(1,716,293)
Benefit payments, including refunds of member contributions	<u>(3,333,463)</u>	<u>(4,466,224)</u>	<u>(4,680,953)</u>	<u>(5,295,342)</u>
Net change in total pension liability	11,016,141	890,822	5,635,693	3,006,459
Total pension liability - beginning	<u>98,362,611</u>	<u>109,378,752</u>	<u>110,269,574</u>	<u>115,905,267</u>
Total pension liability - ending	<u>109,378,752</u>	<u>110,269,574</u>	<u>115,905,267</u>	<u>118,911,726</u>
Plan fiduciary net position:				
Contributions - employer	3,456,084	3,136,270	2,392,448	2,437,805
Contributions - member	1,300,460	1,228,214	964,971	1,215,697
Net investment income	1,839,007	360,473	12,015,801	7,949,531
Benefit payments, including refunds of member contributions	<u>(3,333,463)</u>	<u>(4,466,224)</u>	<u>(4,680,953)</u>	<u>(5,295,342)</u>
Net change in plan fiduciary net position	3,262,088	258,733	10,692,267	6,307,691
Plan fiduciary net position - beginning	<u>96,835,352</u>	<u>100,097,440</u>	<u>100,356,173</u>	<u>111,048,440</u>
Plan fiduciary net position - ending	<u>100,097,440</u>	<u>100,356,173</u>	<u>111,048,440</u>	<u>117,356,131</u>
Net Pension Liability - Ending	<u>\$ 9,281,312</u>	<u>\$ 9,913,401</u>	<u>\$ 4,856,827</u>	<u>\$ 1,555,595</u>
Plan fiduciary net position as a percentage of the total pension liability	91.51%	91.01%	95.81%	98.69%
Covered-employee payroll	\$ 17,959,515	\$ 17,379,052	\$ 17,102,432	\$ 16,643,071
Net pension liability as a percentage of covered-employee payroll	51.68%	57.04%	28.40%	9.35%

Notes to Schedule:

Benefit changes: Members employed as a Police Officer on September 17, 2014, including members who have retired through April 8, 2015, shall be credited with an additional two years of Credited Service solely for purposes of determining the amount of his or her monthly retirement allowance.

The Plan is closed to employees hired on or after April 2, 2015.

Effective April 8, 2015, mandatory retirement age is 65 (previously 62) and maximum retirement allowance is 76% (previously 73%).

2016 Assumption Changes: RP-2014 Adjusted to 2006 Dataset Mortality Table projected to valuation date with Scale MP-2014 and 1 year set forward as opposed to RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale BB. Interest rates changed from 7.125% to 6.875%.

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

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION PLAN
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 3,008,708	\$ 2,755,081	\$ 3,130,679	\$ 3,383,205	\$ 3,675,413	\$ 3,056,746	\$ 3,005,290	\$ 2,851,154	\$ 2,278,522	\$ 2,321,719
Contributions in relation to the actuarially determined contribution	3,610,800	3,668,343	3,600,281	4,058,322	4,410,496	3,515,258	3,456,084	3,136,270	2,392,448	2,437,805
Contribution Deficiency (Excess)	<u>\$ (602,092)</u>	<u>\$ (913,262)</u>	<u>\$ (469,602)</u>	<u>\$ (675,117)</u>	<u>\$ (735,083)</u>	<u>\$ (458,512)</u>	<u>\$ (450,794)</u>	<u>\$ (285,116)</u>	<u>\$ (113,926)</u>	<u>\$ (116,086)</u>
Covered-employee payroll	\$ 17,785,135	\$ 18,868,063	\$ 19,074,084	\$ 19,012,434	\$ 18,996,097	\$ 18,413,453	\$ 17,959,515	\$ 17,379,052	\$ 17,102,432	\$ 16,643,071
Contributions as a percentage of covered-employee payroll	20.30%	19.44%	18.88%	21.35%	23.22%	19.09%	19.24%	19.09%	13.99%	14.65%

Notes to Schedule

- Valuation date: July 1, 2016
- Measurement date: June 30, 2017
- Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
- Methods and assumptions used to determine contribution rates:
 - Projected Unit Credit Cost Method
 - Level dollar amounts, open
 - 20 years
 - 5-year smoothed market
 - 2.60% (Prior: 3.00%)
 - 2.50%
 - 6.875%, net of pension plan investment expense, including inflation
 - Age 65 with 30 years of service
 - RP-2014 Total Dataset Mortality Table projected to valuation date with Scale MP-2014 and 1 year age set forward.

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLAN
LAST FOUR FISCAL YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	1.86%	36.00%	11.93%	7.17%

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

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>94,141,261</u>	<u>101,983,534</u>	<u>134,665,484</u>	<u>127,644,082</u>
Total	<u>\$ 94,141,261</u>	<u>\$ 101,983,534</u>	<u>\$ 134,665,484</u>	<u>\$ 127,644,082</u>
Town's covered-employee payroll	\$ 37,117,500	\$ 37,292,357	\$ 38,082,323	\$ 38,574,839
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.56%	59.50%	52.26%	55.93%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	In 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market

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

TOWN OF WILTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
OPEB
LAST TWO FISCAL YEARS*

	<u>2017</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 224,583	\$ 234,914
Interest	368,516	393,681
Differences between expected and actual experience	(272,499)	(301,370)
Benefit payments	<u>(22,538)</u>	<u>(32,887)</u>
Net change in total OPEB liability	298,062	294,338
Total OPEB liability - beginning	<u>6,329,854</u>	<u>6,627,916</u>
Total OPEB liability - ending	<u>6,627,916</u>	<u>6,922,254</u>
Plan fiduciary net position:		
Contributions - employer	590,880	391,959
Contributions - TRB subsidy	33,220	49,280
Net investment income	700,323	481,034
Benefit payments	(22,538)	(32,887)
Administrative expense	<u>(7,294)</u>	<u>(15,722)</u>
Net change in plan fiduciary net position	1,294,591	873,664
Plan fiduciary net position - beginning	<u>5,307,422</u>	<u>6,602,013</u>
Plan fiduciary net position - ending	<u>6,602,013</u>	<u>7,475,677</u>
Net OPEB Liability (Asset) - Ending	<u>\$ 25,903</u>	<u>\$ (553,423)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	99.61%	107.99%
Covered-employee payroll	\$ 56,350,135	\$ 58,322,390
Net OPEB liability (asset) as a percentage of covered-employee payroll	0.05%	-0.95%

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

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution (1)	\$ 555,000	\$ 566,000	\$ 566,713	\$ 760,833	\$ 786,617	\$ 691,605	\$ 710,251	\$ 570,912	\$ 590,880	\$ 326,632
Contributions in relation to the actuarially determined contribution	555,000	566,000	566,713	760,833	786,617	691,605	710,251	570,912	590,880	391,959
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (65,327)
Covered-employee payroll	\$ 47,744,000	\$ 51,760,000	\$ 51,760,000	\$ 51,627,000	\$ 51,627,000	\$ 54,092,000	\$ 54,092,000	\$ 56,350,135	\$ 56,350,135	\$ 58,322,390
Contributions as a percentage of covered-employee payroll	1.16%	1.09%	1.09%	1.47%	1.52%	1.28%	1.31%	1.01%	1.05%	0.67%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Valuation date	7/1/2016
Measurement date	6/30/2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of salary
Amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.60% (Prior: 3.00%)
Healthcare cost trend rates	7.60% initial, decreasing 0.5% per year to an ultimate rate of 4.60% for 2022 and later
Salary increases	Prior: 10.00% in 2014, reducing by 1.00% each year to a final 5.00% per year rate for 2019 and later
Investment rate of return	3.50%, average, including inflation
Retirement age	5.75% (Prior: 7.125%), net of pension plan investment expense, including inflation
Mortality	In the 2017 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.
	Prior: RP-2000 Mortality Table with separate male and female rates, which no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB.

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST TWO FISCAL YEARS***

	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	14.70%	6.80%

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

**TOWN OF WILTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>32,854,130</u>
Total	<u>\$ 32,854,130</u>
Town's covered payroll	\$ 38,574,839
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	85.17%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Appendix B

Form of Opinion of Bond Counsel

[FORM OF OPINION OF BOND COUNSEL]

May ____, 2019

Town of Wilton,
 Wilton, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Wilton, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated May ____, 2019 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$3,600,000 Town of Wilton, Connecticut General Obligation Bonds, dated May ____, 2019 (the “Bonds”), maturing on May 1 in each of the years, in the principal amounts and bearing interest payable on November 1, 2019 and semiannually thereafter on May 1 and November 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2020	\$360,000	%	2025	\$360,000	%
2021	360,000		2026	360,000	
2022	360,000		2027	360,000	
2023	360,000		2028	360,000	
2024	360,000		2029	360,000	

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteenth day of April and October in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Respectfully,

Appendix C

Form of Continuing Disclosure Agreement

[FORM OF CONTINUING DISCLOSURE AGREEMENT]

CONTINUING DISCLOSURE AGREEMENT

Town of Wilton, Connecticut
\$3,600,000 General Obligation Bonds
dated May ___, 2019

May ___, 2019

WHEREAS, the Town of Wilton, Connecticut (the "Town") has heretofore authorized the issuance of \$3,600,000 in aggregate principal amount of its General Obligation Bonds, dated May ___, 2019 (the "Bonds"), maturing on the dates and in the amounts set forth in the Town's Official Statement dated May ___, 2019 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale dated April 15, 2019 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Financial Obligation" shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

"Fiscal Year End" shall mean the last day of the Town's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;

(G) the ratios of total direct debt and total overall net debt of the Town to the Town’s net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Town’s pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town’s audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF WILTON, CONNECTICUT

By: _____

Name: Lynne Vanderslice

Title: First Selectman

By: _____

Name: Anne Kelly-Lenz

Title: Chief Financial Officer and Town Treasurer

Appendix D

Notice of Sale

NOTICE OF SALE
\$3,600,000
TOWN OF WILTON, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2019

Electronic bids (as described herein) will be received by the **TOWN OF WILTON, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Thursday,

APRIL 25, 2019

(the “Sale Date”) for the purchase of all, but not less than all, of the \$3,600,000 Town of Wilton, Connecticut General Obligation Bonds, Issue of 2019 (the “Bonds”). Electronic bids must be submitted via **PARITY**[®]. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY**[®]. Prospective bidders are advised to check for such **PARITY**[®] postings prior to the above stated sale time.

The Bonds

The Bonds will be dated May 6, 2019, mature in the principal amounts of \$360,000 on May 1 in each of the years 2020 to 2029, both inclusive, bear interest payable on November 1, 2019 and semiannually thereafter on May 1 and November 1 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated April 15, 2019 (the “Preliminary Official Statement”).

The Bonds maturing on or before May 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after May 1, 2024 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
May 1, 2024 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY**®, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$3,600,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed

on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to May 6, 2019, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to May 6, 2019, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about May 6, 2019. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the

Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 25 copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town.

LYNNE VANDERSLICE
First Selectman

ANNE KELLY-LENZ
Chief Financial Officer and Town Treasurer

March ____, 2019

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Wilton, Connecticut
 \$3,600,000 General Obligation Bonds, Issue of 2019

The undersigned, on behalf of [NAME OF UNDER/REP], [on behalf of itself and [OTHER UNDER]], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the "Bonds"), as described in the Notice of Sale for the Bonds, dated April 15, 2019 (the "Notice of Sale"). For a description of the requirements of each rule, please refer to the section "Obligation to Deliver Issue Price Certificate" in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
05/01/2020	\$360,000	0.000%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2021	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2022	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2023	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2024	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2025	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2026	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2027	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2028	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
05/01/2029	360,000	0.000	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. on April 26, 2019:

Bond Counsel: sspinelli@rc.com

Municipal Advisor: mspoerndle@muniadvisors.com

{This page intentionally left blank}