

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 25, 2019

REFUNDING / NEW MONEY ISSUE: Book-Entry-Only

RATING: Moody's Investors Service: "Aaa"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference under the Code for purposes of the federal alternative minimum tax imposed on individuals or corporations. In the opinion of Bond Counsel, 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. See "TAX EXEMPTION" herein.



Town of Westport, Connecticut

\$7,600,000

General Obligation Bonds, Issue of 2019, Series A

Dated: **Date of Delivery**

**Due: Serially on May 15,
as detailed on the inside cover**

Interest on the \$7,600,000 General Obligation Bonds, Issue of 2019, Series A (the "Series A Bonds") will be payable November 15, 2019 and semiannually thereafter on May 15 and November 15 in each year until maturity.

The Series A Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

Electronic bids via PARITY for the Series A Bonds will be received until 11:00 A.M. (Eastern Time) on Wednesday, May 1, 2019, at The Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880.

\$4,630,000*

General Obligation Refunding Bonds, Issue of 2019, Series B

Dated: **Date of Delivery**

**Due: Serially on February 1,
as detailed on the inside cover**

The \$4,630,000* General Obligation Refunding Bonds, Issue of 2019, Series B (the "Series B Bonds") will bear interest payable on August 1, 2019 and semiannually thereafter on February 1 and August 1 in each year until maturity.

The Series B Bonds are NOT subject to redemption prior to maturity.

Electronic bids via PARITY for the Series B Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, May 1, 2019, at The Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880.

The Series A Bonds and Series B Bonds (collectively, the "Bonds") will be general obligations of the Town of Westport, Connecticut and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due (see "Security and Remedies" herein).

The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company, New York, New York ("DTC"), or its nominee, as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

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

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company in New York, New York on or about May 15, 2019.

**Preliminary, subject to change.*



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. 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 the 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.

Town of Westport, Connecticut
\$7,600,000
General Obligation Bonds, Issue of 2019, Series A

Dated: *Date of Delivery*

Due: Serially on May 15,
as detailed below

<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>	<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>
2020	\$ 505,000	—%	—%	961301	2030	\$ 255,000	—%	—%	961301
2021	505,000	—%	—%	961301	2031	255,000	—%	—%	961301
2022	505,000	—%	—%	961301	2032	255,000	—%	—%	961301
2023	505,000	—%	—%	961301	2033	255,000	—%	—%	961301
2024	505,000	—%	—%	961301	2034	255,000	—%	—%	961301
2025	505,000	—%	—%	961301	2035	255,000	—%	—%	961301
2026	505,000	—%	—%	961301	2036	255,000	—%	—%	961301
2027	505,000	—%	—%	961301	2037	255,000	—%	—%	961301
2028	505,000	—%	—%	961301	2038	255,000	—%	—%	961301
2029	505,000	—%	—%	961301	2039	255,000	—%	—%	961301

\$4,630,000*
General Obligation Refunding Bonds, Issue of 2019, Series B

Dated: *Date of Delivery*

Due: Serially on February 1,
as detailed below

<i>Year</i>	<i>Principal*</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>
2021	\$ 1,550,000	—%	—%	961301
2022	1,545,000	—%	—%	961301
2023	1,535,000	—%	—%	961301

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations not 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. 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 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 herein as the opinion of Bond Counsel, 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 makes no representation that it has independently verified the same.

(Remainder of page intentionally left blank)

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Series A Bond Issue Summary.....	1	IV. Tax Base Data.....	21
Series B Refunding Bond Issue Summary.....	2	Property Tax - Assessments.....	21
I. Bond Information.....	3	Property Tax - Levy.....	21
Introduction.....	3	Comparative Assessed Valuations.....	22
Municipal Advisor.....	3	Exempt Property.....	22
The Series A Bonds.....	4	Property Tax Levies and Collections.....	23
The Series B Bonds.....	4	Ten Largest Taxpayers.....	23
		V. Debt Summary.....	24
Redemption Provisions.....	4	Principal Amount of Bonded Indebtedness.....	24
Authorization and Purpose.....	5	Short Term Debt.....	25
Plan of Refunding - Series B Bonds.....	5	Annual Bonded Debt Maturity Schedule.....	25
Verification of Mathematical Computations.....	5	Overlapping/Underlying Debt.....	25
Sources and Uses of Bond Proceeds - Series B.....	6	Debt Statement.....	26
Book-Entry-Only Transfer System.....	6	Current Debt Ratios.....	26
DTC Practices.....	7	Bond Authorization.....	27
Replacement Bonds.....	7	Temporary Financing.....	27
Security and Remedies.....	7	Clean Water Fund Program.....	27
Qualification for Financial Institutions.....	8	Limitation of Indebtedness.....	28
Availability of Continuing Disclosure Information.....	8	Statement of Debt Limitation.....	28
Ratings.....	9	Authorized But Unissued Debt.....	29
Tax Exemption.....	9	Principal Amount of Outstanding Debt.....	30
Legal Opinion.....	10	Ratios of Net Long-Term Debt to Valuation	
Registrar, Transfer Agent, Paying Agent,		Population and Income.....	30
Certifying Agent.....	10	Ratio of Total Debt Service Expenditures To Total	
II. The Issuer.....	11	General Fund Expenditures.....	30
Description of the Municipality.....	11	VI. Financial Administration.....	31
Form of Government.....	12	Fiscal Year.....	31
Principal Municipal Officials.....	12	Basis of Accounting.....	31
Municipal Services.....	12	Budget Procedure.....	31
Educational Services.....	13	Audit.....	31
School Enrollment.....	13	Liability Insurance.....	31
School Facilities.....	14	Capital Improvement Plan.....	32
Employee Relations and Collective Bargaining.....	15	Pensions.....	32
Municipal Employees.....	15	Other Post Employment Benefits.....	33
Employee Relations.....	15	Investment Policy.....	34
III. Economic and Demographic Information.....	16	General Fund Revenues and Expenditures.....	35
Population and Density.....	16	Analysis of General Fund Equity.....	36
Age Distribution of the Population.....	16	VII. Legal and Other Information.....	37
Income Distribution.....	16	Legal Matters.....	37
Income Levels.....	17	Litigation.....	37
Educational Attainment.....	17	Documents Furnished At Delivery.....	37
Major Employers.....	17	Concluding Statement.....	38
Employment by Industry.....	18	Appendix A - 2018 General Purpose Financial Statements	
Employment Data.....	18	Appendix B-1 - Form of Opinions of Bond Counsel - Series A Bonds	
Age Distribution of Housing.....	19	Appendix B-2 - Form of Opinions of Bond Counsel - Series B Bonds	
Housing Inventory.....	19	Appendix C-1 - Continuing Disclosure Agreement - Series A Bonds	
Owner Occupied Housing Values.....	19	Appendix C-2 - Continuing Disclosure Agreement - Series B Bonds	
Building Permits.....	20	Appendix D-1 - Notice of Sale - Series A Bonds	
Land Use Summary.....	20	Appendix D-2 - Notice of Sale - Series B Bonds	

Series A Bond Issue Summary

The information in this Series A 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:	Wednesday, May 1, 2019 at 11:00 A.M. (Eastern Time).
Location of Sale:	Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut, 06880.
Issuer:	Town of Westport, Connecticut (the "Town").
Issue:	\$7,600,000 General Obligation Bonds, Issue of 2019, Series A (the "Series A Bonds").
Dated Date:	Date of Delivery.
Principal and Interest Due:	Principal is due serially May 15, 2020 through May 15, 2039. Interest is due May 15 and November 15 in each year until maturity, commencing November 15, 2019.
Purpose:	The Series A Bond proceeds will be used to fund various general purpose projects.
Redemption:	The Series A Bonds are subject to redemption prior to maturity, as more fully described herein.
Security:	The Series A Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Series A Bonds when due.
Credit Rating:	The Town has received a "Aaa" rating from Moody's Investors Service ("Moody's") on the Series A Bonds.
Bond Insurance:	The Town has not purchased a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC).
Tax Exemption:	See "Tax Exemption" herein.
Bank Qualification:	The Series A Bonds <u>shall NOT</u> 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 of interest expense allocable to the Series A 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, annual financial information and operating data and notices of certain events with respect to the Series A Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor. Phone: (203) 878-4945.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series A Bonds in book-entry-only form will be made on or about May 15, 2019 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Gary Conrad, Finance Director, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. Telephone (203) 341-1080.

Series B Refunding Bond Issue Summary

The information in this Series B Refunding 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:	Wednesday, May 1, 2019 at 11:30 A.M. (Eastern Time).
Location of Sale:	Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut, 06880.
Issuer:	Town of Westport, Connecticut (the "Town").
Issue:	\$4,630,000* General Obligation Refunding Bonds, Issue of 2019, Series B (the "Series B Bonds").
Dated Date:	Date of Delivery.
Principal and Interest Due:	Principal is due serially February 1, 2021 through February 1, 2023. Interest is due February 1 and August 1 in each year until maturity, commencing August 1, 2019.
Purpose:	The Series B Bond proceeds will be used to refinance bonds originally issued to fund various school, general purpose, and sewer projects.
Redemption:	The Series B Bonds are NOT subject to redemption prior to maturity, as more fully described herein.
Security:	The Series B Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Series B Bonds when due.
Credit Rating:	The Town has received a "Aaa" rating from Moody's Investors Service ("Moody's") on the Series B Bonds.
Bond Insurance:	The Town has not purchased a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC).
Tax Exemption:	See "Tax Exemption" herein.
Bank Qualification:	The Series B Bonds <u>shall NOT</u> 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 of interest expense allocable to the Series B 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, annual financial information and operating data and notices of certain events with respect to the Series B Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Paying Agent, Certifying Agent and Escrow Agent:	U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor. Phone: (203) 878-4945.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series B Bonds in book-entry-only form will be made on or about May 15, 2019 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Gary Conrad, Finance Director, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. Telephone (203) 341-1080.

*Preliminary, subject to change.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Westport, Connecticut (the "Town") in connection with the issuance and sale of \$7,600,000 General Obligation Bonds, Issue of 2019, Series A and \$4,630,000* General Obligation Refunding Bonds, Issue of 2019, Series B (the "Series B Bonds" and together with the Series A Bonds, the "Bonds") of the Town.

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. Any statement 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 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.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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.

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 other than matters expressly set forth as its opinion and makes no representation that it has independently verified the same.

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.

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, financial information and operating data and notices of certain events with respect to the Bonds pursuant to Continuing Disclosure Agreements to be executed substantially in the forms of Appendices C-1 and C-2 to this Official Statement.

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

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 information in this Official Statement has been prepared by the Town with the help of 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.

**Preliminary, subject to change.*

The Series A Bonds

The Series A Bonds will be dated the date of delivery and mature on May 15 in each of the years as set forth on the inside cover page of this Official Statement. Interest on the Series A Bonds will be payable on November 15, 2019 and semiannually thereafter on May 15 and November 15 in each year until maturity or earlier redemption. 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 last business day of April and October in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Series A Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

The Series B Bonds

The Series B Bonds will be dated the date of delivery and mature on February 1 in each of the years as set forth on the inside cover page of this Official Statement. Interest on the Series B Bonds will be payable on August 1, 2019 and semiannually thereafter on February 1 and August 1 in each year until maturity. 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 January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Series B Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Redemption Provisions

Series A Bonds maturing on or before May 15, 2025 are not subject to redemption prior to maturity. The Series A Bonds maturing on May 15, 2026 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after May 15, 2025 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 redemption price or prices (expressed as a percentage of the principal amount of Series A Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
May 15, 2025 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 not less than thirty (30) days prior to redemption date to the registered owner as the same shall last appear on the registration books for the Series A 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 Series A Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Series A Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Series A Bonds of any one maturity shall be called for redemption, the particular Series A Bonds or portions of Series A 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 Series A Bonds to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Series A Bonds for redemption, each Bond shall be considered as representing that number of Series A Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Series A Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its 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 content or effect will not affect the validity of the redemption of such Series A Bonds called for redemption. Redemption of a portion of the Series A Bonds of any maturity by the Town will reduce the outstanding principal amounts of Series A 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 interest held by DTC Participants in the Series A 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 interests in the Series A Bonds to be redeemed held by the Beneficial Owners. Any such allocations of interests in the Series A

Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Series A Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

The Series B Bonds are NOT subject to redemption prior to maturity.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, and certain bond resolutions adopted by the Town at various Representative Town Meetings. The Series A Bonds are being issued to finance various capital projects of the Town, including, but not limited to, school, public works and general purpose projects.

The Series B Bonds are being issued to refund, as appropriate, all or any portion of the aggregate principal amount outstanding of certain Town of Westport General Obligation Bonds. See “Plan of Refunding” herein.

Plan of Refunding – Series B Bonds*

The Series B Bonds are being issued to refund at or prior to maturity all or a portion of certain maturities of certain of the outstanding series of general obligation bonds of the Town as set forth below (the “Refunded Bonds”). The list of Refunded Bonds may be changed by the Town in its sole discretion due to market factors or other factors considered relevant by the Town at the time of pricing the Series B Bonds and no assurance can be given that any particular bonds listed or any particular maturity will be refunded. The refunding is contingent upon delivery of the Series B Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Redemption Price</i>
2009, Series A	8/26/2009	2/01/2021	5.000%	\$ 1,580,000	6/17/2019	100.00%
		2/01/2022	4.000%	1,590,000	6/17/2019	100.00%
		2/01/2023	4.000%	1,580,000	6/17/2019	100.00%
Total				\$ 4,750,000		

Upon delivery of the Series B Bonds, a portion of the Series B Bond proceeds will be deposited in an irrevocable escrow fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”) under an Escrow Agreement (the “Escrow Agreement”) dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including, United States Treasury securities, Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLMC”) securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”) and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Series B Bonds will be used to pay costs of issuance and Underwriter’s discount.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding the adequacy of maturing principal of and interest earned on the Government Obligations deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and net present value savings, will be verified by AMTEC of Avon, Connecticut (the “Verification Agent”). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Municipal Advisor. AMTEC will express no opinion on the assumptions provided to them. Bond Counsel in rendering its opinion described herein will rely on the verification report.

**Preliminary, subject to change.*

Sources and Uses of Bond Proceeds – Series B

Sources:		<u>Series B Bonds</u>	
	Par Amount of the Series B Bonds	\$	-
	Net Original Issue Premium		-
	Total Sources	\$	-
Uses:			
	Deposit to Escrow Deposit Fund	\$	-
	Costs of Issuance		-
	Underwriter's Discount		-
	Total Uses	\$	-

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each maturity of the Securities 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 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 Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments with respect to 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 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, 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 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 Securities at any time by giving reasonable notice to the Town or 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, Security 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 will 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 will 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 pay 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 General Statutes to levy ad valorem taxes on all taxable property in the Town without limit 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 (hereafter “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 may 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 as well as other bankruptcy, insolvency, moratorium and other similar laws affecting creditors rights heretofore or 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 II of the United States Code, or by state law or 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 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, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

The Bonds shall NOT 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 certain interest expense allocable to the Bonds.

Availability of Continuing Disclosure Information

The Town prepares, in accordance with State law, annual independent audited financial statements and files an annual report with the State of Connecticut’s Office of Policy and Management.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Rule”), the Town will agree to provide, or cause to be provided, annual financial information and operating data, notices of the occurrence of certain events and timely notices of a failure to provide the required financial information with respect to the Bonds pursuant to Continuing Disclosure Agreements to be executed by the Town substantially in the forms attached hereto as Appendices C-1 and C-2.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information, operating data and event notices pursuant to Rule 15c2-12(b)(5). Over the last five years, the Town has not failed to comply, in all material respects, with any of its obligations under any continuing disclosure agreement for the benefit of holders of its debt obligations.

Ratings

The Town has received a “Aaa” rating from Moody’s Investors Service (“Moody’s”) 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 views of Moody’s and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody’s should be contacted directly for its rating on the Bonds and an explanation of such rating. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the Town.

The Town expects to furnish to Moody’s information and materials that Moody’s may request. However, the Town may issue short-term or other debt for which a rating is not required.

Tax Exemption

Federal Taxes. In the opinion of Bond Counsel, under existing law, interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference under the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of the federal alternative minimum tax imposed on individuals and corporations.

Bond Counsel’s opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount. The initial public offering prices of the Bonds of certain maturities may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such Bonds is expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Bonds are sold. Under existing law, original issue discount on the Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in a Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such Bond and will be added to the owner’s basis. Original issue discount will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such a Bond.

Prospective purchasers of Bonds at an original issue discount should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of Bondowners purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of the Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

State Taxes. In the opinion of Bond Counsel, 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 for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on a Bond is also 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 for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof.

Proposed Legislation and Other Matters. Tax legislation and administrative actions taken by tax authorities (whether currently proposed, proposed in the future, or enacted) and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, actions or decisions could affect the market price for, or the marketability of, the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

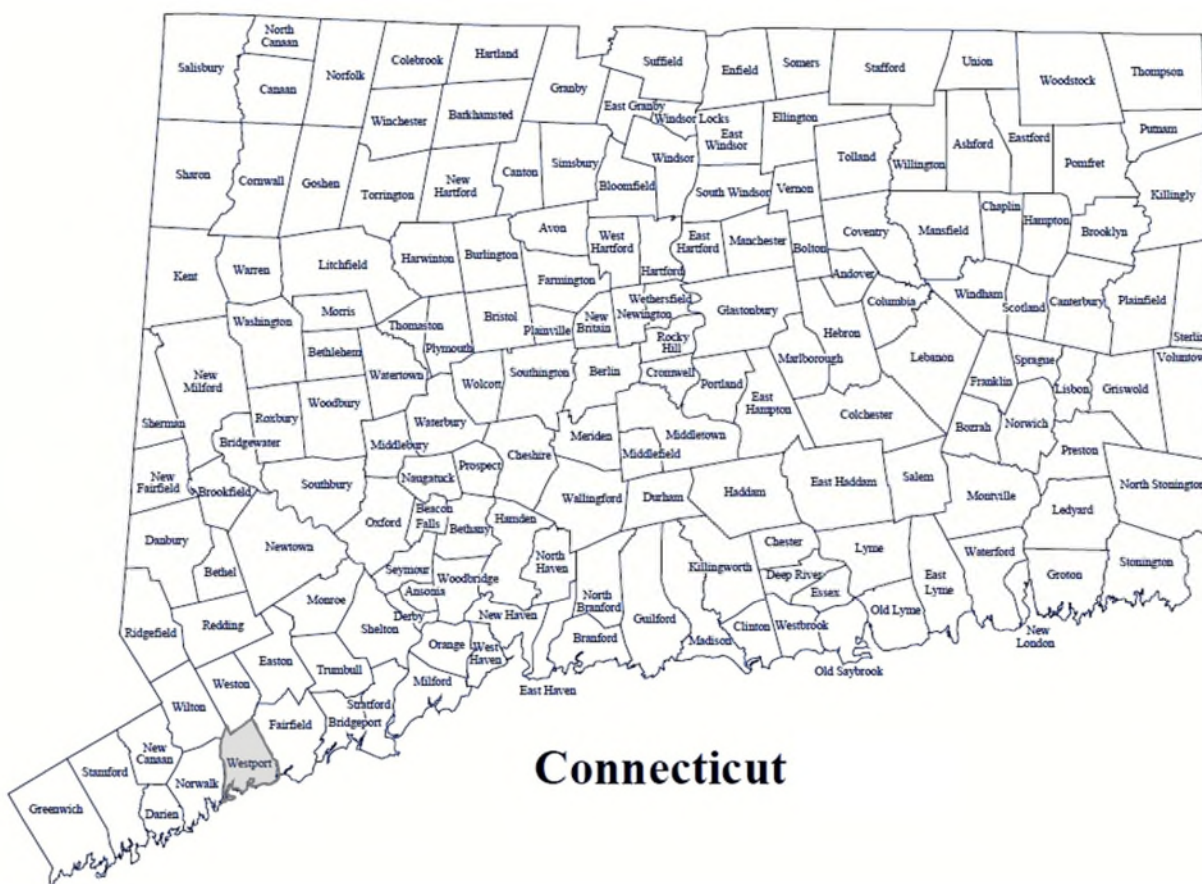
Legal Opinion

The legal opinion for the Bonds will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B-1 and B-2 to this Official Statement.

Registrar, Transfer Agent, Paying Agent, Certifying Agent and Escrow Agent

The Registrar, Transfer Agent, Paying Agent, Certifying Agent and Escrow Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 23rd Floor, 225 Asylum Street, Hartford, Connecticut 06103.

II. The Issuer



Description of the Municipality

Westport is a historic town, with an approximate population of 28,042 people, located in Fairfield County. It was incorporated in 1835. The approximately 20 square mile community was created from Fairfield on the east, Weston on the north, and Norwalk on the west. It is a shore-front town that stretches north into wooded hills and south on the Long Island Sound, with abundant recreational opportunities.

Westport was once an artists' colony. Now it has among its residents many in other fields of the arts such as theater, publishing, and television, including a number of the very famous. Westport is also a place where families have lived for generations; where there still exist modest homes and family-owned businesses.

Although Westport is a community with almost no industry, there are several corporate headquarters, many consulting, marketing, promotion, investment firms, commercial designers, and graphic artists. While Westport is often thought of as a commuter community, increasingly its residents work in the area, as corporations move to Fairfield County. The 2017 median family income was \$181,360.

Many highways cross Westport, giving fast access to mid-Manhattan, 50 miles away, and to Boston and all of northern New England. The main highways are Route 1, known as the Post Road, the Merritt Parkway (Route 15), and Interstate 95, also known as the Connecticut Turnpike. Frequent rail service, via Metro North and Amtrak, increases Westport's accessibility from New York and all parts of New England, and it is no more than an hour's limousine ride from New York's airports.

Form of Government

The Town of Westport was incorporated in 1835, and operates with a Board of Selectmen, Representative Town Meeting and Board of Finance.

Principal Municipal Officials

<i>Position</i>	<i>Name</i>	<i>Manner of Selection</i>	<i>Term of Office</i>	<i>Length of Service</i>	<i>Principal Employment Last Five Years</i>
First Selectman	Jim Marpe	Elected	4 years	5.5 Years	Retired
Second Selectman	Jennifer Tooker	Elected	4 years	1.5 Years	Insurance Executive
Third Selectman	Melissa Kane	Elected	4 years	1.5 Years	Small Business Owner
Chairman, Board of Finance	Brian Stern	Elected	4 years	3.5 Years	Retired
Finance Director	Gary G. Conrad ¹	Appointed	Indefinite	7.5 Years	Finance Director, Town of Westport
Acting Superintendent of Schools ...	Anthony Buono	Appointed	Temporary	--	Assistant Superintendent of Schools, Westport, CT
Dir. of Public Works	Peter A. Ratkiewich	Appointed	Indefinite	2 Years	Town Engineer, Town of Westport
Town Attorney.....	Ira W. Bloom	Appointed	Coterminous with First Selectman	20.5 Years	Attorney, Bercham, Moses & Devlin

¹ Mr. Conrad was previously the Chief Financial Officer for the Town of New Canaan for 18 years.

Municipal Services

Police. The Town of Westport Police Department provides full-time services, including a Marine Division and Dive-Rescue Team. Additionally, the Emergency Medical Services and Dog Warden are administered by the Police Department. The Police Department consists of 63 sworn officers and 13 civilian employees.

Fire. Fire protection is provided by a paid professional staff consisting of 67 sworn officers and firefighters and 6.5 civilian employees. The Fire Marshal's Office is responsible for life safety code inspections/enforcement and fire cause and origin investigations and is staffed by one fire marshal and two sworn fire inspectors. The Fairfield County Hazardous Materials Team is based at Westport fire headquarters and the Westport fire chief serves as the team's chairman. This unit, comprised of approximately 66 specially trained firefighters from the region's municipalities, responds with special vehicles and equipment to toxic substance releases. This regional response team serves the 14 contiguous communities comprising 200 square miles of Connecticut DESPP Region 1.

Public Works. The Public Works Department maintains all the Town-owned streets, buildings, land, parks and motor equipment. The Department is divided into six divisions with a staff of 46 full time equivalent employees and 50 pieces of equipment.

Sewers. The Water Pollution Control Facility treats the wastewater of the Town.

Housing Authority. The Westport Housing Authority owns and manages four projects. Hales Court, was completed in December 2011 and consists of 78 houses for families eligible under the Low Income Housing Tax Credit program. Canal Park is a 50 unit complex for low-income elderly and disabled persons. Sasco Creek Village consists of 54 units for families that are income eligible for the Low Income Housing Tax Credit program, and reconstruction was completed in December 2015. Hidden Brook consists of 39 town-house apartments, 10 of which are rented to low-income tenants and 29 are rented to moderate-income tenants. The program is a self-supporting program. The commissioners are appointed by the First Selectman.

Local Transportation. The Town of Westport contracts with the Norwalk Transit District to provide buses and transportation services for elderly and disabled residents. The Norwalk Transit District receives subsidies from the State and Federal governments, as well as the Town, in addition to revenues collected from the passengers.

Solid Waste. Solid waste collection in Westport is collected by private firms who have direct contracts with residents.

Westport is one of ten municipalities that has entered into a Municipal Service Agreement ("MSA") with the Bridgeport Resco Company, L.P. for the disposal of solid waste. Each municipality which has signed such MSA (a "Participating Municipality") has agreed to deliver or cause to be delivered to the System all "Acceptable Waste," as defined therein, generated within its boundaries. The facility for the System (the "Facility") is located in the City of

Bridgeport, Connecticut. The Facility began commercial operation in July 1988 and is designed to process up to 2,250 tons of solid waste per day.

For Fiscal Year 2018, each Participating Municipality was billed a fixed charge of \$62.10 per ton of Municipal Solid Waste (MSW) actually delivered by or on behalf of each Participating Municipality. For Fiscal Year 2019, the fixed charge is \$62.71.

Westport is also part of an Inter-Community Agreement dated September 15, 1989 establishing a regional recycling program. The Greater Bridgeport Regional Recycling Interlocal Committee, (GBRRIC) was established in late 2018 to succeed the former Southwest Connecticut Regional Recycling Operating Committee, (SWEROC), to continue implementation of the regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241-22a-241i of the Connecticut General Statutes. Westport is one of fourteen “Contracting Communities” participating in the GBRRIC recycling program. The Town is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers, magazines, junk mail and cardboard. Other defined residential recyclables are electronics, waste oil, storage batteries, scrap metal and yard waste. The Town has flow-control responsibilities for recyclables from the residential sector, and its role is to receive recyclables from residential sources and transfer it to a regional recycling processing facility located in Shelton, Connecticut. Non-residential generators can deliver recyclables to independent processing facilities other than SWEROC but must report to the Town the types and amounts of recyclable materials delivered to non-SWEROC processing facilities. A municipal ordinance has been adopted by the Town to comply with the requirements of the State of Connecticut legislation. From July 1, 2017 through June 30, 2018 the Town’s recycling program retrieved approximately 3,300 tons of recyclables to the Shelton processing facility.

Educational Services

The Board of Education of the Town is comprised of seven members, each serving a four-year term. The Board of Education is responsible for maintaining public elementary and secondary schools.

School Enrollment

<i>Historical</i>				
<i>School Year</i>	<i>PreK-5</i>	<i>6-8</i>	<i>9-12</i>	<i>Total</i>
2009-2010	2,625	1,353	1,810	5,788
2010-2011	2,622	1,325	1,837	5,784
2011-2012	2,573	1,358	1,839	5,770
2012-2013	2,537	1,380	1,882	5,799
2013-2014	2,537	1,391	1,837	5,765
2014-2015	2,492	1,402	1,855	5,749
2015-2016	2,500	1,362	1,888	5,750
2016-2017	2,380	1,370	1,854	5,604
2017-2018	2,400	1,338	1,890	5,628
2018-2019	2,367	1,316	1,858	5,541
<i>Projected</i>				
<i>School Year</i>	<i>Pre K-5</i>	<i>6-8</i>	<i>9-12</i>	<i>Total</i>
2019-2020	2,332	1,304	1,837	5,473
2020-2021	2,279	1,261	1,812	5,352
2021-2022	2,239	1,242	1,780	5,261
2022-2023	2,198	1,179	1,773	5,150

Source: Town of Westport, Superintendent’s Office

School Facilities

School	Grades	Date Occupied	Additions & Major Renovations	10/1/2018 Enrollment ¹	Capacity ¹
Staples	9-12	1958/59	1973, 1979, 1985, 2006	1,858	1,800
Coleytown Middle	6-8	1965	1964, 1998, 1999	457	600
Bedford Middle School ...	6-8	2001	2000	859	800
Long Lots	K-5	1954	1957, 1962, 1971, 1979	543	667
Coleytown Elementary	K-5	1953	1960, 1973/74, 1994, 1997	454	600
Kings Highway	K-5	1926	1966/67, 1993/94	471	600
Greens Farms	K-5	1927, 1999	1950, 1998/99	403	550
Saugatuck Elementary	K-5	1937	1966/67, 2002	466	575
Total				5,511	6,192

¹ Updated according to School Facilities Study Committee.

Note: Figures do not include Special Education Placed out students.

Source: Town of Westport, Superintendent's Office

(Remainder of page intentionally left blank)

Employee Relations and Collective Bargaining

Municipal Employees ¹

	2019	2018	2017	2016	2015
General Government ²	290	290	289	288	287
Board of Education	918	923	927	924	926
Total	1,208	1,213	1,216	1,212	1,213

¹ Excludes part-time.

² Excludes Library.

Employee Relations

Board of Education Groups	Positions Covered	Current Contract Expiration Date
The Westport Education Association (Teachers)	566	6/30/2022
National Association of Government Employees (Custodian)	56	6/30/2019 ¹
Westport Association of Educational Secretaries	34	6/30/2020
Westport Paraprofessional Association (Teachers' Aides)	143	6/30/2019 ¹
Westport Intermediate Administrators Association	43	6/30/2020
AFSCME 1303-225 Maintenance	8	6/30/2019 ¹
AFSCME 1303-153 Nurses	19	6/30/2019 ¹
Non-Bargaining Employees	49	N/A
Total Board of Education Employees	918	
Town Groups		
Westport Police Association	54	6/30/2020
AFSCME 1303-385 (DPW)	29	6/30/2022
International Association of Firefighters AFL-CIO	58	6/30/2021
Westport Municipal Employees Association	54	6/30/2021
AFSCME Local #1303-157 Council #4 (Prof. Library Employees)	22	6/30/2020
AFSCME Local #1303-194 Council 4	21	6/30/2019 ¹
Non Bargaining Employees (Library) ²	9	N/A
Non-Bargaining Employees	65	N/A
Total General Government Employees	312	

¹ In negotiation.

² Includes part-time.

Source: Town of Westport, Finance Department

Section 7-473c and 7-474 of the Connecticut General Statutes, as amended, provides a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, except certified teachers and administrative personnel.

Section 10-153f of the Connecticut General Statutes, as amended, provides a procedure for binding arbitration of collective bargaining agreements between local or regional boards of education and the exclusive representative of a bargaining unit of teachers or administrators.

III. Economic and Demographic Information

Population and Density

Year	Actual Population¹	% Increase	Density²
2017 ³	27,777	5.3%	1,240.0
2010	26,391	3.9%	1,178.2
2000	25,391	4.0%	1,133.5
1990	24,410	-3.5%	1,089.7
1980	25,290	-7.4%	1,129.0
1970	27,318	-	1,219.6

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 22.4 square miles.

³ American Community Survey 2013-2017

Age Distribution of the Population

Age	Town of Westport		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,431	5.2%	186,188	5.2%
5 to 9 years	1,991	7.2	206,536	5.7%
10 to 14 years	2,671	9.6	225,831	6.3%
15 to 19 years	2,147	7.7	249,777	6.9%
20 to 24 years	1,099	4.0	245,849	6.8%
25 to 34 years	1,505	5.4	439,239	12.2%
35 to 44 years	2,962	10.7	433,401	12.1%
45 to 54 years	5,199	18.7	535,611	14.9%
55 to 59 years	2,355	8.5	266,501	7.4%
60 to 64 years	1,869	6.7	229,788	6.4%
65 to 74 years	2,392	8.6	318,515	8.9%
75 to 84 years	1,510	5.4	167,133	4.6%
85 years and over	646	2.3	90,109	2.5%
Total.....	27,777	100%	3,594,478	100%

Median Age (Years) 2017..... 45.2 40.8

Source: American Community Survey 2013-2017

Income Distribution

Income	Town of Westport		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	153	2.1%	27,787	3.1%
10,000 - 14,999.....	52	0.7	16,143	1.8%
15,000 - 24,999.....	72	1.0	41,072	4.6%
25,000 - 34,999.....	197	2.6	52,218	5.8%
35,000 - 49,999.....	218	2.9	82,371	9.2%
50,000 - 74,999.....	299	4.0	134,356	15.0%
75,000 - 99,999.....	441	5.9	122,244	13.6%
100,000 - 149,999.....	928	12.5	186,352	20.8%
150,000 - 199,999.....	838	11.3	100,359	11.2%
200,000 and over.....	4,244	57.0	132,765	14.8%
Total.....	7,442	100.0%	895,667	100.0%

Source: American Community Survey 2013-2017

Income Levels

	Town of Westport	State of Connecticut
Per Capita Income, 2017.....	\$ 108,829	\$ 41,365
Per Capita Income, 2010.....	\$ 86,590	\$ 36,412
Median Family Income, 2017.....	\$ 237,353	\$ 93,800
Percent Below Poverty (Families), 2017.....	3.10%	7.00%

Source: American Community Survey 2013-2017

Educational Attainment Persons 25 Years and Older

	Town of Westport		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	126	0.7%	104,623	4.2%
9th to 12th grade.....	153	0.8	137,877	5.6
High School graduate.....	1,948	10.6	673,582	27.2
Some college, no degree.....	1,615	8.8	422,535	17.0
Associate's degree	513	2.8	188,481	7.6
Bachelor's degree.....	6,799	36.9	532,055	21.5
Graduate or professional degree.....	7,284	39.5	421,144	17.0
Total.....	18,438	100.0%	2,480,297	100.0%
Total high school graduate or higher (%)..		98.5%		90.2%
Total bachelor's degree or higher (%).....		76.4%		38.4%

Source: American Community Survey 2013-2017

Major Employers As of April 2019

Employer	Type of Business	Number of Employees
Bridgewater Associates.....	Financial Services	1,765
Town of Westport Board of Education ...	Municipal School System	892
Westport/Weston YMCA.....	Health Club	451
Town of Westport	Municipal Government	290
Hall-Brooke Foundation	Health Facility	210
Terex Corporation.....	Manufacturing	163
Greens Farm Academy	Prep School	160
Westport Rehabilitation Complex.....	Health Facility	147
Gault Inc.....	Energy Distribution/Masonry Supplies	125
Ed Mitchell, Inc.....	Retail Apparel	85

Source: Town of Westport Finance Department.

Employment by Industry

Sector	Town of Westport		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	52	0.4%	7,166	0.4%
Construction.....	352	2.8	104,122	5.8
Manufacturing.....	504	4.0	191,519	10.6
Wholesale trade.....	431	3.4	44,741	2.5
Retail trade.....	906	7.2	193,016	10.7
Transportation warehousing, and utilities....	315	2.5	68,926	3.8
Information.....	453	3.6	42,200	2.3
Finance, insurance, real estate, and leasing..	3298	26.2	163,810	9.1
Professional, scientific, management, administrative, and waste management....	2600	20.7	208,130	11.5
Education, health and social services.....	2,271	18.0	478,083	26.5
Arts, entertainment, recreation, accommodation and food services.....	651	5.2	153,679	8.5
Other services (except public admin.).....	600	4.8	82,538	4.6
Public Administration.....	154	1.2	67,156	3.7
Total Labor Force, Employed.....	12,587	100%	1,805,086	100.0%

Source: American Community Survey 2013-2017

Employment Data

Period	Percentage Unemployed				
	Town of Westport		Town of Westport	Bridgeport- Stamford Labor Market	State of Connecticut
	Employed	Unemployed			
February 2019.....	12,201	395	3.1	4.4	4.4
Annual Average					
2018.....	12,317	393	3.1	4.1	4.1
2017.....	12,323	474	3.7	4.7	4.7
2016.....	12,138	485	3.8	5.2	5.3
2015.....	11,984	510	4.1	5.5	5.6
2014.....	12,181	597	4.7	6.2	6.7
2013.....	11,700	714	10.1	8.3	7.9
2012.....	11,850	763	10.0	8.4	8.3
2011.....	12,041	767	10.1	8.8	8.8
2010.....	12,055	732	10.8	9.4	9.0
2009.....	12,093	802	8.9	8.3	8.2

Source: State of Connecticut, Department of Labor.

(The remainder of this page intentionally left blank)

Age Distribution of Housing

Year Built	Town of Westport		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	2,011	18.5%	338,011	22.4%
1940 to 1969.....	4,395	40.4	535,477	35.5
1970 to 1979.....	1,218	11.2	200,217	13.3
1980 to 1989.....	997	9.2	191,939	12.7
1990 to 1999.....	489	4.5	114,261	7.6
2000 or 2009.....	998	9.2	105,131	7.0
2010 or later.....	762	7.0	22,675	1.5
Total Housing Units.....	10,870	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Housing Inventory

Housing Units	Town of Westport		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	9,322	85.8%	892,621	59.2%
1-unit, attached.....	523	4.8	81,393	5.4
2 units.....	351	3.2	123,040	8.2
3 or 4 units.....	232	2.1	130,914	8.7
5 to 9 units.....	173	1.6	82,787	5.5
10 to 19 units.....	88	0.8	56,540	3.8
20 or more units.....	111	1.0	128,477	8.5
Mobile home.....	70	0.6	11,564	0.8
Boat, RV, van, etc.....	-	-	375	0.0
Total Inventory.....	10,870	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Westport		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	106	1.3%	24,038	2.7%
\$50,000 to \$99,000.....	21	0.3	29,789	3.3
\$100,000 to \$149,999.....	29	0.4	83,320	9.2
\$150,000 to \$199,000.....	53	0.6	141,024	15.6
\$200,000 to \$299,999.....	225	2.7	244,356	26.9
\$300,000 to \$499,999.....	399	4.9	236,671	26.1
\$500,000 to \$999,999.....	2,537	30.9	106,192	11.7
\$1,000,000 or more.....	4,828	58.9	41,408	4.6
Total.....	8,198	100.0%	906,798	100.0%
Median Value.....	\$1,152,100		\$270,100	

Source: American Community Survey 2013-2017

Building Permits

The following is a schedule of building permits and their estimated values over the last ten years:

Fiscal Year Ending 6/30	Number of Residential	Number of Commercial	Number of Miscellaneous¹	Total Number	Total Value
2018	73	4	3,656	3,733	\$ 149,060,000
2017	54	1	3,467	3,522	112,160,000
2016	77	15	4,200	4,292	202,301,000
2015	97	-	4,513	4,610	148,514,000
2014	102	16	4,969	5,087	157,412,675
2013	83	7	5,534	5,624	147,156,012
2012	77	2	4,713	4,792	110,952,000
2011	72	1	4,125	4,198	122,110,503
2010	133	4	3,188	3,325	95,124,942
2009	34	1	2,719	2,754	70,871,999

¹ Includes additions, alterations, swimming pools, etc.

Source: Town of Westport, Building Department.

Land Use Summary

Type of Land Use	2019	
	Land Area in Use (Acres)	% of Total Town Area
Total Residential	8,628	65.8
Total Business & Commercial	416	3.2
Roads	1,844	14.0
Total Developed Land	10,888	83.0
Open Space and Recreation	1,889	14.4
Total Undeveloped Land	342	2.6
Estimated Total Land in Use	13,119¹	100.0

¹ Source: Planning and Zoning Staff, 2019 Estimates.

(The remainder of this page intentionally left blank)

IV. Tax Base Data

Property Tax - Assessments

The maintenance of an equitable tax base and the location and assessment of all real and personal property within the Town for inclusion on the Grand List is the responsibility 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 an adjustment to the Assessor's list on assessments under appeal is warranted. Real estate assessments are computed at seventy percent (70%) of the market value at the time of the last revaluation. The Town of Westport is in the process of finalizing its most recent revaluation as of October 1, 2015. Pursuant to Section 12-62 of the Connecticut General Statutes, as amended, the Town must next revalue all real estate in 2020 and every fifth year thereafter. In addition, Section 12-62 of the Connecticut General Statutes, requires towns to implement a revaluation by physical observation not later than ten years following the date of the last revaluation by physical inspection. Westport's next physical observation revaluation is October 1, 2025.

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 inspection is then completed and the structure is valued from a schedule developed as of the date of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value. The Assessor's office has the ability to download permit data from the building department and to concisely track and assess the improvements associated with these permits.

All business personal property (furniture, fixtures, equipment, machinery, and leased equipment) is assessed annually. The Assessor's office performs annual physical viewings of personal property accounts in order to maintain a current list. In addition, approximately fifteen to twenty personal property audits are conducted each year. Assessments for both personal property and motor vehicles are computed at 70% of present market value.

Motor vehicles are assessed annually and based on the National Automobile Dealers Association NADA pricing schedules. The Town's tax rates for the current 2017 assessment year (fiscal year 2018-19) is 16.86.

Property Tax - Levy

Property taxes are levied on all taxable property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate and personal property tax bills are payable in four installments - July 1, October 1, January 1 and April 1, except for motor vehicle taxes which are payable in one installment in July, supplement motor vehicle taxes are collected in January. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent tax notices are mailed once a year. Interest is charged at the rate of one and one-half percent (1.5%) per month with a minimum charge of \$2.00. In accordance with State law, all interest and fees are collected first and then taxes in the order of the oldest outstanding tax first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands. UCC liens are used in the collection of personal property taxes. Delinquent motor vehicle and personal property taxes that the Tax Collector deems uncollectible are annually transferred to suspense subject to approval of the Board of Finance.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals 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 ("OPM"). 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 has been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicles replaces a motor vehicle that was taxed on the October Grant 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 and creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation amended that statute to provide that (1) for the assessment year October 1, 2016 (the Fiscal Year ending June 1, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the Fiscal Year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set

a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2017 (the Fiscal Year ending June 30, 2019) is 16.86 mills.

**Comparative Assessed Valuations
(Exclusive of Supplemental Motor Vehicles)**

Grand List as of 10/1	Residential Real Property (%)	Commercial & Industrial Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List	Exemptions Veterans Relief and Elderly	Net Taxable Grand List
2018 ¹	81.7	12.5	2.8	3.0	\$11,320,054,855	\$ 8,224,211	\$11,311,830,644
2017	81.9	12.4	2.7	3.0	11,200,588,967	8,599,860	11,191,989,107
2016	82.0	12.3	2.7	3.0	11,032,756,167	8,237,683	11,024,518,484
2015 ²	82.1	12.3	2.6	3.0	10,902,600,260	9,552,583	10,893,047,677
2014 ¹	81.1	12.8	2.9	3.2	10,098,851,450	9,146,450	10,089,705,000
2013	81.1	12.7	3.0	3.2	9,942,602,295	9,958,715	9,932,643,580
2012	81.9	12.0	2.9	3.2	9,811,830,760	12,250,000	9,799,580,760
2011	81.9	12.1	2.7	3.3	9,655,423,370	12,655,030	9,642,768,340
2010 ²	82.2	12.1	2.6	3.1	9,556,907,165	13,579,350	9,543,327,815
2009	82.6	12.5	2.3	2.6	10,923,504,260	13,261,235	10,910,243,025

¹ Subject to Board of Appeals adjustments and anticipated final filings for veterans and elderly tax relief programs.

² Revaluation.

Source: Town of Westport Assessor's Office

Exempt Property

Public	As of 10/1/18 ¹
Town of Westport	\$ 521,950,900
State of Connecticut	183,690,200
Other Governments	618,800
Sub-Total Public	\$ 706,259,900
Private	
Scientific, Educational, Historical & Charitable	\$ 226,569,900
Cemeteries	54,910,900
Churches	83,366,800
Veteran's Organizations & other	51,375,200
Sub-Total Private	416,222,800
Total Exempt Property	\$ 1,122,482,700
Percent Net Taxable Grand List	9.92%

¹ Based on Net Taxable Grand List of October 1, 2018 of \$11,311,830,644.

Source: Town of Westport, Assessor's Office

Property Tax Levies and Collections

Fiscal Year Ended 6/30	Net Taxable Grand List	Tax Rate (Mills)	Adjusted Tax Levy	Amount of Annual Levy Uncollected at End of Fiscal Year	Percent Annual Levy Collected at End of Fiscal Year	Uncollected	
						Percent Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected As of 6/30/18
2019 ¹	\$11,191,989,107	16.86	\$188,693,300	n/a		<i>In Collection</i>	
2018	11,024,518,484	16.86	186,200,623	\$2,220,383	98.90	1.10	1.10
2017	10,893,047,677	16.86	183,629,029	1,481,001	99.19	0.81	0.46
2016	10,089,705,000	18.09	182,900,833	1,936,489	99.00	1.00	0.46
2015	9,932,643,580	17.94	178,586,783	2,580,023	98.56	1.44	0.46
2014	9,795,395,274	18.07	177,111,673	2,570,232	98.52	1.48	0.43
2013	9,642,768,340	17.91	172,375,496	2,633,550	98.46	1.54	0.43
2012	9,543,327,815	17.43	166,067,052	2,868,465	98.26	1.74	0.32
2011	10,910,243,025	14.85	161,361,769	2,872,347	98.22	1.78	0.32
2010	10,761,544,025	14.41	154,608,436	2,682,428	98.27	1.73	0.26

¹ Subject to audit.

Source: Town of Westport, Tax Collector's Office and Town's Audit Reports.

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource.....	Utility	\$ 136,098,970	1.20%
Nyala Farms.....	Commercial Real Estate	89,277,600	0.79%
Equity One Westport Vill. Center.....	Commercial Real Estate	35,051,200	0.31%
Bedford Square Assoc LLC.....	Commercial Real Estate	26,964,700	0.24%
4 Byelas LLC.....	Commercial Real Estate	24,424,500	0.22%
Campana 125 LLC.....	Commercial Real Estate	20,767,800	0.18%
285 & 355 Riverside LLC.....	Commercial Real Estate	20,177,600	0.18%
SL Greens Farms Rd LLC.....	Commercial Real Estate	19,937,500	0.18%
Heyman Ronnie F Trustee.....	Residential	19,508,800	0.17%
Bridgewater Associates Inc.....	Commercial Real Estate	17,712,920	0.16%
Total		\$ 409,921,590	3.62%

¹ Based on Net Taxable Grand List of October 1, 2018 of \$11,311,830,644.

Source: Town of Westport, Assessor's Office

V. Debt Summary

Principal Amount of Indebtedness As of May 15, 2019 (Pro Forma)

Long-Term Debt

Date	Purpose	Interest Rate %	Original Issue	Outstanding³	Fiscal Year of Maturity
02/27/09	Sewers: CWF State Loan 550-DC ² ..	2.00	\$ 28,413,485	\$ 14,537,908	2029
11/23/10	Refunding of Public Improvement ...	2.00 - 4.00	1,801,000	729,000	2022
11/23/10	Refunding of Schools	2.00 - 4.00	11,094,000	5,265,000	2022
11/23/10	Refunding of Sewers ¹	2.00 - 4.00	340,000	156,000	2022
05/25/12	Refunding of Public Improvement ...	2.00 - 4.00	3,142,000	2,245,000	2026
05/25/12	Refunding of Schools	2.00 - 4.00	9,692,000	8,047,000	2026
05/25/12	Refunding of Sewers ¹	2.00 - 4.00	376,000	293,000	2026
02/07/13	Schools	2.00 - 2.50	3,346,000	2,102,000	2033
02/07/13	Sewers ²	2.00 - 2.50	3,644,000	2,548,000	2033
05/23/13	Refunding of Pub. Imp. Bonds	1.75 - 5.00	5,327,000	1,107,000	2022
05/23/13	Refunding of School Bonds	1.75 - 5.00	21,506,000	5,253,000	2022
05/23/13	Refunding of Sewers ¹	1.75 - 5.00	1,627,000	310,000	2022
12/03/15	Refunding of Pub. Imp. Bonds	2.00 - 4.00	530,000	278,000	2030
12/03/15	Refunding of School Bonds	2.00 - 4.00	4,360,000	3,425,000	2030
12/03/15	Refunding of Sewers ¹	2.00 - 4.00	3,590,000	2,862,000	2030
03/03/16	Public Improvement	2.00 - 2.80	2,061,000	1,640,000	2036
03/03/16	School	2.00 - 2.80	954,000	809,000	2036
03/03/16	Sewers ¹	2.00 - 2.80	2,205,000	1,871,000	2036
11/04/16	Refunding of Pub. Imp. Bonds	2.00 - 4.00	1,481,000	354,000	2020
11/04/16	Refunding of School Bonds	2.00 - 4.00	10,073,000	2,409,000	2020
11/04/16	Refunding of Sewers ¹	2.00 - 4.00	321,000	77,000	2020
05/19/17	Public Improvement	2.00 - 5.00	5,699,500	5,148,000	2037
05/19/17	School	2.00 - 5.00	1,014,500	960,000	2037
05/19/17	Sewers ¹	2.00 - 5.00	186,000	177,000	2037
06/21/18	Public Improvement	2.00 - 5.00	10,941,000	10,941,000	2038
06/21/18	School	2.00 - 5.00	60,000	60,000	2038
06/21/18	Sewers ¹	2.00 - 5.00	5,134,000	5,134,000	2038
Sub-Total			\$ 138,918,485	\$ 78,737,908	
<u>This Issue</u>					
05/15/19	Public Improvement (Series A).....	<i>tbd</i>	\$ 7,600,000	\$ 7,600,000	2039
05/15/19	Refunding of Public Imp. (Series B)*	<i>tbd</i>	33,000	33,000	2023
05/15/19	Refunding of Schools (Series B)* ...	<i>tbd</i>	4,585,000	4,585,000	2023
05/15/19	Refunding of Sewers. (Series B)* ¹ ..	<i>tbd</i>	12,000	12,000	2023
Total This Issue			\$ 12,230,000	\$ 12,230,000	
Grand Total			\$ 151,148,485	\$ 90,967,908	

¹ Supported by sewer assessments levied against benefited property owners.

² Debt service incurred by the Town for this project will be funded as follows: 75% by users of the system and 25% via general town taxation.

³ Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 in the amount of \$6,715,000.

*Preliminary, subject to change.

**Short-Term Debt
As of May 15, 2019
(Pro Forma)**

The Town has no outstanding short term debt as of the date of this official statement.

**Annual Bonded Debt Maturity Schedule ¹
As of May 15, 2019
(Pro Forma)**

Fiscal Year	Existing Debt ¹			Pro-forma This Issue:		Total Principal	Cumulative Principal Retired (%)
	Principal	Interest	Total	Series A Bonds	Series B Bonds*		
2019 ²	\$ 1,533,172	\$ 426,305	\$ 1,959,477	\$ -	\$ -	\$ 1,533,172	1.69
2020	12,838,525	2,359,149	15,197,674	505,000	-	13,343,525	16.35
2021	9,472,460	1,863,114	11,335,574	505,000	1,550,000	11,527,460	29.03
2022	7,926,978	1,532,745	9,459,724	505,000	1,545,000	9,976,978	39.99
2023	6,637,093	1,266,531	7,903,624	505,000	1,535,000	8,677,093	49.53
2024	6,592,815	1,036,983	7,629,799	505,000	-	7,097,815	57.33
2025	6,614,158	835,591	7,449,749	505,000	-	7,119,158	65.16
2026	4,516,133	680,372	5,196,505	505,000	-	5,021,133	70.68
2027	3,833,754	580,476	4,414,230	505,000	-	4,338,754	75.45
2028	3,782,033	492,816	4,274,849	505,000	-	4,287,033	80.16
2029	2,515,786	414,318	2,930,104	505,000	-	3,020,786	83.48
2030	2,095,000	358,448	2,453,448	255,000	-	2,350,000	86.07
2031	1,575,000	308,623	1,883,623	255,000	-	1,830,000	88.08
2032	1,575,000	264,353	1,839,353	255,000	-	1,830,000	90.09
2033	1,575,000	219,863	1,794,863	255,000	-	1,830,000	92.10
2034	1,265,000	175,153	1,440,153	255,000	-	1,520,000	93.77
2035	1,265,000	137,973	1,402,973	255,000	-	1,520,000	95.44
2036	1,265,000	99,554	1,364,554	255,000	-	1,520,000	97.11
2037	1,045,000	60,450	1,105,450	255,000	-	1,300,000	98.54
2038	815,000	26,488	841,488	255,000	-	1,070,000	99.72
2039	-	-	-	255,000	-	255,000	100.00
Total	\$78,737,908	\$13,139,301	\$ 91,877,209	\$ 7,600,000	\$ 4,630,000	\$ 90,967,908	

¹ Excludes refunded bonds.

² Excludes \$12,981,990 in principal and \$2,479,328 in interest payments made from July 1, 2018 through May 15, 2019.

Overlapping/Underlying Debt

The Town of Westport has no overlapping debt and as of the date of this Official Statement, the underlying tax districts located within the jurisdiction of Westport have no outstanding debt.

**THE TOWN OF WESTPORT HAS NEVER DEFAULTED IN THE PAYMENT OF
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES**

**Preliminary, subject to change.*

Debt Statement
As of May 15, 2019
(Pro Forma)

Long-Term Debt Outstanding: ¹

Public Improvement (Includes this issue*)	\$	30,075,000
Schools (Includes this issue*)		32,915,000
Sewers (Includes this issue*)		27,977,908
Total Long-Term Debt		90,967,908
Short-Term Debt		-
Total Direct Debt		90,967,908
Underlying Debt		-
Total Overall Debt		90,967,908
Less: School Construction Grants (as of 6/30/2018) ²	-	
Sewer Assessment Receivable (as of 6/30/2018) ³	(10,282,316)	(10,282,316)
Total Overall Net Debt		<u>\$ 80,685,592</u>

¹ Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 for \$6,715,000.

² Includes actual school building grants receivable for previously issued school bonds.

³ Sewer debt paid by assessments levied against benefited property owners.

Current Debt Ratios*
As of May 15, 2019
(Pro Forma)

Population ¹	27,777
Net Taxable Grand List (10/1/18)	\$11,311,830,644
Estimated Full Value (70%)	\$16,159,758,063
Equalized Net Taxable Grand List (10/1/16) ²	\$15,522,449,617
Income per Capita (2010) ³	\$86,590
Income per Capita (2017) ¹	\$108,829

	Total Overall Debt \$90,967,908	Total Overall Net Debt \$80,685,592
Per Capita	\$3,274.94	\$2,904.76
Ratio to Net Taxable Grand List	0.80%	0.71%
Ratio to Estimated Full Value	0.56%	0.50%
Ratio to Equalized Grand List	0.59%	0.52%
Debt per Capita to Income per Capita 2010	3.78%	3.35%
Debt per Capita to Income per Capita 2017	3.01%	2.67%

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

² Office of Policy and Management, State of Connecticut.

³ U.S. Department of Commerce Bureau of the Census 2010.

*Preliminary, subject to change.

Bond Authorization

The issuance of general obligation bonds of the Town, other than refunding bonds, shall be authorized at the Representative Town Meeting, and the Board of Selectmen shall, in advance of such meeting, submit any proposal for the same to the Board of Finance for review. Should the Board of Finance object to any aspect of said proposal, it shall report its reasons therefore at said Representative Town Meeting.

Pursuant to State law, the issuance of refunding bonds must be authorized at the Representative Town Meeting.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be 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 year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school building projects) of the estimated net project cost. The term of the bond issue is 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 funded no later than ten years from the initial borrowing date, except for sewer notes issued in anticipation of state and/or federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 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 following the issuance of such notes (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 15 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).

Clean Water Fund Program

The Town of Westport is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan).

Loans to each municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Project Grant and Project Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments, and may prepay their loans at any time prior to maturity without penalty.

The Town of Westport participates in this program and has entered into a Project Loan Agreement which is reflected in this Official Statement under the heading "Debt Summary."

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause 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

“Annual receipts from taxation” (the “base”) are defined as total tax collections, including interest and penalties, late payment of taxes and state payments under CGS Section 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

The statutes also provide for exclusion from the debt limit calculation debt issued (i) in anticipation of taxes; (ii) for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes; (iii) in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) in anticipation of the receipt of proceeds from State or federal grants evidenced by a written commitment, an allocation from the State Bond Commission or contract but only to the extent such indebtedness can be paid from such proceeds; (v) for certain water pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds or notes.

Statement of Debt Limitation As of May 15, 2019 (Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2018	\$184,778,876
Reimbursement for Revenue Loss On:	
Tax relief for elderly freeze	-
Base for Debt Limitation Computation	<u>\$184,778,876</u>

Debt Limitation:	General Purposes	Schools	Sewers	Urban Renewal	Past Pension
2 ¹ / ₄ times base	\$ 415,752,471	\$ -	\$ -	\$ -	\$ -
4 ¹ / ₂ times base	-	831,504,942	-	-	-
3 ³ / ₄ times base	-	-	692,920,785	-	-
3 ¹ / ₄ times base	-	-	-	600,531,347	-
3 times base	-	-	-	-	554,336,628
Total Debt Limitation	<u>415,752,471</u>	<u>831,504,942</u>	<u>692,920,785</u>	<u>600,531,347</u>	<u>554,336,628</u>
Less Indebtedness: ¹					
Outstanding Bonds	22,442,000	28,330,000	24,332,908 ²	-	-
Bonds: This Issue - Series A	7,600,000	-	- ²	-	-
Refunding Bonds: This Issue - Series B	33,000	4,585,000	12,000 ²	-	-
Authorized But Unissued Debt	4,561,969	-	- ²	-	-
Total Indebtedness	<u>34,636,969</u>	<u>32,915,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: School Grants Receivable ³	-	-	-	-	-
Net Debt for Calculation of Debt Limitation ...	<u>34,636,969</u>	<u>32,915,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of					
Outstanding And Authorized Debt	<u>\$381,115,502</u>	<u>\$798,589,942</u>	<u>\$ 692,920,785</u>	<u>\$ 600,531,347</u>	<u>\$554,336,628</u>

¹ Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 in the amount of \$6,715,000.

² Sewer assessment debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$13,202,000 of outstanding bonds, \$4,399,000 of bonds in this issue, and authorized and unissued of \$1,143,125.

³ Principal portion of approved school construction grants receivable over the terms of outstanding school bonds.

Note: In no case shall total indebtedness exceed seven times the annual receipts from taxation or \$1,293,452,132.

*Preliminary, subject to change.

Authorized but Unissued Debt
As of May 15, 2019
(Pro Forma)

Project	Amount Authorized	Previously Bonded, Paid- down, or Funded by Other Sources	This Issue: Series A Bonds	Authorized But Unissued Debt
Replace Four Synthetic Turf Fields and Staples HS Track.....	\$ 4,785,269	\$ -	\$ 2,900,000	\$ 1,885,269
Restrooms at South Beach.....	840,000	-	750,000	90,000
Police Headquarters Heating and HVAC system.....	876,000	-	700,000	176,000
Fire Pumper Truck.....	650,000	-	600,000	50,000
Buyout of Street Lights.....	1,000,000	-	500,000	500,000
Design Services Coleytown Middle School Rehab. Project.....	400,000	-	400,000	-
Bury Utility lines Main St, Avery Place & Parker Harding	328,000	-	300,000	28,000
Walkway & Picnic Pads at South Beach.....	270,000	-	250,000	20,000
Town Hall Elevator.....	325,000	-	250,000	75,000
Transfer Station Compactor.....	305,000	-	250,000	55,000
Sidewalk Rehabilitation and Construction.....	200,000	-	200,000	-
Lo Pro Dump Truck.....	155,000	-	155,000	-
Design for Four Synthetic Turf Fields and Staples HS Track.....	85,000	-	85,000	-
Design Services for Avery Place and Baldwin Lots.....	82,500	-	80,000	2,500
Senior Center Enhancement and Expansion Furniture.....	75,000	-	75,000	-
DPW Dump Trucks.....	800,000	740,000	60,000	-
DPW Dump Trucks.....	850,000	805,000	45,000	-
Centralized Dispatch Center for Fire/Police	1,420,000	-	-	1,420,000
Pump Station #2 Force Main Sewer Line Replacement.....	2,500,000	2,300,000	-	200,000
Clinton, Fillow, Richmondville et al Sewer Extension Construction...	2,750,000	2,000,000	-	750,000
Engineering Services Burying Hill beach.....	25,000	-	-	25,000
Design Bayberry Lane Bridge.....	85,200	-	-	85,200
Architectral Design for Four Fire Stations.....	150,000	-	-	150,000
Total	\$ 18,956,969	\$ 5,845,000	\$ 7,600,000	\$ 5,511,969

(The remainder of this page intentionally left blank)

**Principal Amount of Outstanding Debt
Last Five Fiscal Years**

Long-Term Debt	2018	2017	2016	2015	2014
Bonds	\$ 96,469,898	\$ 94,137,259	\$ 100,942,368	\$ 108,845,768	\$ 121,612,981
Short-Term Debt					
Bond Anticipation Notes ..	-	-	-	-	-
Totals	\$ 96,469,898	\$ 94,137,259	\$ 100,942,368	\$ 108,845,768	\$ 121,612,981

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

Fiscal Year Ended 6/30	Grand List 10/1	Net Assessed Value (000's Omitted)	Estimated Full Value (000's Omitted)	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Actual Value (%)	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt Per Capita to Per Capita Income (%) ³
2018	2016	\$ 11,024,518	\$ 15,749,312	\$ 96,469,898	0.88	0.61	27,777	3,473	3.19
2017	2015	10,893,048	15,561,497	94,137,259	0.86	0.60	27,777	3,389	3.11
2016	2014	10,089,705	14,413,864	100,942,368	1.00	0.70	27,777	3,634	3.34
2015	2013	9,932,644	14,189,491	107,513,128	1.08	0.76	27,777	3,871	3.56
2014	2012	9,799,581	13,999,401	119,990,232	1.22	0.86	27,777	4,320	3.97
2013	2011	9,642,768	13,775,383	133,240,067	1.38	0.97	26,769	4,977	4.57

¹ Long-Term debt less school building construction grants receivable.

² U.S. Census Bureau, American Community Survey, 2013-2017

³ U.S. Census Bureau, American Community Survey, 2013-2017: Income Per Capita \$108,829.

**Ratio of Total Debt Service Expenditures
to Total General Fund Expenditures and Transfers Out
Last Five Fiscal Years**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of Total Debt Service Expenditures To Total General Fund Expenditures
2019 ²	\$13,866,446	\$ 207,493,035	6.68%
2018	14,345,561	233,342,486	6.15%
2017	14,278,330	228,245,399	6.26%
2016	14,776,280	216,656,900	6.82%
2015	14,637,174	215,737,738	6.78%
2014	14,904,920	210,440,210	7.08%
2013	16,196,111	200,569,679	8.08%

¹ Includes transfers out.

² Budgetary basis and subject to audit.

Source: Town of Westport, Finance Office

VI. Financial Administration

Fiscal Year

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

Basis of Accounting

See footnote number 1 in Appendix A "Notes to General Purpose Financial Statements."

Budget Procedure

Financial controls are under a seven-person Board of Finance responsible for recommending annual budgets, all other Town appropriations, and determining the tax rate. The annual budget making process for the Town is outlined in Chapter 10 of the Town Charter. The timetable is established annually but all actions must be completed at least 10 days prior to the annual budget meeting of the Representative Town Meeting held the first Tuesday in May. The budget making process is as follows:

- | | |
|--------------------------------------|--|
| By December 31 | Departments, Offices, Boards, Commissions, Committees and Agencies except the Board of Education submit estimates and expenditures to the Town Finance Director. |
| By January 31 | The Finance Director reviews the budget request together with estimates of receipts and expenditures for the current year with the First Selectman and the budget requesting agency. |
| By March 15 | The First Selectman submits to the Board of Finance estimated revenue and expenditures for the current fiscal year and expenditure requests including Education and revenue estimates for the ensuing fiscal year. The First Selectman includes the Education Budget as requested by the Board of Education. Any reductions to the Education Budget are recommended by the Board of Finance. |
| By March 31 | The Board of Finance holds one or more public hearings to review the requested budgets and make reductions they deem advisable. |
| By April 10 | The Board of Finance adopts a proposed budget and holds one or more public hearings. |
| By April 15 | The Board of Finance adopts a recommended budget and submits it to the Representative Town Meeting. |
| On the First Tuesday
in May | The Representative Town Meeting adopts the budget for the fiscal year beginning July 1. |
| By June 1 | The Board of Finance sets the tax rate for the fiscal year beginning July 1. Westport's finances are under the direction of a full-time Finance Director who also serves as the Purchasing Authority/Treasurer. The Town utilizes in-house computer capabilities, line-item budgeting and double-entry bookkeeping. |

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 were audited by RSM US LLP. Included in this Official Statement and made a part hereof as Appendix A are the "2018 General Purpose Financial Statements" as of June 30, 2018, together with the opinion thereon rendered by RSM US LLP. RSM US LLP has not been engaged to perform and has not performed, since the state of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this official statement. RSM US LLP has not been asked nor have they given their permission to include their audit report in the Official Statement.

Liability Insurance

See footnote number 12 in Appendix A "Notes to General Purpose Financial Statements."

Capital Improvement Plan

Uses	Fiscal Year					Total
	2019	2020	2021	2022	2023	
Town Facilities.....	\$ 1,008,000	\$ 7,658,000	\$ 9,450,000	\$ 3,100,000	\$ -	\$ 21,216,000
Saugatuck Transit Oriented Design	-	2,225,000	1,675,000	-	-	3,900,000
Downtown.....	512,500	2,005,000	3,980,000	2,530,000	1,354,000	10,381,500
Library.....	141,000	-	-	-	-	141,000
Police.....	876,000	-	800,000	-	200,000	1,876,000
Fire.....	1,085,000	58,500	3,095,500	2,200,000	1,725,000	8,164,000
Emergency Management.....	-	-	3,000,000	-	120,000	3,120,000
Public Works.....	3,570,000	11,850,000	3,085,000	3,720,000	2,745,000	24,970,000
Parks and Recreation.....	1,235,000	5,835,000	3,155,000	2,728,000	5,950,000	18,903,000
Board of Education.....	397,312	10,000,000	5,976,700	1,785,000	500,000	18,659,012
Total.....	\$ 8,824,812	\$ 39,631,500	\$ 34,217,200	\$ 16,063,000	\$ 12,594,000	\$ 111,330,512
Sources						
Bonds.....	\$ 4,623,812	\$ 29,448,000	\$ 23,351,700	\$ 8,760,000	\$ 6,525,000	\$ 72,708,512
Energy Lease.....	-	-	-	-	-	-
Capital & Non-Recurring.....	2,879,000	4,108,500	1,745,500	723,000	1,015,000	10,471,000
Operating Capital - Town.....	-	-	-	-	-	-
Operating Capital - BOE.....	-	-	-	-	-	-
Sewer Reserve.....	446,000	2,150,000	1,090,000	300,000	-	3,986,000
Grant.....	-	-	-	-	-	-
Private, State and Town.....	876,000	3,925,000	8,030,000	6,280,000	5,054,000	24,165,000
Total.....	\$ 8,824,812	\$ 39,631,500	\$ 34,217,200	\$ 16,063,000	\$ 12,594,000	\$ 111,330,512

Pensions

The Town maintains seven contributory pension plans covering substantially all full-time employees and noncertified Board of Education employees. Five pension plans are single-employer contributory defined benefit plans and two plans are contributory defined contribution plans which are part of the Town's financial reporting entity and are accounted for in seven pension trust funds: police, fire, public works, municipal interim, non-union defined benefit plans and two defined contribution trust funds: Town of Westport Defined Contribution Retirement Plan and Town of Westport 401(k) Plan. The defined contribution plan covers all new non-bargaining employees of the Town, Library and Board of Education that were hired after December 31, 2011, all new Department of Public Works union employees hired after April 1, 2012 and all new municipal employees hired after July 14, 2017.

The total pension payments from the five defined benefit plans to retirees, widows and beneficiaries for Fiscal Year 2018 were \$16,107,535.

As of June 30, 2018, the fair market value of the assets held in trust in these five (5) pension plans was \$320,617,483.

The Town has actuarial reports prepared every year. The most recent actuarial report was prepared as of July 1, 2018. Based upon that report, the actuarial value of assets and actuarial accrued liabilities (in thousands) are shown on the following page.

Teacher's Retirement

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teacher's Retirement Board. The Board of Education withholds 8.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The Town does not have any liability for teachers pensions.

The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial report as a pension trust fund.

For more information, see Note number 9 in "Notes to Financial Statements" of Appendix A.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
<u>Police</u>						
July 1, 2018	\$ 95,176,729	\$ 107,144,140	\$ (11,967,411)	88.83%	\$ 5,923,057	202.05%
<u>Fire</u>						
July 1, 2018	79,631,063	86,394,553	(6,763,490)	92.17%	5,650,250	119.70%
<u>Public Works</u>						
July 1, 2018	20,135,364	18,888,523	1,246,841	106.60%	1,496,379	-83.32%
<u>Municipal</u>						
July 1, 2018	76,295,749	70,335,178	5,960,571	108.47%	15,764,442	-37.81%
<u>Non-Union</u>						
July 1, 2018	38,015,099	46,099,970	(8,084,871)	82.46%	5,978,457	135.23%

For Fiscal Year 2018, the Town made the Actuarially Determined Contribution (“ADC”), previously termed the Annual Required Contribution, to the Plan. For Fiscal Year 2019, the Town has budgeted an estimate of the Actuarially Determined Contribution to the Plan at the time of budgeting and has made the payment to the Plan. The Town expects to continue to make the Actuarially Determined Contribution to the Plan in future years. For a description of the Town Pension Plan, see footnote number 9 in Appendix A “Notes to Financial Statements.”

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

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

The two Defined Contribution Plans are self-directed by the participant. The Investment Committee for these Plans has adopted an investment policy that offers a mix of assets for individuals to choose including target funds, bond and equity funds.

Other Post-Employment Benefits

The Town provides post-retirement benefits for certain employees eligible for current and future health and life insurance through a single-employer defined benefit plan. As of July 1, 2017, the actuarial accrued liability was estimated to be \$135,853,474 for all employees.

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

Fiscal Year Ending*	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2018	\$ 10,687,039	\$ 9,876,782	92.42%	\$ 21,538,361
6/30/2017	10,274,970	10,129,566	98.58%	20,728,104
6/30/2016	9,582,214	9,656,580	100.78%	20,582,700
6/30/2015	10,265,164	10,298,472	100.32%	20,657,066
6/30/2014	11,801,000	11,101,000	94.07%	20,690,374
6/30/2013	10,701,000	9,119,626	85.22%	19,990,374
6/30/2012	9,989,000	8,755,000	87.65%	18,409,000
6/30/2011	9,144,000	6,080,000	66.49%	17,175,000

**Amounts adjusted for OPEB inclusion of BOE employees.*

For Fiscal Year 2019 the Town has budgeted an estimate of the ADC to the Plan at the time of budgeting and has made the payment to the Plan. The Town expects to continue to make the ADC to the Plan in future years. For more information see footnote number 10 in Appendix A “Notes to Financial Statements.”

Schedule of Contributions

	2019¹	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 10,937,942	\$ 10,940,639	\$ 10,394,080	\$ 9,656,580	\$ 10,298,472
Contributions in relation to the					
Actuarially Determined Contribution ...	9,961,424	9,876,782	10,129,566	9,656,580	10,298,472
Contribution (Deficiency) Excess	\$ (976,518)	\$ (1,063,857)	\$ (264,514)	\$ -	\$ -
Covered Employee Payroll	N/A	\$80,133,851	\$76,009,000	N/A	N/A
Contributions as a Percentage					
of Covered Employee Payroll	N/A	12.33%	13.33%	N/A	N/A

¹ Budgetary basis.

Investment Policy

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

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

(The remainder of this page intentionally left blank)

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

	Adopted Budget 2018-19 ¹	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Revenues:					
Property Taxes.....	\$ 186,783,509	\$ 186,894,912	\$ 184,527,068	\$ 185,227,581	\$ 179,504,226
Intergovernmental	235,655	1,871,326	2,007,352	3,565,024	4,106,375
Permits, Licenses and Fees	5,301,125	6,634,912	5,924,507	19,320,656	20,619,771
State On-Behalf Payments	-	23,014,964	20,752,000	-	-
Investment Income	200,000	378,436	91,829	129,918	159,949
Charges for Services	3,652,267	6,313,360	7,222,352	5,825,683	5,971,685
Parks & Recreation	5,976,812	5,201,449	5,090,521	5,032,528	4,941,234
Total Revenues	202,149,368	230,309,359	225,615,629	219,101,390	215,303,240
Expenditures:					
General government	5,933,544	5,775,018	5,737,735	5,710,581	5,714,451
Public Safety	20,948,028	20,940,819	20,469,110	20,048,436	19,517,990
Public Works	9,937,762	9,808,454	10,130,727	9,301,477	9,593,368
Public Health	578,111	547,789	547,789	542,402	529,263
Human Services	1,172,357	1,241,605	1,156,060	1,158,617	1,167,283
Library	4,871,703	4,900,096	4,755,561	4,702,998	4,588,170
Parks and Recreation	5,829,505	5,436,160	5,171,485	4,720,834	4,755,132
Board of Education	116,685,020	142,119,496	137,433,650	126,750,713	125,459,324
Benefits and other	24,763,584	25,074,385	25,216,164	25,443,018	26,351,531
Debt Service	13,866,446	14,345,561	14,278,330	14,776,280	14,637,174
Capital Outlay	1,038,810	913,959	1,092,560	1,387,742	1,799,890
Total Expenditures	205,624,870	231,103,342	225,989,171	214,543,098	214,113,576
Revenues over (under) expenditures.....	(3,475,502)	(793,983)	(373,542)	4,558,292	1,189,664
Other Financing Sources Uses:					
Proceeds of Refunding Bonds	-	-	11,875,000	8,480,000	-
Payment to Refunding Escrow	-	-	(12,467,357)	(8,806,210)	-
Premiums on Bonds Issued	-	287,846	1,233,252	529,263	-
Operating Transfers In	1,187,000	887,178	437,056	437,039	363,039
Operating Transfers (Out)	(1,868,165)	(2,239,144)	(2,256,228)	(2,113,802)	(1,624,162)
Total other Financing Sources (uses)	(681,165)	(1,064,120)	(1,178,277)	(1,473,710)	(1,261,123)
Revenues and other financing sources over (under) expenditures and other financing uses....	(4,156,667)	(1,858,103)	(1,551,819)	3,084,582	(71,459)
Fund Balance, beginning	35,490,833	37,348,936	38,900,755	35,816,173	35,887,632
Fund Balance, ending	N/A	\$ 35,490,833	\$ 37,348,936	\$ 38,900,755	\$ 35,816,173

¹ Budgetary basis and subject to audit.

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 municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of 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. For Fiscal Year ending June 30, 2019, the Town will not receive any municipal revenue sharing grant moneys from the State.

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 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 of unfunded pension liabilities.

Analysis of General Fund Equity

	Adopted Budget 2018-19¹	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Nonspendable.....	N/A	\$ 550,028	\$ 606,686	\$ 404,147	\$ 358,000
Restricted.....	N/A	627,890	487,965	491,129	411,931
Committed.....	N/A	456,533	573,081	372,382	419,970
Assigned.....	N/A	8,722,016	9,619,196	10,114,752	9,840,556
Unassigned.....	N/A	25,134,366	26,062,008	27,518,345	24,785,716
Total Fund Balance.....	N/A	\$ 35,490,833	\$ 37,348,936	\$ 38,900,755	\$ 35,816,173

¹ Budgetary basis and subject to audit.

(The remainder of this page intentionally left blank)

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinions in substantially the forms included in this Official Statement as Appendices B-1 and B-2.

Litigation

The Town Attorney has advised that the Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is his opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Documents Furnished at Delivery

The original purchaser(s) of the Bonds, as appropriate, will be furnished the following documentation after the Bonds are issued:

1. Signature and No Litigation Certificates 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. Receipts for the purchase price of the Bonds.
3. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut, in substantially the forms attached hereto as Appendices B-1 and B-2.
4. Executed Continuing Disclosure Agreements for the Bonds in substantially the forms attached hereto as Appendices C-1 and C-2 to this Official Statement.
5. Certificates on behalf of the Town, signed by the First Selectman and Finance Director, which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Bonds were accepted and as of the closing date, the descriptions 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 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.
6. The Town of Westport has prepared an Official Statement dated May __, 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 copies of the Official Statement will be made available to the successful bidder within seven business days of the acceptance of the bids on the Bonds at the office of the Town's financial advisor.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association, Corporate Trust Department, 225 Asylum Street, Hartford, Connecticut 06103 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 purchaser or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation 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 provisions of law are 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 WESTPORT, CONNECTICUT

By: _____
JAMES S. MARPE, *First Selectman*

By: _____
GARY G. CONRAD, *Finance Director*

May __, 2019

Appendix A

2018 General Purpose Financial Statements Excerpted from the Town's Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Westport, Connecticut for the fiscal year ended June 30, 2018. The supplemental data which was 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 Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut as of June 30, 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.

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which resulted in the Town restating net position for recognition of the Town's OPEB related activity incurred prior to July 1, 2017. 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 discussion and analysis, the pension and OPEB related schedules as listed in the table of contents, and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 18, 2018

TOWN OF WESTPORT, CONNECTICUT
Management's Discussion and Analysis - *unaudited*
June 30, 2018
(In Thousands)

As management of the Town of Westport, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report as well as the Town's basic financial statements that follow this section.

As we move into fiscal year 2019, the Town has continued to enjoy growth in the housing and commercial markets. The net 2017 Grand list has increased by 1.52% over net 2016 Grand list, which will result in a larger tax base for fiscal year 2019. Some challenges the Town may face include declining non-tax revenue sources, further reduction of state grant monies due to Connecticut's financial crisis and increasing cost of employee benefits.

Financial Highlights – Primary Government

The Town's net position increased as a result of this year's operations. The assets and deferred outflows of the Town of Westport exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by \$176,830 (net position). Of this amount, \$(40,864) (unrestricted net position) reflects the impact of implementing GASB 75 requirements for net OPEB liability. The Town's beginning net position has been restated to reflect the GASB 75 requirements as well.

As of the end of the current fiscal year, the Town of Westport's governmental funds reported combined ending fund balances of \$65,406. The Board of Finance has recommended the maintenance of a General Fund unassigned fund balance range of 9.00-11.00% of the annual General Fund expenditures.

As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,134, a decrease of \$928 from the prior year. In addition, the planned use of \$3,600 has been classified as assigned fund balance for use in the 2018/2019 General Fund Budget to reduce taxes. This unassigned general fund balance at June 30, 2018 is 10.8% of general fund expenditures and operating transfers out.

The Town's long-term obligations experienced a net increase of approximately \$68,034 during the fiscal year, \$58,463 of which is due to the restatement of 2017 long term liabilities. The Town's net pension liability decreased by \$1,942. Net OPEB liability increased by \$3,191 due to the implementation of GASB 75. Bonds and notes payable increased by \$2,333. In addition to bonds and notes payable, a new \$6,715 energy performance lease was added this year.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying

event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 13-14 of this report.

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-66 of this report.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Westport's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$176,830 at the close of the most recent fiscal year. This is an increase of \$5,516 from the previous year net position.

TOWN OF WESTPORT, CONNECTICUT SUMMARY STATEMENT OF NET POSITION June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Current and other assets	\$ 112,030	\$ 99,218
Capital assets	296,219	292,478
Total assets	408,249	391,696
Deferred pension and OPEB expense	10,520	3,368
Deferred charge on refunding	2,048	2,369
Total deferred outflows of resources	12,568	5,737
Long-term liabilities	216,254	206,075
Other liabilities	11,609	12,224
Total liabilities	227,863	218,299
Advance tax collections	-	203
Deferred pension and OPEB credit	16,124	7,617
Total deferred inflows of resources	16,124	7,820
Net position:		
Net Investment in capital assets	206,998	194,977
Restricted	11,302	6,450
Unrestricted	(41,470)	(30,113)
Total net position	\$ 176,830	\$ 171,314

The largest portion of the Town's net position reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding and related deferred inflows and outflows. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in capital assets is primarily related to several projects under construction.

The Town also has \$11,302 of restricted net position. The largest portion of restricted net position relates to the net pension asset in the Municipal Pension Plan of \$8,093 and the net pension asset of \$2,159 in the Public Works plan. The balance of \$1,050 represents amounts restricted for debt service and the permanent trust funds.

The Town's unrestricted net position of \$(40,864) reflects the impact of the implementation of GASB 75.

Governmental activities. Governmental activities increased the Town's net position by \$5,516, thereby accounting for a 3.2% growth. The increase of \$5,516 of net position is due to better than expected revenues in property taxes, land use permits, conveyance fees, police outside duty revenues, utility rebates from the energy performance contract and income from financing activities, offset by reductions in grant monies from the state.

**TOWN OF WESTPORT, CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES
Years Ended June 30, 2018 and 2017**

	2018	2017
Revenues:		
Charges for services	\$ 27,750	\$ 25,018
State on-behalf pension and OPEB revenue	23,015	20,752
Operating grants and contributions	3,278	3,678
Capital grants and contributions	1,560	1,282
General Revenues:		
Property taxes	186,032	185,801
Grants and contributions not restricted to specific programs	69	298
Unrestricted investment earnings	608	280
Total revenues	242,312	237,109
Expenses:		
General government	11,418	11,280
Public safety	36,526	37,099
Public works	22,208	22,646
Health and human services	2,933	2,856
Library	5,539	5,258
Education	124,017	124,082
State on-behalf pension and OPEB expense	23,015	20,752
Parks and recreation	9,025	8,598
Debt service	2,115	2,819
Total expenses	236,796	235,390
Increase in net position	5,516	1,719
Net Position, beginning, restated	171,314	228,057
Restatement - GASB No. 75	-	(58,462)
Net Position, ending	\$ 176,830	\$ 171,314

Key elements of this increase are as follows:

Seventy-seven percent (77%) of the revenues of the Town were derived from property taxes, followed by twenty-one percent (21%) from program revenues, then two percent (2%) from grants and contributions, investment earnings and other sources. The decrease in grant monies compared to last year shows how revenue was negatively impacted by the state's fiscal crisis.

Expenses and Program Revenues – Government-Wide Activities

Major revenue factors included:

Property taxes collected increased by \$ 231 (.12%) in comparison to the prior fiscal year. The tax rate remained the same, with a mill rate of 16.86 mills. Total collections for the year exceeded budgetary expectations by .44%.

Intergovernmental revenues were down 2.4% mainly due to State of CT budget cuts. Land use and conveyance fees exceeded forecasts for the year.

Investment earnings increased to \$608 from \$280 in the prior fiscal year due to positive economic conditions.

Major expense factors include:

For Governmental Activities, 64% of the Town's expenses relate to education and library, 15% relate to public safety, 1% to health and welfare, 9% relate to public works/operations, 4% to Parks and Recreation activities, 1% to principal and interest payments on the Town's long-term debt, and the remaining 6% relates to government and community services, administration and other areas.

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

Education expenses increased by \$2,047 for fiscal year salaries and benefits.

Debt service decreased by \$704 due to regularly scheduled principal reductions on existing debt and a new debt issue with favorable interest rates.

Insurance costs increased by approximately \$500 due to increased claims and higher workers compensation costs.

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$65,406, an increase of \$10,616 as of June 30, 2018. This increase is due to the timing of spending on bond proceeds received in the current fiscal year for certain Capital Project Funds expended in the next fiscal year.

General fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$25,134 (compared to \$26,062 in the prior year), while total fund balance reached \$35,491. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10.8% of total general fund expenditures and operating transfers out, while total fund balance represents 15.2% of that same amount. The unassigned fund balance of the Town's general fund decreased by \$928 during the current fiscal year. The Board of Finance has recommended a target unassigned General Fund Balance of approximately 9-11% of General Fund expenditures.

Sewer operating fund. The fund balance has increased by \$290.

Capital and nonrecurring fund. The fund balance has increased by \$1,431.

Municipal improvements fund phase II. The fund balance has increased by \$11,272 due to issuance of bonds.

Internal service funds. The Town maintains three Internal Service funds with a net position of \$2,163.

Fiduciary funds. The Net Pension liability/ (asset) for all five of the plans approximates \$11,989. The Other Post Employment Benefits (OPEB) liability is \$82,382.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$2,211 and can be summarized as follows:

\$580 for various union contract settlements;
\$140 increase allocated to Board of Education for capital;
\$175 for various capital projects;
\$812 to for new debt payments;
\$504 for storm-related costs.

Revenue	Estimated Revenue	Actual Revenue	Increase/(Decrease)
Property Taxes	\$ 185,142,131	\$ 185,949,260	\$ 807,129
Licenses, Permits, Fees & Other	\$ 8,146,600	\$ 8,901,202	\$ 754,602
Education	\$ 438,350	\$ 870,335	\$ 431,985

Property Tax revenue exceeded expectations due a recent revaluation. Licenses and Permit revenue were greater than forecasted due to a strong residential and commercial real estate market. Recent debt financing resulted in a premium of approximately \$287.

Some of the major savings on the expense side are personnel related, with several departments experiencing vacancies and personnel changes during the year. Fire exceeded its budget by \$27 due to extra overtime associated with departmental vacancies. Public Works experienced savings of \$284 due to locked in fuel costs at lower rates and savings on electricity, lower storm related costs and fewer weather-dependent contracted services. The Board of Education had a budget surplus of \$396 due to savings in salary and purchased service accounts. \$250 of the BOE budget surplus was transferred to BOE carryover account. Insurance expenses were down \$358 due to reduced workers compensation insurance and heart and hypertension costs.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$295,612 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and infrastructure.

TOWN OF WESTPORT, CONNECTICUT CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2018	2017
Land	\$ 33,817	\$ 33,817
Buildings and system	177,215	182,505
Improvements other than buildings	9,394	9,045
Machinery and equipment	9,898	9,924
Infrastructure	50,700	52,783
Construction in Progress	15,195	4,404
Total	\$ 296,219	\$ 292,478

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

Noresco Energy Initiative project construction in progress of \$5,509.

Saugatuck Island Bridge project construction in progress of \$1,211.

Pump Station #2 Force Main Sewer Line Replacement project construction in progress of \$1,815.

Senior Center Enhancement Project in progress of \$900

Library Transformation Project in progress of \$1,000

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

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$96,470, an increase of \$2,333 from the prior year. Of this amount, \$80,645 comprises debt backed by the full faith and credit of the government, and \$15,825 is public improvement debt for which the government is liable in the event of default by the property owners subject to the assessment.

	Outstanding Debt, at Year-End	
	Governmental Activities	
	2018	2017
General obligation bonds	\$ 80,645	\$ 76,935
Public improvement bonds with government commitment	15,825	17,202
Total	\$ 96,470	\$ 94,137

The Town's total outstanding debt increased by \$2,333 in the current year due to regularly scheduled principal reductions on existing outstanding debt. In addition, the Town issued general obligation bonds of \$16,135 representing various public improvement, school and sewer projects with maturities through 2038. In 2018, the Town entered into \$6,715 10-year capital lease agreement with NORESKO for energy conservation projects.

The Town maintains an "AAA" rating from Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$1,293,452 which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town as of June 30, 2018 is 3.9 percent and compares favorably to the State's average unemployment rate of 4.5 percent and the Fairfield County Labor Market of 4.4 percent.

For the FY 18-19 budget, we have significantly reduced the revenue budget for State grants. With uncertainty at the State level, the Town has budgeted approximately \$236 in State grant monies for FY18-19 in contrast to the latest State budgeted revenue estimates for Westport of \$941. We have increased estimated cell tower revenues to reflect a recent successful negotiation of terms.

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

Requests for Information

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

This page intentionally left blank.

Basic Financial Statements

Town of Westport, Connecticut

**Statement of Net Position
June 30, 2018**

	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	\$ 56,028,178
Investments	12,909,500
Prepaid expenses	550,028
Receivables (net of allowance for collection losses):	
Property taxes	13,954,474
Sewer	10,282,316
Intergovernmental and other	1,322,765
Pension asset	10,251,587
Restricted cash	6,730,498
Capital assets, non-depreciable	49,011,856
Capital assets, net of accumulated depreciation	247,207,225
Total assets	408,248,427
Deferred Outflows of Resources	
Deferred pension expense	6,701,017
Deferred OPEB expense	3,819,299
Deferred charge on bond refunding	2,047,964
Total deferred outflows of resources	12,568,280
Liabilities	
Accounts payable and accruals	8,936,926
Accrued interest payable	973,761
Unearned revenues	1,697,958
Long-term liabilities:	
Due within one year	17,472,249
Due in more than one year	198,781,557
Total liabilities	227,862,451
Deferred Inflows of Resources	
Deferred pension credit	14,686,412
Deferred OPEB credit	1,438,046
	16,124,458
Net Position	
Net investment in capital assets	206,997,951
Restricted for:	
Expendable:	
Debt Service	1,033,641
Board of Education	14,717
Human Services and Pensions	10,253,767
Unrestricted (deficit)	(41,470,278)
Total net position	\$ 176,829,798

See notes to financial statements.

Town of Westport, Connecticut

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Total
Primary government:					
Governmental activities:					
General government services	\$ 11,417,506	\$ 1,525,523	\$ 400,794	\$ -	\$ (9,491,189)
Public safety	36,525,877	5,141,909	68,292	-	(31,315,676)
Public works	22,208,125	12,477,113	1,048,947	959,033	(7,723,032)
Public health	547,789	-	-	-	(547,789)
Human services	2,385,657	266,735	25,692	-	(2,093,230)
Library	5,539,069	-	-	-	(5,539,069)
Parks and recreation	9,024,174	5,539,685	-	-	(3,484,489)
Education	147,032,410	25,814,180	1,734,044	601,500	(118,882,686)
Interest on long-term debt	2,115,346	-	-	-	(2,115,346)
Total primary government	\$ 236,795,953	\$ 50,765,145	\$ 3,277,769	\$ 1,560,533	(181,192,506)
General revenues:					
Property taxes					186,031,582
Grants and contributions not restricted to specific programs					69,380
Unrestricted investment earnings					607,796
Total general revenues					186,708,758
Change in net position					5,516,252
Net position - beginning, restated (Note 1)					171,313,546
Net position - ending					\$ 176,829,798

See notes to financial statements.

Town of Westport, Connecticut

Balance Sheet - Governmental Funds June 30, 2018

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Municipal Improvements Fund Phase II	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 33,725,171	\$ 250	\$ 5,583,305	\$ 4,227,188	\$ 8,048,336	\$ 51,584,250
Investments	5,177,709	-	6,698,150	-	1,033,641	12,909,500
Prepays	550,028	-	-	-	-	550,028
Receivables (net of allowances for collection losses):						
Property taxes	13,954,474	-	-	-	-	13,954,474
Sewer	-	10,282,316	-	-	-	10,282,316
Intergovernmental and other	367,469	-	45,467	282,378	554,823	1,250,137
Restricted cash	-	-	-	6,730,498	-	6,730,498
Due from other funds	2,080,171	2,070,606	450,000	9,575	2,466,860	7,077,212
Total assets	\$ 55,855,022	\$ 12,353,172	\$ 12,776,922	\$ 11,249,639	\$ 12,103,660	\$ 104,338,415
Liabilities						
Accounts payable and accruals	\$ 3,588,952	\$ 87,834	\$ 37,290	\$ 1,666,930	\$ 193,705	\$ 5,574,711
Due to other funds	3,041,319	16,775	4,588,119	-	440,124	8,086,337
Unearned revenues	443,274	-	-	-	1,254,684	1,697,958
Total liabilities	7,073,545	104,609	4,625,409	1,666,930	1,888,513	15,359,006
Deferred Inflows of Resources						
Unavailable revenues - property taxes	13,213,689	-	-	-	-	13,213,689
Unavailable revenues - sewer assessments	-	10,282,315	-	-	-	10,282,315
Unavailable revenues - other	76,955	-	-	-	-	76,955
Total deferred inflows of resources	13,290,644	10,282,315	-	-	-	23,572,959
Fund Balances						
Nonspendable	550,028	-	-	-	16,897	566,925
Restricted	627,890	-	-	-	1,728,358	2,356,248
Committed	456,533	1,966,248	8,151,513	9,582,709	8,469,892	28,626,895
Assigned	8,722,016	-	-	-	-	8,722,016
Unassigned	25,134,366	-	-	-	-	25,134,366
Total fund balances	35,490,833	1,966,248	8,151,513	9,582,709	10,215,147	65,406,450
Total liabilities, deferred inflows of resources and fund balances	\$ 55,855,022	\$ 12,353,172	\$ 12,776,922	\$ 11,249,639	\$ 12,103,660	

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

Capital assets, net of accumulated depreciation of \$41,790,383 purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	296,219,081
Other long-term assets are not available, and therefore are not recognized in the funds.	23,572,959
Deferred charge on bond refundings	2,047,964
Net deferred inflows/outflows due to pension liabilities	(7,985,395)
Net deferred inflows/outflows due to OPEB liability	2,381,253
Net pension asset	10,251,587
Internal service funds are used by management to charge the costs of Risk Management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,163,466
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(216,253,806)
Accrued interest payable is not reported in the funds.	(973,761)
Net position of governmental activities	<u>\$ 176,829,798</u>

See notes to financial statements.

Town of Westport, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended June 30, 2018

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Funds	Municipal Improvements Fund Phase II	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 186,894,912	\$ -	\$ -	\$ -	\$ -	\$ 186,894,912
Sewer assessments and usage	-	4,481,093	-	-	-	4,481,093
Intergovernmental	1,871,326	52,128	959,033	685,519	1,833,012	5,401,018
Permits, fees and other	6,634,912	13,653	127,526	1,233,838	4,026,307	12,036,236
State on-behalf payments	23,014,964	-	-	-	-	23,014,964
Income from investments	378,436	-	101,032	139	128,189	607,796
Charges for services	6,313,360	-	-	-	960	6,314,320
Parks and recreation fees	5,201,449	-	-	-	-	5,201,449
Total revenues	230,309,359	4,546,874	1,187,591	1,919,496	5,988,468	243,951,788
Expenditures:						
Current:						
General government	5,775,018	-	-	-	219,894	5,994,912
Public safety	20,940,819	-	-	-	2,742,419	23,683,238
Public works	9,808,454	2,113,120	-	-	-	11,921,574
Public health	547,789	-	-	-	-	547,789
Human services	1,241,605	-	-	-	25,681	1,267,286
Library	4,900,096	-	-	-	-	4,900,096
Parks and recreation	5,436,160	-	-	-	182,281	5,618,441
Education	142,119,496	-	-	-	1,565,944	143,685,440
Benefits and other	25,074,385	-	-	-	-	25,074,385
Debt service:						
Principal	11,839,340	1,963,021	-	-	-	13,802,361
Interest and other charges	2,506,221	538,121	-	-	-	3,044,342
Capital outlay	913,959	10,484	1,776,884	13,267,144	965,689	16,934,160
Total expenditures	231,103,342	4,624,746	1,776,884	13,267,144	5,701,908	256,474,024
Excess (deficiency) of revenue over (under) expenditures	(793,983)	(77,872)	(589,293)	(11,347,648)	286,560	(12,522,236)
Other financing sources (uses):						
Issuance of debt	-	-	170,000	15,905,000	60,000	16,135,000
Bond premium	287,846	-	-	-	-	287,846
Lease proceeds	-	-	-	6,715,000	-	6,715,000
Transfers in	887,178	368,165	1,850,000	-	57,657	3,163,000
Transfers out	(2,239,144)	-	-	-	(923,856)	(3,163,000)
Total other financing sources (uses)	(1,064,120)	368,165	2,020,000	22,620,000	(806,199)	23,137,846
Net change in fund balances	(1,858,103)	290,293	1,430,707	11,272,352	(519,639)	10,615,610
Fund balances, beginning	37,348,936	1,675,955	6,720,806	(1,689,643)	10,734,786	54,790,840
Fund balances, ending	\$ 35,490,833	\$ 1,966,248	\$ 8,151,513	\$ 9,582,709	\$ 10,215,147	\$ 65,406,450

See notes to financial statements.

Town of Westport, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2018

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

Change in fund balance of governmental funds.	\$ 10,615,610
---	---------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and losses on asset disposals in the current period.	3,740,685
--	-----------

Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	511,981
---	---------

Changes in pension asset	5,043,345
--------------------------	-----------

Change in net deferred inflows/outflows due to pension and OPEB liabilities	(1,355,329)
---	-------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,750,425)
---	-------------

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.	(8,689,474)
---	-------------

The change in net position in governmental activities of internal service funds is reported with governmental activities.	(2,600,141)
---	-------------

Change in net position of governmental activities.	<u>\$ 5,516,252</u>
--	---------------------

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Net Position - Proprietary Funds
June 30, 2018**

	Governmental Activities
	<u>Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,443,928
Accounts receivable	72,628
Due from other funds	<u>2,290,041</u>
Total assets	<u>6,806,597</u>
Liabilities	
Current liabilities:	
Accounts payable	91,081
Self insured liabilities	3,048,820
Due to other funds	<u>1,503,230</u>
Total liabilities	<u>4,643,131</u>
Net Position	
Unrestricted	<u>2,163,466</u>
Total net position	<u><u>\$ 2,163,466</u></u>

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2018**

	Governmental Activities
	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 29,942,741
Total operating revenues	<u>29,942,741</u>
Operating expenses:	
Claims incurred	30,976,993
Administration	1,683,971
Total operating expenses	<u>32,660,964</u>
Operating loss	<u>(2,718,223)</u>
Nonoperating revenues:	
Interest income	118,082
Total nonoperating revenues	<u>118,082</u>
Change in net position	(2,600,141)
Net position, beginning	<u>4,763,607</u>
Net position, ending	<u><u>\$ 2,163,466</u></u>

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2018**

	Governmental Activities <u>Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 30,938,866
Cash paid to vendors and beneficiaries	<u>(30,886,479)</u>
Net cash provided by operating activities	<u>52,387</u>
Cash flows from investing activities:	
Interest on cash and cash equivalents	<u>118,082</u>
Net cash provided by investing activities	<u>118,082</u>
Net change in cash and cash equivalents	170,469
Cash and cash equivalents:	
Beginning	<u>4,273,459</u>
Ending	<u><u>\$ 4,443,928</u></u>
Reconciliation of operating loss in net cash provided by operating activities:	
Operating loss	\$ (2,718,223)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	473,726
Decrease in due from other funds	522,399
Increase in due to other funds	1,501,407
Decrease in accounts payable	(6,066)
Increase in claims payable	<u>279,144</u>
Net cash provided by operating activities	<u><u>\$ 52,387</u></u>

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018**

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 4,958,441	\$ 3,207,151
Investments:		
Common stock	38,605,414	-
Mutual funds	160,328,990	-
Other fixed income securities	67,221,646	-
Alternative investments	112,261,419	-
Total investments	378,417,469	-
Due from others	222,327	-
Pending sales	228,700	-
Total assets	383,826,937	3,207,151
Liabilities		
Due to student groups	-	680,199
Due to other funds	-	13
Payable to others	-	2,526,939
Total liabilities	-	3,207,151
Net position - restricted for benefits	\$ 383,826,937	\$ -

See notes to financial statements.

Town of Westport, Connecticut

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2018**

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 13,653,567
Plan members	8,832,649
Total contributions	<u>22,486,216</u>
Investment income:	
Net appreciation in fair value of investments	14,444,735
Interest and dividends	18,329,734
Net investment income	<u>32,774,469</u>
Other	<u>4,666</u>
Total additions	<u>55,265,351</u>
Deductions:	
Benefits	22,604,805
Management fees and other payments	1,061,101
Total	<u>23,665,906</u>
Change in net position	31,599,445
Net position - restricted for benefits:	
Beginning of year	<u>352,227,492</u>
End of year	<u><u>\$ 383,826,937</u></u>

See notes to financial statements.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies

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

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

Accounting standards adopted in the current year: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability on the face of the financial statements for the OPEB that they provide: 1) Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. 2) Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. 3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$58,462,891, a net OPEB liability of \$79,190,995 was added, and a net OPEB obligation of \$20,728,104 was removed.

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

The **Municipal Improvements Fund**, a capital projects fund, is used to account for borrowed funds which are used to pay for capital expenditures.

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

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

Investments: Investments are stated as follows:

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

The three categories within the hierarchy are as follows:

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

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

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

See Note 3 for additional information regarding fair value.

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

Allowance for doubtful accounts: Receivables for the primary government, which include property taxes receivable, are reported net of allowance of \$215,884 for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and the creditors' ability to pay.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB 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 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.

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions 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. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

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

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

Pension plan accounting:

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

Net pension liability (asset): The net pension liability (asset) is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability (asset)), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability (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.

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

Other post-employment obligations (OPEB) accounting:

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Net OPEB liability: The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net 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 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. The net OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

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

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

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

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

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

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

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

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

Bonds payable	\$ (96,469,898)
Add: Issuance premium	(4,829,535)
Capital lease	(6,715,000)
Claims and judgments	(675,000)
Compensated absences	(2,335,087)
Net pension liability	(22,240,466)
Net OPEB liability	(82,382,505)
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (215,647,491)</u>

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

Capitalized capital outlay	\$ 16,101,355
Depreciation expense	(12,187,816)
Net loss on disposal of capital assets	(172,854)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,740,685</u>

Town of Westport, Connecticut

Notes to Financial Statements

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Long-term liabilities or incurred:	
Deferred premiums	\$ 903,525
Deferred charge on refunding	(321,311)
General obligation debt issued	(16,135,000)
Principal repayments:	
General obligation debt	<u>13,802,361</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,750,425)</u>

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

Increase in capital lease	\$ (6,715,000)
Increase in compensated absences	(177,530)
Decrease in accrued interest	58,936
Increase in retainage payable	(606,315)
Decrease in net pension liability	1,941,945
Increase in OPEB obligation	<u>(3,191,510)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (8,689,474)</u>

Note 3. Cash, Cash Equivalents and Investments

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

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

Town of Westport, Connecticut

Notes to Financial Statements

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

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

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

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

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

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

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2018, \$57,798,506 of the Town's bank balance of \$65,220,562 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Town of Westport, Connecticut

Notes to Financial Statements

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

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2018:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 70,924,268
Total cash and cash equivalents	<u>70,924,268</u>
Investments:	
General fund:	
Other fixed income securities	5,177,709 *
Total government investments	<u>5,177,709</u>
Capital and nonrecurring fund:	
Common stock	2,456,450
Mutual funds	146,614
Other fixed income securities	4,095,086 *
Total government investments	<u>6,698,150</u>
Debt service fund:	
U.S. government securities	1,033,641 *
Total government investments	<u>1,033,641</u>
Pension trust funds:	
Common stock	34,986,271 *
Mutual funds - equity funds	111,058,381
Other fixed income securities	67,221,646 *
Alternative investments	103,205,042
Total pension investments	<u>316,471,340</u>
OPEB trust fund:	
Common stock	3,619,143 *
Mutual funds - equity funds	49,270,609
Alternative investments	9,056,377
Total OPEB investments	<u>61,946,129</u>
Total investments	<u>391,326,969</u>
Total cash, cash equivalents and investments	<u>\$ 462,251,237</u>

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

Town of Westport, Connecticut

Notes to Financial Statements

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

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

Statement of net position:

Cash and cash equivalents	\$ 62,758,676
Investments	12,909,500
	<u>75,668,176</u>

Fiduciary funds:

Cash and cash equivalents	8,165,592
Investments	378,417,469
	<u>386,583,061</u>
Total cash, cash equivalents and investments	<u>\$462,251,237</u>

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. government securities	\$ 1,033,641	\$ 184,349	\$ 650,541	\$ 198,751	\$ -
Other fixed income securities	76,494,441	70,462,941	6,031,500	-	-
Total	<u>77,528,082</u>	<u>\$ 70,647,290</u>	<u>\$ 6,682,041</u>	<u>\$ 198,751</u>	<u>\$ -</u>

Investments not subject to interest rate risk:

Common stock	41,061,864
Alternative investments	112,261,419
Common stock mutual funds	160,475,604
	<u>\$ 391,326,969</u>

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

Town of Westport, Connecticut

Notes to Financial Statements

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

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

<u>Average Rating</u>	<u>Other Fixed Income Securities</u>
AAA	\$ 226,925
AA+	747,052
AA	478,301
AA-	822,022
A+	115,275
A	115,230
A-	867,843
BBB+	585,514
Unrated	72,536,279
	<u>\$ 76,494,441</u>
	U.S. government securities *
	1,033,641
	<u>\$ 77,528,082</u>

* The rating table above does not include U.S. Government Securities as these securities are backed by the full faith and credit of the U.S. Government

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2018:

Investment Instruments Measured at Fair Value

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
June 30, 2018				
Investments by fair value level:				
Stocks	\$ 41,061,864	\$ 37,409,374	\$ 3,652,490	\$ -
Mutual funds	160,475,604	160,475,604	-	-
Debt securities:				
U.S. government securities	1,033,641	1,033,641	-	-
Corporate bonds	76,494,441	76,494,441	-	-
Total debt securities	77,528,082	77,528,082	-	-
Total investments by fair value level	279,065,550	275,413,060	3,652,490	-
Investments measured at the net asset level (NAV):				
Venture capital funds (including private equity and hedge funds)	88,436,995			
Real estate funds	23,824,424			
Total investments measured at the NAV	112,261,419			
Total investments measured at fair value	<u>\$ 391,326,969</u>			

Town of Westport, Connecticut

Notes to Financial Statements

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

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

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

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Venture capital funds (including private equity and hedge funds)	\$ 88,436,995	\$ -	Quarterly	Various
Real estate funds	23,824,424	-	Quarterly	30 days
Total investments measured at the NAV	<u>\$ 112,261,419</u>			

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

Hedge funds: These investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. The own stakes in companies they expect to outperform and also sell short stocks they expect to underperform.

Private Equity, Partnerships and Venture Capital Funds: These limited partnerships provide for the portfolio exposure to private companies through equity and/or debt investments. Fund manager invest in private companies with goal of enhancing value over the long-term.

Town of Westport, Connecticut

Notes to Financial Statements

Note 4. Unearned Revenue/Unavailable Revenue

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

	Unavailable Revenue	Unearned Revenue
General fund:		
Taxes and accrued interest on delinquent property taxes	\$ 13,213,689	\$ -
Other	76,955	443,274
Sewer operating fund:		
Fees and accrued interest on delinquent sewer fees	10,282,315	-
Nonmajor funds:		
Grants	-	195,879
Railroad parking permits	-	1,058,805
	<u>\$ 23,572,959</u>	<u>\$ 1,697,958</u>

Note 5. Interfund Receivables, Payables and Transfers

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

	Due From Other Funds	Due To Other Funds
General fund	\$ 2,080,171	\$ 3,041,319
Sewer operating fund	2,070,606	16,775
Capital nonrecurring fund	450,000	4,588,119
Municipal improvements fund phase II	9,575	-
Non-major governmental funds	2,466,860	440,124
Internal service funds	2,290,041	1,503,230
Fiduciary funds	222,327	13
Total	<u>\$ 9,589,580</u>	<u>\$ 9,589,580</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. A one-time transfer from the General Fund to BOE Health Insurance fund was made for \$1.5 million to cover anticipated medical claims drawn on account.

Town of Westport, Connecticut

Notes to Financial Statements

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

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

	Transfers In				Totals
	General Fund	Sewer Operating Fund	Capital Nonrecurring Fund	Other Governmental Funds	
Transfers out:					
General fund	\$ -	\$ 368,165	\$ 1,850,000	\$ 20,979	\$ 2,239,144
Nonmajor and other funds	887,178	-	-	36,678	923,856
Total	<u>\$ 887,178</u>	<u>\$ 368,165</u>	<u>\$ 1,850,000</u>	<u>\$ 57,657</u>	<u>\$ 3,163,000</u>

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

Note 6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 33,817,349	\$ -	\$ -	\$ -	\$ 33,817,349
Construction in progress	4,404,291	13,636,860	-	(2,846,644)	15,194,507
Total capital assets, not being depreciated	<u>38,221,640</u>	<u>13,636,860</u>	<u>-</u>	<u>(2,846,644)</u>	<u>49,011,856</u>
Capital assets, being depreciated:					
Land improvements	22,897,593	215,935	-	1,027,996	24,141,524
Buildings and improvements	315,914,876	395,320	(95,773)	1,813,273	318,027,696
Machinery and equipment	30,346,820	1,853,240	(1,134,609)	5,375	31,070,826
Infrastructure	115,757,562	-	-	-	115,757,562
Total capital assets being depreciated	<u>484,916,851</u>	<u>2,464,495</u>	<u>(1,230,382)</u>	<u>2,846,644</u>	<u>488,997,608</u>
Less accumulated depreciation for:					
Land improvements	13,852,617	895,152	-	-	14,747,769
Buildings and improvements	133,410,225	7,402,944	(399)	-	140,812,770
Machinery and equipment	20,422,638	1,807,124	(1,057,129)	-	21,172,633
Infrastructure	62,974,615	2,082,596	-	-	65,057,211
Total accumulated depreciation	<u>230,660,095</u>	<u>12,187,816</u>	<u>(1,057,528)</u>	<u>-</u>	<u>241,790,383</u>
Total capital assets, being depreciated, net	<u>254,256,756</u>	<u>(9,723,321)</u>	<u>(172,854)</u>	<u>2,846,644</u>	<u>247,207,225</u>
Governmental activities capital assets, net	<u>\$ 292,478,396</u>	<u>\$ 3,913,539</u>	<u>\$ (172,854)</u>	<u>\$ -</u>	<u>\$ 296,219,081</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities:

General government services	\$ 248,777
Public safety	1,112,352
Public works, including depreciation of general infrastructure assets	3,859,097
Human services	115,396
Library	237,566
Parks and recreation	954,437
Education	5,660,191
Total depreciation expense – governmental activities	<u>\$ 12,187,816</u>

Note 7. Long-Term Obligations

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

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
Bonds and notes	\$ 94,137,259	\$ 16,135,000	\$ 13,802,361	\$ 96,469,898	\$ 14,515,162
Add deferred amounts:					
Premiums	5,733,060	287,846	1,191,371	4,829,535	-
Total bonds payable	99,870,319	16,422,846	14,993,732	101,299,433	14,515,162
Capital lease	-	6,715,000	-	6,715,000	622,000
Claims and judgments	675,000	-	-	675,000	-
Compensated absences	2,157,557	2,335,087	2,157,557	2,335,087	2,335,087
Retainage payable	-	606,315	-	606,315	-
Net pension liability	24,182,411	-	1,941,945	22,240,466	-
Net OPEB liability*	79,190,995	3,191,510	-	82,382,505	-
Governmental activity long-term liabilities	<u>\$ 206,076,282</u>	<u>\$ 29,270,758</u>	<u>\$ 19,093,234</u>	<u>\$ 216,253,806</u>	<u>\$ 17,472,249</u>

*Amounts restated for implementation of GASB No. 75.

The liability for pension and OPEB will be fully liquidated by the general fund.

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Bonds and notes: As of June 30, 2018, the outstanding long-term indebtedness of the Town was as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2018</u>
Public Improvement					
WPCF State Funded Debt Issue	2/27/2009	9/1/2028	2.00	\$ 7,103,371	\$ 3,956,225
2009 Refunding Debt Series A & B	8/26/2009	2/1/2023	3.00-5.00	1,169,000	33,000
2010 Refunding Debt	11/23/2010	11/1/2021	2.00-4.00	1,801,000	974,000
2012 Refunding Debt	5/25/2012	7/15/2025	2.00-4.00	3,142,000	2,462,000
2013 Refunding Debt	5/23/2013	8/15/2021	1.75-5.00	5,327,000	1,632,000
2015 Refunding Debt	12/3/2015	7/15/2029	2.00-4.00	530,000	369,000
2016 Debt Issue	3/3/2016	2/1/2036	2.00-2.80	2,061,000	1,780,000
2016 Refunding Debt	11/4/2016	2/1/2020	2.00-4.00	1,481,000	915,000
2017 Debt Issue	5/19/2017	5/15/2037	2.00-5.00	5,699,500	5,148,000
2018 Debt Issue	6/21/2018	6/15/2038	2.00-5.00	10,941,000	10,941,000
Total Public Improvement					28,210,225
School					
2009 Refunding Debt Series A & B	8/26/2009	2/1/2023	3.00-5.00	17,920,000	4,705,000
2010 Refunding Debt	11/23/2010	11/1/2021	2.00-4.00	11,094,000	7,029,000
2012 Refunding Debt	5/25/2012	7/15/2025	2.00-4.00	9,692,000	8,445,000
2013 Debt Issue	2/7/2013	2/1/2033	2.00-2.55	3,346,000	2,310,000
2013 Refunding Debt	5/23/2013	8/15/2021	1.75-5.00	21,506,000	7,706,000
2015 Refunding Debt	12/3/2015	7/15/2029	2.00-4.00	4,360,000	3,772,000
2016 Debt Issue	3/3/2016	2/1/2036	2.00-2.80	954,000	858,000
2016 Refunding Debt	11/4/2016	2/1/2020	2.00-4.00	10,073,000	6,226,000
2017 Debt Issue	5/19/2017	5/15/2037	2.00-5.00	1,014,500	960,000
2018 Debt Issue	6/21/2018	6/15/2038	2.00-5.00	60,000	60,000
Total School					42,071,000
Sewer					
WPCF State Funded Debt Issue	2/27/2009	9/1/2028	2.00	21,310,114	11,868,673
2009 Refunding Debt Series A & B	8/26/2009	2/1/2023	3.00-5.00	486,000	12,000
2010 Refunding Debt	11/23/2010	11/1/2021	2.00-4.00	340,000	207,000
2012 Refunding Debt	5/25/2012	7/15/2025	2.00-4.00	376,000	313,000
2013 Debt Issue	2/7/2013	2/1/2033	2.00-2.55	3,644,000	2,730,000
2013 Refunding Debt	5/23/2013	8/15/2021	1.75-5.00	1,627,000	432,000
2015 Refunding Debt	12/3/2015	7/15/2029	2.00-4.00	3,590,000	3,134,000
2016 Debt Issue	3/3/2016	2/1/2036	2.00-2.80	2,205,000	1,982,000
2016 Refunding Debt	11/4/2016	2/1/2020	2.00-4.00	321,000	199,000
2017 Debt Issue	5/19/2017	5/15/2037	2.00-5.00	186,000	177,000
2018 Debt Issue	6/21/2018	6/15/2038	2.00-5.00	5,134,000	5,134,000
Total Sewer					26,188,673
Amount to be financed and paid through the general fund and sewer operating fund				\$	96,469,898

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

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

	Principal	Interest	Total
2019	\$ 14,515,162	\$ 3,111,434	\$ 17,626,596
2020	12,838,525	2,564,949	15,403,474
2021	11,052,460	2,068,914	13,121,374
2022	9,516,978	1,659,545	11,176,523
2023	8,217,093	1,329,731	9,546,824
2024-2028	25,338,894	3,626,238	28,965,132
2029-2033	9,335,786	1,565,603	10,901,389
2034-2038	5,655,000	499,616	6,154,616
	<u>\$ 96,469,898</u>	<u>\$ 16,426,030</u>	<u>\$ 112,895,928</u>

In-substance defeasance – prior years: In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2018, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$31,200,000.

Capital lease: At June 30, 2018, the Town is committed under lease for an energy performance project. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The project is currently ongoing and is carried at approximately \$6,715,000 within construction in progress.

Future minimum lease payments under the capital lease are as follows:

2019	\$ 715,203
2020	739,337
2021	765,112
2022	791,136
2023	817,390
Thereafter	<u>3,556,627</u>
Total	<u>7,384,805</u>
Less amount representing interest	<u>(669,805)</u>
	<u>\$ 6,715,000</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Debt limitation: The Town's statement of debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2018 is as follows:

Total tax collections (including interest and lien fees and net of refunds and adjustments) for the year ended June 30, 2018 \$ 184,778,876

Reimbursement for revenue loss:

Tax relief for elderly	-
Base	\$ 184,778,876

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$1,293,452,132, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 415,752,471	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	831,504,942	-	-	-
3-3/4 times base	-	-	692,920,785	-	-
3-1/4 times base	-	-	-	600,531,347	-
3 times base	-	-	-	-	554,336,628
Total debt limitation	415,752,471	831,504,942	692,920,785	600,531,347	554,336,628
Indebtedness:					
Bonds and notes payable	28,210,225	42,071,000	26,188,673	-	-
Capital lease	271,958	6,443,042	-	-	-
Bonds authorized but unissued; issue dates not yet established	2,370,000	513,000	950,000	-	-
Total indebtedness	30,852,183	49,027,042	27,138,673	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 384,900,288	\$ 782,477,900	\$ 665,782,112	\$ 600,531,347	\$ 554,336,628

Compensated absences: Included in long-term obligations in the government-wide statement of net position is the estimated obligation for employee compensated absences in the amount of \$2,335,087 as of June 30, 2018. The general fund has typically been used to liquidate the liability for compensated absences.

Note 8. Commitments and Contingencies

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 8. Commitments and Contingencies (Continued)

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

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

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

Under the Service Agreement, each Town is required to deliver, or cause to be delivered, to the System, all solid waste under the control of the municipality. The participating municipalities will be charged \$62.10 per ton.

Note 9. Employee Retirement Plans

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

As of July 1, 2017, the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union	Totals
Active	63	56	23	339	71	552
Terminated-vested	1	2	1	24	4	32
Members in pay status	89	69	31	265	84	538
Total	153	127	55	628	159	1,122

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

The retirement benefit is calculated at 2.5% of the final average compensation (compensation is base pay, college credit stipend, and standby pay) multiplied by the years of credited services to a maximum of 32.5 years for fire and police. Members are required to contribute 9.0% of their annual compensation. Benefits paid to retiree's subject to cost of living adjustments defined per the plans and plan effective dates. The plan is administered by the Fire Pension Board.

Effective July 1, 2017 Full-time firefighters with greater than 20 years of service were grandfathered and had no change to their benefits. Firefighters with less than 20 years of service will have a normal retirement date of the later of age 52 or completion of 20 years of service and can only receive a single life annuity or a reduced joint and survivor benefit at retirement. The retirement benefit is calculated at 2.5% of the final average compensation (compensation is base pay, college credit stipend, and standby pay) multiplied by the years of credited services to a maximum of 32.5 years. They are also subject to a maximum COLA of 2.75% (previously 4.0%) based on the type of benefit elected, meet specific age requirements and are eligible for Medicare. All Members are required to contribute 9.0% of their annual compensation.

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

The retirement benefit is calculated at 2.5% of the final average compensation (compensation is base pay, college credit stipend, and weapons qualification pay) multiplied by the years of credited services to a maximum of 32.5 years for fire and police. Members are required to contribute 9.0% of their annual compensation. Benefits paid to retiree's subject to cost of living adjustments defined per the plans and plan effective dates. The plan is administered by the Police Pension Board. The current contract ended effective June 30, 2016 and is currently in arbitration.

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

Municipal interim plan: Employees that belong to the Westport Municipal Union and the four collective bargaining units associated with the Board of Education as well as the Library are covered under the Municipal Interim Plan. A participant is eligible to participate as of the date the participant completed the probationary period provided the employee works 20 or more hours per week for nine months or more per year. Full vesting for the Plan occurs after age 55 and 25 years of continuous or 30 years of non-continuous service or age 65 and 10 years of continuous service or 15 years of non-continuous service. The plan is administered by the Municipal Pension Committee.

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

The pension benefit for participants other than school cafeteria employees who completed any credited service on or after July 1, 2003, is equal to 2% of "average final compensation base pay" multiplied by the number of years for credited service for the first 20 years of service plus 2.25% for service thereafter, to a maximum of 33 years. Those participants who have not completed credited services after July 1, 2003 receive 2% of "average final compensation base pay" multiplied by years of credited service to a maximum of 33 years. Employees hired after July 1, 2016 who completed 10 years of continuous serve or 15 year's non-continuous service shall receive 2% of "average final compensation base pay" multiplied by the number of years for credited service up to a maximum of 69% of compensation. Employee participants contribute 5.0% of compensation.

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

Employees hired after July 14, 2017 are not eligible for the Defined Benefit Plan but are eligible for participation in the Defined Contribution Plan. The employee is required to make a mandatory contribution of 5% of compensation and the Town will contribute 5% of the employee's compensation.

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

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

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

Trust Funds Schedule of Plan Net Position June 30, 2018

	Pension Trust Funds					OPEB Trust	Totals
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	
Assets							
Cash and cash equivalents	\$ 1,207,367	\$ 1,009,840	\$ 255,454	\$ 968,387	\$ 482,867	\$ 1,034,526	\$ 4,958,441
Investments, at fair value:							
Common stock	10,764,962	9,003,740	2,277,639	8,634,554	4,305,376	3,619,143	38,605,414
Mutual funds	34,175,648	28,586,214	7,231,225	27,400,352	13,664,942	49,270,609	160,328,990
Other fixed Income securities	20,679,515	17,294,270	4,374,975	16,598,864	8,274,022	-	67,221,646
Alternative investments	31,755,265	26,559,886	6,718,746	25,470,834	12,700,311	9,056,377	112,261,419
Total investments	97,375,390	81,444,110	20,602,585	78,104,604	38,944,651	61,946,129	378,417,469
Pending sales	68,365	57,173	14,463	54,874	27,353	6,472	228,700
Due from other funds	113,988	85,919	22,420	-	-	-	222,327
Total assets	98,765,110	82,597,042	20,894,922	79,127,865	39,454,871	62,987,127	383,826,937
Net position - restricted for benefits	\$ 98,765,110	\$ 82,597,042	\$ 20,894,922	\$ 79,127,865	\$ 39,454,871	\$ 62,987,127	\$ 383,826,937

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

**Trust Funds
Schedule of Changes in Plan Net Position
Year Ended June 30, 2018**

	Pension Trust Funds					OPEB Trust	
	Police	Fire	Public Works	Municipal	Non-Union	OPEB	Totals
Additions:							
Contributions:							
Employer	\$ 2,765,941	\$ 2,120,720	\$ 178,623	\$ 2,111,067	\$ 1,199,468	\$ 5,277,748	\$ 13,653,567
Plan members	605,411	512,403	143,909	706,363	239,777	6,624,786	8,832,649
Total contributions	3,371,352	2,633,123	322,532	2,817,430	1,439,245	11,902,534	22,486,216
Investment income:							
Net appreciation in fair value of investments	3,625,301	3,031,838	766,972	2,909,927	1,450,509	2,660,188	14,444,735
Interest and dividends	4,878,769	4,064,189	1,038,059	3,860,516	1,975,525	2,512,676	18,329,734
Net investment income	8,504,070	7,096,027	1,805,031	6,770,443	3,426,034	5,172,864	32,774,469
Other	1,438	1,200	304	1,145	579	-	4,666
Total	11,876,860	9,730,350	2,127,867	9,589,018	4,865,858	17,075,398	55,265,351
Deductions:							
Benefits	5,198,693	3,940,235	785,003	3,585,726	2,443,114	6,652,034	22,604,805
Management fees and other payments	244,908	229,029	45,585	378,851	162,728	-	1,061,101
Net change in net position	6,433,259	5,561,086	1,297,279	5,624,441	2,260,016	10,423,364	31,599,445
Net position - restricted for benefits:							
Beginning of year	92,331,851	77,035,956	19,597,643	73,503,424	37,194,855	52,563,763	352,227,492
End of year	<u>\$ 98,765,110</u>	<u>\$ 82,597,042</u>	<u>\$ 20,894,922</u>	<u>\$ 79,127,865</u>	<u>\$ 39,454,871</u>	<u>\$ 62,987,127</u>	<u>\$ 383,826,937</u>

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2018.

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

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 as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Police	Fire	Public Works	Municipal	Non-Union
Rate of return	9.04%	9.03%	9.06%	9.01%	9.07%

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

Net Pension Liability (Asset) as of June 30, 2018	Police	Fire	Public Works	Municipal	Non-Union	Total
Total pension liability	\$ 110,734,477	\$ 87,393,890	\$ 18,735,933	\$ 71,035,267	\$ 44,929,121	\$ 332,828,688
Plan fiduciary net position	98,765,109	82,597,042	20,894,922	79,127,865	39,454,871	320,839,809
Net pension liability (asset)	11,969,368	4,796,848	(2,158,989)	(8,092,598)	5,474,250	11,988,879
Plan fiduciary net position as a percentage of total pension liability (asset)	89.19%	94.51%	111.52%	111.39%	87.82%	96.40%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

Actuarial assumptions: The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2016, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2018. There have been no significant changes between the valuation date and the fiscal year end.

	Police	Fire	Public Works	Municipal	Non-Union
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	6.125%	6.125%	6.125%	6.125%	6.125%
Projected salary increases	Service related	Service related	3.50%	Service related	Age related
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%

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

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2016, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return - Portfolio	Long-Term Expected Geometric Real Return Portfolio
U.S. Core Fixed Income	2.65%	2.52%
U.S. Inflation-Indexed Bonds	1.81%	1.67%
Non-U.S. Bonds	1.01%	0.45%
U.S. Equity Market	4.86%	3.57%
U.S. Small Caps	5.81%	3.86%
Foreign Developed Equity	5.79%	4.15%
Emerging Markets Equity	8.12%	4.84%
U.S. REITs	5.07%	3.27%
Private Real Estate Property	3.85%	3.13%
Hedge FOF Strategic	3.25%	2.64%
Assumed inflation - Mean	2.75%	2.75%
Assumed inflation - Standard Deviation	1.85%	1.85%
Portfolio Real Mean Return	4.56%	3.82%
Portfolio Nominal Mean Return	7.32%	6.66%
Portfolio Standard Deviation	-	12.10%
Long-Term Expected Rate of Return		6.125%

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

	Police			Fire		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Changes in the net pension liability:						
Balances at 6/30/17	\$ 105,901,303	\$ 92,331,851	\$ 13,569,452	\$ 82,614,945	\$ 77,035,957	\$ 5,578,988
Changes for the year:						
Service cost	2,179,557	-	2,179,557	1,708,313	-	1,708,313
Interest on total pension liability	6,462,200	-	6,462,200	5,044,417	-	5,044,417
Effect of plan changes	-	-	-	-	-	-
Effect of economic/demographic gains or losses	1,420,238	-	1,420,238	2,016,360	-	2,016,360
Benefit payments	(5,228,821)	(5,228,821)	-	(3,990,145)	(3,990,145)	-
Employer contributions	-	2,765,941	(2,765,941)	-	2,120,720	(2,120,720)
Member contributions	-	605,411	(605,411)	-	512,403	(512,403)
Net investment income	-	8,253,765	(8,253,765)	-	6,887,509	(6,887,509)
Administrative expense	-	36,962	(36,962)	-	30,598	(30,598)
Net changes	4,833,174	6,433,258	(1,600,084)	4,778,945	5,561,085	(782,140)
Balances at 6/30/18	\$ 110,734,477	\$ 98,765,109	\$ 11,969,368	\$ 87,393,890	\$ 82,597,042	\$ 4,796,848

	Public Works			Municipal		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Changes in the net pension liability (asset):						
Balances at 6/30/17	\$ 18,076,128	\$ 19,597,643	\$ (1,521,515)	\$ 69,816,697	\$ 73,503,424	\$ (3,686,727)
Changes for the year:						
Service cost	314,194	-	314,194	2,549,059	-	2,549,059
Interest on total pension liability	1,102,724	-	1,102,724	4,322,393	-	4,322,393
Effect of plan changes	-	-	-	(1,275,056)	-	(1,275,056)
Effect of economic/demographic gains or losses	27,890	-	27,890	(731,462)	-	(731,462)
Benefit payments	(785,003)	(785,003)	-	(3,646,364)	(3,646,364)	-
Employer contributions	-	178,623	(178,623)	-	2,111,067	(2,111,067)
Member contributions	-	143,909	(143,909)	-	706,363	(706,363)
Net investment income	-	1,751,911	(1,751,911)	-	6,571,405	(6,571,405)
Administrative expense	-	7,839	(7,839)	-	(118,030)	118,030
Net changes	659,805	1,297,279	(637,474)	1,218,570	5,624,441	(4,405,871)
Balances at 6/30/18	\$ 18,735,933	\$ 20,894,922	\$ (2,158,989)	\$ 71,035,267	\$ 79,127,865	\$ (8,092,598)

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

	Non-Union		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes in the net pension liability:			
Balances at 6/30/17	\$ 42,228,826	\$ 37,194,855	\$ 5,033,971
Changes for the year:			
Service cost	947,145	-	947,145
Interest on total pension liability	2,570,395	-	2,570,395
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	1,639,957	-	1,639,957
Benefit payments	(2,457,202)	(2,457,202)	-
Employer contributions	-	1,199,468	(1,199,468)
Member contributions	-	239,777	(239,777)
Net investment income	-	3,325,311	(3,325,311)
Administrative expense	-	(47,338)	47,338
Net changes	2,700,295	2,260,016	440,279
Balances at 6/30/18	\$ 44,929,121	\$ 39,454,871	\$ 5,474,250

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

	1% Decrease 5.125%	Current Discount Rate 6.125%	1% Increase 7.125%
Net Pension Liability (Asset)			
Police	\$ 28,434,910	\$ 11,969,368	\$ (1,326,927)
Fire	17,815	4,796,848	(6,249,038)
Public Works	166,889	(2,158,989)	(3,920,050)
Municipal	295,119	(8,092,598)	(14,726,975)
Non-Union	10,572,931	5,474,250	1,307,553

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

For the fiscal year ended June 30, 2018, the recognized pension expense is \$5,127,111. As of June 30, 2018, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources					
	Police	Fire	Public Works	Municipal	Non-Union	Total
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Differences between expected and actual experience	2,645,106	1,740,146	33,495	642,358	1,639,912	6,701,017
Total	<u>\$ 2,645,106</u>	<u>\$ 1,740,146</u>	<u>\$ 33,495</u>	<u>\$ 642,358</u>	<u>\$ 1,639,912</u>	<u>\$ 6,701,017</u>
	Deferred Inflows of Resources					
	Police	Fire	Public Works	Municipal	Non-Union	Total
Net difference between projected and actual earnings on pension plan investments	\$ (3,696,628)	\$ (3,057,990)	\$ (779,952)	\$ (2,916,612)	\$ (1,483,166)	\$ (11,934,348)
Differences between expected and actual experience	(220,998)	(1,038,749)	(38,201)	(1,299,888)	(154,228)	(2,752,064)
Total	<u>\$ (3,917,626)</u>	<u>\$ (4,096,739)</u>	<u>\$ (818,153)</u>	<u>\$ (4,216,500)</u>	<u>\$ (1,637,394)</u>	<u>\$ (14,686,412)</u>
Net deferred outflows/(inflows)	<u>\$ (1,272,520)</u>	<u>\$ (2,356,593)</u>	<u>\$ (784,658)</u>	<u>\$ (3,574,142)</u>	<u>\$ 2,518</u>	<u>\$ (7,985,395)</u>

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

	Police	Fire	Public Works	Municipal	Non-Union	Total
Year ending June 30:						
2019	\$ 57,972	\$ (285,537)	\$ (98,113)	\$ (415,324)	\$ 453,206	\$ (287,796)
2020	(395,318)	(655,646)	(171,900)	(769,160)	82,632	(1,909,392)
2021	(1,359,395)	(1,498,901)	(401,558)	(1,551,565)	(357,375)	(5,168,794)
2022	27,739	(346,006)	(113,087)	(591,801)	(175,945)	(1,199,100)
2023	287,232	135,662	-	(169,868)	-	253,026
Thereafter*	109,250	293,835	-	(76,424)	-	326,661
Total	<u>\$ (1,272,520)</u>	<u>\$ (2,356,593)</u>	<u>\$ (784,658)</u>	<u>\$ (3,574,142)</u>	<u>\$ 2,518</u>	<u>\$ (7,985,395)</u>

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

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

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

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

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

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

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

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 9. Employee Retirement Plans (Continued)

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

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

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

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

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability	\$ 225,768,538	\$ 180,368,791	\$ 141,986,148

Note 9. Employee Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$180,368,791 and 100% of the collective net pension liability is allocated to the State.

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

Economic Assumptions

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

Demographic Assumptions

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

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$20,863,400 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 10. Other Post-Employment Benefits (OPEB)

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

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

Membership in the plan consisted of the following at July 1, 2017, the date of the last actuarial valuations.

	Total
Retirees and beneficiaries receiving benefits	544
Active plan members	1,038
Total	1,582

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

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

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

Valuation date	July 1, 2017
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method:	Level Percent
Amortization period	25 Years Decreasing
Actuarial assumptions	
Discount rate	6.125%
Salary increase rate	Various
Inflation rate	2.70%
Health cost trend rates	Town average annual healthcare cost trend rates are assumed to be as follows:
Medical inflation rate	5.30% - 4.60%
Dental inflation rate	3.00%

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

Investments:

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

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

	<u>OPEB Plan</u>
Rate of return	9.37%

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

	<u>Net OPEB Liability as of June 30, 2018</u>	<u>OPEB Plan</u>
Total OPEB liability		\$ 145,369,632
Plan fiduciary net position		<u>62,987,127</u>
Net OPEB liability		<u>\$ 82,382,505</u>
Plan fiduciary net position as a percentage of total OPEB liability		43.33%

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2017, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Core Fixed Income	12.00%	2.65%	2.51%
U.S. Interim Bonds	8.00%	2.20%	2.09%
U.S. Inflation-Indexed Bonds	5.00%	1.81%	1.67%
Large Cap U.S. Equities	33.25%	4.57%	3.37%
U.S. Small Growth	2.00%	6.75%	4.25%
U.S. Small Value	2.00%	5.22%	3.47%
U.S. Growth	5.25%	5.31%	376.00%
Global Equity	13.00%	5.23%	3.86%
Foreign Developed Equity	4.00%	5.79%	4.15%
Emerging Market Equity	8.00%	8.12%	4.84%
U.S. REIT's	2.00%	5.07%	3.27%
Private Real Estate Property	5.50%	3.85%	3.13%
	<u>100.00%</u>		
Assumed Inflation - Mean		2.70%	2.70%
Assumed Inflation - Standard Deviation		1.85%	1.85%
Portfolio Real Mean Return		4.50%	3.81%
Portfolio Normal Mean Return		7.21%	6.59%
Portfolio - Standard Deviation			<u>11.65%</u>
Long -Term Expected Rate of Return			<u>6.125%</u>

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

Changes in the Net OPEB Liability:

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Changes in the net OPEB liability:			
Balances at June 30, 2017	\$ 131,754,758	\$ 52,563,763	\$ 79,190,995
Changes for the year:			
Service cost	5,632,441	-	5,632,441
Interest on total OPEB liability	8,276,214	-	8,276,214
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	4,335,420	-	4,335,420
Effect of assumptions changes or inputs	(30,167)	-	(30,167)
Benefit payments	(4,599,034)	(4,599,034)	-
Employer contributions	-	9,876,782	(9,876,782)
Member contributions	-	-	-
Net investment income	-	5,145,616	(5,145,616)
Net changes	13,614,874	10,423,364	3,191,510
Balances at June 30, 2018	\$ 145,369,632	\$ 62,987,127	\$ 82,382,505

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

	Current Healthcare Cost Trend Rates		
	1.0% Decrease	5.30%-4.60%	1.0% Increase
Net OPEB liability as of June 30, 2018	\$58,930,338	\$82,382,505	\$112,235,469

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

	Current Discount Rate		
	1% Decrease 5.125%	6.125%	1% Increase 7.125%
Net OPEB Liability	\$ 105,830,811	\$ 82,382,505	\$ 63,466,086

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

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 \$10,687,039. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 3,819,299	\$ -	\$ 3,819,299
Changes of assumptions	-	(26,576)	(26,576)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,411,470)	(1,411,470)
	<u>\$ 3,819,299</u>	<u>\$ (1,438,046)</u>	<u>\$ 2,381,253</u>

Year ending June 30:

2019	\$ 159,663
2020	159,663
2021	159,663
2022	159,661
2023	512,530
Thereafter	1,230,073
	<u>\$ 2,381,253</u>

Connecticut State Teachers' Retirement System- Retiree Health Insurance Plan

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 Section 10-183 (t) 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.

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 Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (Continued)

Any member that 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, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 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 that 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.

Eligibility: Any member that 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.

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: 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.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Town of Westport, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (Continued)

Termination of employment: 10 or more years of Credited Service.

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183t, 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.

The Town recognized the total OPEB expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$2,151,564 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

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	46,424,896
	<u>\$ 46,424,896</u>

Note 11. Risk Management

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

Town: Under the Town's current medical insurance policy, the plan covers all employee claims. The Town plan includes individual stop loss coverage with Anthem for claims in excess of \$175,000.

Town of Westport, Connecticut

Notes to Financial Statements

Note 11. Risk Management (Continued)

The Town's approximate maximum exposure for the year ended June 30, 2018 was approximately \$9,921,802 of which approximately \$9,921,802 was paid.

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

Board of Education: Under the Board's current medical insurance policy, the plan coverages vary depending on the union agreements. The plan provides coverage for hospital, major medical and dental. The seven unions covered are teachers; administrators, secretaries; custodians, maintenance, paraprofessionals, nurses and nurses' aides. Depending on the union, there are different coverages, maximum benefits, deductibles and required contributions to the plan.

The Board of Education's approximate maximum exposure for the year ended June 30, 2018 was approximately \$18,398,707 of which approximately \$15,752,214 was paid.

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

The Board of Education elected to change insurance providers and plan type. Effective September 1, 2018, all BOE employees will be enrolled in the State of Connecticut's Partnership Plan. The plan is premium based and therefore no additional stop loss coverage is required.

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

Effective September 1, 2018, the Board of Education changed insurance providers and type of plan. The prior coverage was a High Deductible Health Plan (HDHP) along with a Health Savings Account (HSA). The Board elected to join the State of Connecticut's Partnership Plan for all its employees. The plan is fully insured and therefore includes the stop loss as provided by the State

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

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

The Town is self-insured for worker's compensation claims. The Town recognizes a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town's potential liability under this Plan is \$993,450 for fiscal year 2018.

Town of Westport, Connecticut

Notes to Financial Statements

Note 11. Risk Management (Continued)

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

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

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
Town:				
2018	\$ 1,801,368	\$ 11,564,256	\$ (11,616,804)	\$ 1,748,820
2017	1,262,274	9,323,017	(8,783,923)	1,801,368
Board of Education:				
2018	\$ 968,308	\$ 19,253,754	\$ (18,922,062)	\$ 1,300,000
2017	952,000	17,606,219	(17,589,911)	968,308

Note 12. Fund Deficits

The following funds had fund deficits as of June 30, 2018:

Governmental funds:

Board of Education Health Insurance \$ (1,104,002)

The BOE has budgeted \$1,300,000 in fiscal year 2019 to cover claims payable (IBNR) as of June 30, 2018.

Town of Westport, Connecticut

Notes to Financial Statements

Note 13. Fund Balance

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2018 for the Town governmental funds:

	General Fund	Sewer Operating Fund	Capital and Nonrecurring Fund	Municipal Improvements Fund Phase II	Nonmajor Governmental Funds
Fund balances:					
Nonspendable:					
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ 16,897
Prepaid expenses	550,028	-	-	-	-
Total non-spendable	550,028	-	-	-	16,897
Restricted:					
General government	19,466	-	-	-	91,610
Debt service	-	-	-	-	1,033,641
Public safety	99,102	-	-	-	27,890
Public works- road improvements	46,011	-	-	-	517,488
Human services	304,214	-	-	-	-
Education	116,532	-	-	-	57,729
Parks and recreation	42,565	-	-	-	-
Total restricted	627,890	-	-	-	1,728,358
Committed:					
General government- insurance					
reserve and other road funds	156,149	-	-	-	2,009,342
Public safety- off duty fund	4,480	-	-	-	760,793
Parks and recreation	57,550	-	-	-	253,929
Capital projects	-	-	8,151,513	9,582,709	1,960,134
Railroad parking capital projects	-	-	-	-	152,603
Human services	-	-	-	-	19,780
Education- school projects	-	-	-	-	554,569
Sewer operations	-	1,966,248	-	-	-
Sewer capital projects	238,354	-	-	-	-
Sewer capital reserves	-	-	-	-	2,758,742
Total committed	456,533	1,966,248	8,151,513	9,582,709	8,469,892
Assigned:					
General government***	854,716	-	-	-	-
Public safety	68,940	-	-	-	-
Public works*	285,856	-	-	-	-
Education**	2,433,051	-	-	-	-
Parks and recreation	313,053	-	-	-	-
Pensions	42,914	-	-	-	-
Other purposes	37,336	-	-	-	-
Future bond payments	1,086,150	-	-	-	-
Future Appropriations	3,600,000	-	-	-	-
Total assigned	8,722,016	-	-	-	-
Unassigned	25,134,366	-	-	-	-
Total fund balance	\$ 35,490,833	\$ 1,966,248	\$ 8,151,513	\$ 9,582,709	\$ 10,215,147

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

** Included in the assigned funds related to education is approximately \$1.1 million in encumbrances for BOE operations.

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

Town of Westport, Connecticut

Notes to Financial Statements

Note 14. Governmental Accounting Standards Board (GASB) Statements

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

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

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

GASB Statement No. 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new Statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, defines debt purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash, or other assets in lieu of cash, to settle a fixed amount established at the date of obligation. The statement requires additional information related to debt to be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and specified terms in debt agreements related to significant events of default and the resulting financial consequences. The Statement also requires disclosure be provided for direct borrowings and direct placements of debt separate from other forms of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, *Majority Equity Interests*—an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

**Required Supplementary
Information - *unaudited***

Town of Westport, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns- Pensions and OPEB
Last Five Fiscal Years***

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income, for:					
Police	9.04%	14.47%	-0.07%	3.33%	16.55%
Fire	9.03%	14.35%	-0.07%	3.34%	16.51%
Public Works	9.06%	14.47%	-0.07%	3.27%	16.51%
Municipal Interim	9.01%	14.39%	-0.07%	3.30%	16.22%
Non-Union	9.07%	14.47%	-0.07%	3.38%	16.13%
OPEB Plan	9.37%	14.79%	n/a	n/a	n/a

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

Town of Westport, Connecticut

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

	Schedule of Contributions -Police									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,765,941	\$ 2,691,004	\$ 2,725,575	\$ 2,841,811	\$ 2,793,151	\$ 2,297,852	\$ 2,312,683	\$ 1,922,000	\$ 1,239,465	\$ 815,000
Contributions in relation to the actuarially determined contribution	2,765,941	2,555,374	2,725,575	2,918,811	2,478,948	2,297,852	2,336,000	2,100,000	913,000	36,052
Contribution deficiency (excess)	\$ -	\$ 135,630	\$ -	\$ (77,000)	\$ 314,203	\$ -	\$ (23,317)	\$ (178,000)	\$ 326,465	\$ 778,948
Covered-employee payroll	\$ 5,202,813	\$ 5,603,837	\$ 5,363,703	\$ 5,367,727	\$ 5,075,048	\$ 5,338,349	\$ 5,294,796	\$ 4,126,571	\$ 4,465,940	N/A
Contributions as a percentage of covered-employee payroll	53.16%	45.60%	50.82%	54.38%	48.85%	43.04%	44.12%	50.89%	20.44%	N/A
	Schedule of Contributions -Fire									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,120,720	\$ 2,152,383	\$ 2,239,366	\$ 2,407,768	\$ 2,389,263	\$ 1,870,427	\$ 1,310,377	\$ 1,534,510	\$ 1,034,423	\$ 93,395
Contributions in relation to the actuarially determined contribution	2,120,720	2,052,753	2,239,366	2,407,768	1,962,573	1,870,427	1,946,736	1,675,000	895,000	143,738
Contribution deficiency (excess)	\$ -	\$ 99,630	\$ -	\$ -	\$ 426,690	\$ -	\$ (636,359)	\$ (140,490)	\$ 139,423	\$ (50,343)
Covered-employee payroll	\$ 5,317,597	\$ 5,256,316	\$ 5,140,048	\$ 5,184,152	\$ 5,075,235	\$ 4,655,430	\$ 4,641,204	\$ 3,817,411	\$ 4,413,566	N/A
Contributions as a percentage of covered-employee payroll	39.88%	39.05%	43.57%	46.44%	38.67%	40.18%	41.94%	43.88%	20.28%	N/A

(Continued)

Town of Westport, Connecticut

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

	Schedule of Contributions -Public Works									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 178,625	\$ 184,442	\$ 247,130	\$ 446,200	\$ 410,976	406,370	\$ 362,891	\$ 378,249	\$ 243,485	\$ 123,709
Contributions in relation to the actuarially determined contribution	178,623	226,536	247,130	405,720	453,170	406,370	337,000	365,000	124,000	49,234
Contribution deficiency (excess)	\$ 2	\$ (42,094)	\$ -	\$ 40,480	\$ (42,194)	\$ -	\$ 25,891	\$ 13,249	\$ 119,485	\$ 74,475
Covered-employee payroll	\$ 1,600,818	\$ 1,611,537	\$ 1,698,394	\$ 1,770,145	\$ 1,732,762	\$ 1,810,736	\$ 1,671,941	\$ 1,701,718	\$ 1,790,720	N/A
Contributions as a percentage of covered-employee payroll	11.16%	14.06%	14.55%	22.92%	26.15%	22.44%	20.16%	21.45%	6.92%	N/A
	Schedule of Contributions -Municipal Interim									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,111,067	\$ 2,117,516	\$ 2,099,055	\$ 2,262,664	\$ 2,090,487	\$ 2,024,016	\$ 1,762,414	\$ 1,619,892	\$ 1,051,966	\$ 607,323
Contributions in relation to the actuarially determined contribution	2,111,067	1,943,110	2,099,055	2,241,723	2,234,564	2,024,016	2,000,000	1,650,000	771,320	197,947
Contribution deficiency (excess)	\$ -	\$ 174,406	\$ -	\$ 20,941	\$ (144,077)	\$ -	\$ (237,586)	\$ (30,108)	\$ 280,646	\$ 409,376
Covered-employee payroll	\$ 16,199,690	\$ 15,833,087	\$ 15,392,017	\$ 16,035,051	\$ 14,938,949	\$ 15,077,809	\$ 14,775,146	\$ 15,018,198	\$ 15,556,333	N/A
Contributions as a percentage of covered-employee payroll	13.03%	12.27%	13.64%	13.98%	14.96%	13.42%	13.54%	10.99%	4.96%	N/A

(Continued)

Town of Westport, Connecticut

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

	Schedule of Contributions -Non-Union									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,199,468	\$ 1,313,623	\$ 1,416,354	\$ 1,470,807	\$ 1,373,057	\$ 1,195,432	\$ 2,005,359	\$ 2,143,607	\$ 1,698,683	\$ 1,376,191
Contributions in relation to the actuarially determined contribution	1,199,468	1,681,195	1,416,354	1,556,428	2,505,548	1,195,432	2,442,123	2,250,000	1,340,937	472,006
Contribution deficiency (excess)	\$ -	\$ (367,572)	\$ -	\$ (85,621)	\$ (1,132,491)	\$ -	\$ (436,764)	\$ (106,393)	\$ 357,746	\$ 904,185
Covered-employee payroll	\$ 5,544,104	\$ 6,222,001	\$ 6,729,260	\$ 6,818,264	\$ 6,587,342	\$ 6,670,562	\$ 6,561,689	\$ 6,608,618	\$ 6,825,610	N/A
Contributions as a percentage of covered-employee payroll	21.64%	27.02%	21.05%	22.83%	38.04%	17.92%	37.22%	34.05%	19.65%	N/A

This page intentionally left blank.

Town of Westport, Connecticut

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

	Police					Fire				
Changes in Net Pension Liability (Asset)	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
Total pension liability (asset):										
Service cost	\$ 2,179,557	\$ 1,931,161	\$ 2,026,323	\$ 1,919,923	\$ 1,917,243	\$ 1,708,313	\$ 1,884,855	\$ 1,844,427	\$ 1,837,116	\$ 1,908,971
Interest on total pension liability (asset)	6,462,200	6,135,821	5,939,767	5,736,145	5,560,157	5,044,417	4,916,008	4,695,590	4,492,071	4,336,110
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	1,420,238	2,130,682	(75,782)	(510,943)	(504,757)	2,016,360	(978,566)	(98,263)	(558,564)	(463,200)
Effect of assumption changes or inputs	-	-	-	-	-	-	-	-	-	-
Benefit payments	(5,228,821)	(5,009,297)	(4,340,752)	(3,934,356)	(3,706,662)	(3,990,145)	(3,121,347)	(2,846,307)	(2,855,753)	(2,488,759)
Net change in total pension liability (asset)	4,833,174	5,188,367	3,549,556	3,210,769	3,265,981	4,778,945	2,700,950	3,595,447	2,914,870	3,293,122
Total pension liability, beginning	105,901,303	100,712,936	97,163,380	93,952,611	90,686,630	82,614,945	79,913,995	76,318,548	73,403,678	70,110,556
Total pension liability (asset), ending (a)	110,734,477	105,901,303	100,712,936	97,163,380	93,952,611	87,393,890	82,614,945	79,913,995	76,318,548	73,403,678
Fiduciary net position:										
Employer contributions	2,765,941	2,555,374	2,725,575	2,918,811	2,478,948	2,120,720	2,052,753	2,239,366	207,768	1,962,573
Member contributions	605,411	545,463	552,513	554,569	541,723	512,403	502,988	488,519	495,775	481,582
Investment income net of investment expenses	8,253,765	11,801,989	(58,520)	2,176,000	11,607,331	6,887,509	9,718,784	(47,359)	2,194,872	9,321,124
Benefit payments	(5,228,821)	(5,009,297)	(4,340,752)	(3,934,356)	(3,706,662)	(3,990,145)	(3,121,347)	(2,846,307)	(2,855,753)	(2,488,759)
Administrative expenses	36,962	-	(178,431)	(178,153)	-	30,598	-	(145,309)	(144,195)	-
Net change in plan fiduciary net position	6,433,258	9,893,529	(1,299,615)	1,536,871	10,921,340	5,561,085	9,153,178	(311,090)	(101,533)	9,276,520
Fiduciary net position, beginning	92,331,851	82,438,322	83,737,937	81,661,066	70,739,726	77,035,957	67,882,779	68,193,869	66,095,402	56,818,882
Fiduciary net position, ending (b)	98,765,109	92,331,851	82,438,322	83,197,937	81,661,066	82,597,042	77,035,957	67,882,779	65,993,869	66,095,402
Net pension liability asset, ending = (a) - (b)	\$ 11,969,368	\$ 13,569,452	\$ 18,274,614	\$ 13,965,443	\$ 12,291,545	\$ 4,796,848	\$ 5,578,988	\$ 12,031,216	\$ 10,324,679	\$ 7,308,276
Fiduciary net position as a % of total pension liability	89.19%	87.19%	81.85%	85.63%	86.92%	94.51%	93.25%	84.94%	86.47%	90.04%
Covered payroll	\$ 5,202,813	\$ 5,603,837	\$ 5,363,703	\$ 5,367,727	\$ 5,075,048	\$ 5,317,597	\$ 5,256,316	\$ 5,140,048	\$ 5,184,152	\$ 5,075,235
Net pension liability (asset) as a % of covered payroll	230.06%	242.15%	340.71%	260.17%	242.20%	90.21%	106.14%	234.07%	199.16%	144.00%

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

Town of Westport, Connecticut

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

Public Works					Municipal Interim					Non-Union				
2018	2017	2016	2015	2014	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
\$ 314,194	\$ 336,050	\$ 340,660	\$ 347,475	\$ 389,893	\$ 2,549,059	\$ 2,581,196	\$ 2,504,182	\$ 2,445,132	\$ 2,557,643	\$ 947,145	\$ 853,074	\$ 975,066	\$ 1,098,854	\$ 1,089,912
1,102,724	1,062,787	1,025,447	1,007,881	1,093,160	4,322,393	4,225,325	4,019,395	3,754,408	3,543,504	2,570,395	2,523,306	2,458,868	2,334,002	2,208,042
-	-	-	(1,349,731)	-	(1,275,056)	(874,950)	-	-	-	-	-	-	-	-
27,890	41,508	(267,410)	(833,163)	(61,035)	(731,462)	(789,011)	1,226,317	(341,540)	438,850	1,639,957	(308,458)	949,189	501,305	(197,687)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(785,003)	(748,462)	(755,169)	(662,283)	(687,991)	(3,646,364)	(3,408,479)	(3,073,430)	(2,896,572)	(2,740,756)	(2,457,202)	(2,331,086)	(2,190,780)	(1,816,195)	(1,730,983)
659,805	691,883	343,528	(1,489,821)	734,027	1,218,570	1,734,081	4,676,464	2,961,428	3,799,241	2,700,295	736,836	2,192,343	2,117,966	1,369,284
18,076,128	17,384,245	17,040,717	18,530,537	17,796,510	69,816,697	68,082,616	63,406,152	60,444,724	56,645,483	42,228,826	41,491,990	39,299,647	37,181,681	35,812,397
18,735,933	18,076,128	17,384,245	17,040,716	18,530,537	71,035,267	69,816,697	68,082,616	63,406,152	60,444,724	44,929,121	42,228,826	41,491,990	39,299,647	37,181,681
178,623	226,536	247,130	405,720	453,170	2,111,067	1,943,110	2,099,055	2,241,723	2,234,564	1,199,468	1,681,195	1,416,354	1,556,428	2,505,548
143,909	148,079	155,485	147,719	154,939	706,363	666,936	661,284	648,659	623,885	239,777	239,036	245,437	273,403	280,920
1,751,911	2,501,002	(12,509)	566,540	2,473,929	6,571,405	9,305,394	(45,515)	2,117,184	8,941,119	3,325,311	4,709,402	(23,285)	1,080,863	4,435,123
(785,003)	(748,462)	(755,169)	(662,283)	(687,991)	(3,646,364)	(3,408,479)	(3,073,430)	(2,896,572)	(2,740,756)	(2,457,202)	(2,331,086)	(2,190,780)	(1,816,195)	(1,730,983)
7,839	-	(38,085)	(38,078)	-	(118,030)	-	(139,557)	(138,582)	-	(47,338)	-	(71,425)	(70,985)	-
1,297,279	2,127,155	(403,148)	419,618	2,394,047	5,624,441	8,506,961	(498,163)	1,972,412	9,058,812	2,260,016	4,298,547	(623,699)	1,023,514	5,490,608
19,597,643	17,470,488	17,873,636	17,454,018	15,059,971	73,503,424	64,996,463	65,494,626	63,522,214	54,463,402	37,194,855	32,896,308	33,520,007	32,496,403	27,005,795
20,894,922	19,597,643	17,470,488	17,873,636	17,454,018	79,127,865	73,503,424	64,996,463	65,494,626	63,522,214	39,454,871	37,194,855	32,896,308	33,519,917	32,496,403
\$ (2,158,989)	\$ (1,521,515)	\$ (86,243)	\$ (832,920)	\$ 1,076,519	\$ (8,092,598)	\$ (3,686,727)	\$ 3,086,153	\$ (2,088,474)	\$ (3,077,490)	\$ 5,474,250	\$ 5,033,971	\$ 8,595,682	\$ 5,779,730	\$ 4,685,278
111.52%	108.42%	100.50%	104.89%	94.19%	111.39%	105.28%	95.47%	103.29%	105.09%	87.82%	88.08%	79.28%	85.29%	87.40%
\$ 1,600,818	\$ 1,611,537	\$ 1,698,394	\$ 1,770,145	\$ 1,790,720	\$ 16,199,690	\$ 15,833,087	\$ 15,392,017	\$ 16,035,031	\$ 14,938,949	\$ 5,544,104	\$ 6,222,001	\$ 6,729,260	\$ 6,818,264	\$ 6,587,342
-134.87%	-94.41%	-5.08%	-47.05%	60.12%	-49.96%	-23.28%	20.05%	-13.02%	-20.60%	98.74%	80.91%	127.74%	84.77%	71.13%

Town of Westport, Connecticut

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

	2018	2017	2016	2015
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	180,368,791	190,290,456	149,932,102	138,582,181
Town's covered payroll	57,170,489	55,104,098	55,730,568	52,518,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

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

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

Town of Westport, Connecticut

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

	Schedule of Contributions - OPEB Plan									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 10,940,639	\$ 10,394,080	\$ 9,656,580	\$ 10,298,472	\$ 11,797,000	\$ 10,666,000	\$ 9,930,000	\$ 9,013,000	\$ 7,614,000	\$ 7,064,000
Contributions in relation to the actuarially determined contribution	9,876,782	10,129,566	9,656,580	10,298,472	11,101,000	9,119,626	8,755,000	6,080,000	3,699,000	4,847,000
Contribution deficiency (excess)	\$ 1,063,857	\$ 264,514	\$ -	\$ -	\$ 696,000	\$ 1,546,374	\$ 1,175,000	\$ 2,933,000	\$ 3,915,000	\$ 2,217,000
Covered-employee payroll	\$ 80,133,851	\$ 76,009,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered-employee payroll	12.33%	13.33%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Town of Westport, Connecticut

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

	OPEB Plan	
Changes in Net OPEB Liability	2018	2017
Total OPEB liability:		
Service cost	\$ 5,632,441	\$ 5,062,732
Interest	8,276,214	7,732,515
Effect of economic/demographer (gains) or losses	4,335,420	-
Changes in assumptions	(30,167)	-
Benefit payments, including refunds of member contributions	(4,599,034)	(4,445,810)
Net change in total OPEB liability	13,614,874	8,349,437
Total pension liability, beginning	131,754,758	123,405,321
Total OPEB liability, ending (a)	145,369,632	131,754,758
Fiduciary net position:		
Employer contributions	9,876,782	10,129,566
Member contributions	-	-
Investment (loss) income net of investment expenses	5,145,616	6,378,530
Benefit payments, including refunds of member contributions	(4,599,034)	(4,445,810)
Administrative expenses	-	-
Other	-	-
Net change in plan fiduciary net position	10,423,364	12,062,286
Fiduciary net position, beginning	52,563,763	40,501,477
Fiduciary net position, ending (b)	62,987,127	52,563,763
Net OPEB liability, ending = (a) - (b)	\$ 82,382,505	\$ 79,190,995
Fiduciary net position as a % of total OPEB liability	43.33%	39.90%
Covered payroll	\$ 80,133,851	\$ 76,009
Net OPEB liability as a % of covered payroll	102.81%	104186.34%

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

Town of Westport, Connecticut

Required Supplementary Information - unaudited

Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan Last Fiscal Year*

2018

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	46,424,896
Total	46,424,896
Town's covered-employee payroll	57,170,489
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%
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 ending June 30, 2015, the long-term rate of return was lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation. Similarly, 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

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

Town of Westport, Connecticut
Required Supplementary Information - unaudited

Statement of Revenues, Expenditures and Encumbrances - Budgetary Basis -
Budget and Actual - General Fund and Sewer Operating Fund
For the Year Ended June 30, 2018

	General Fund			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Property taxes	\$ 185,142,131	\$ 185,142,131	\$ 185,949,260	\$ 807,129
Education	438,350	438,350	870,335	431,985
Parks and recreation	5,525,576	5,525,576	5,231,585	(293,991)
Income from investments	160,000	160,000	378,437	218,437
Intergovernmental	313,942	313,942	1,071,906	757,964
Permits, fees and other	8,146,600	8,146,600	8,901,202	754,602
Total revenues	199,726,599	199,726,599	202,402,725	2,676,126
Expenditures:				
General government	5,788,397	5,946,359	5,813,926	132,433
Public safety and protection	20,243,645	20,888,348	20,788,774	99,574
Public works	9,584,573	10,025,866	9,741,251	284,615
Public health	547,789	547,789	547,789	-
Human services	1,100,505	1,132,798	1,132,150	648
Education	125,846,533	126,077,299	125,681,067	396,232
Library	4,900,096	4,900,096	4,900,096	-
Parks and recreation	5,372,291	5,494,866	5,396,879	97,987
Other	25,489,589	25,353,671	25,082,208	271,463
Debt service	2,571,310	3,292,005	3,292,006	-
Capital outlay	927,296	923,733	1,006,267	(82,534)
Total expenditures	202,372,024	204,582,830	203,382,413	1,200,417
Excess deficiency of revenues over (under) expenditures	(2,645,425)	(4,856,231)	(979,688)	3,876,543
Other financing sources (uses):				
Transfers in	887,000	887,000	887,178	178
Transfers out	(1,868,165)	(1,868,165)	(2,139,144)	(270,979)
Total other financing sources (uses)	(981,165)	(981,165)	(1,251,966)	(270,801)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (3,626,590)	\$ (5,837,396)	\$ (2,231,654)	\$ 3,605,742

See Note to Required Supplementary Information.

Sewer Operating Fund

Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,095,000	5,095,000	4,546,874	(548,126)
5,095,000	5,095,000	4,546,874	(548,126)
-	-	-	-
-	-	-	-
2,229,926	2,234,056	2,169,010	65,046
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,421,767	2,501,142	2,501,142	-
-	-	-	-
4,651,693	4,735,198	4,670,152	65,046
443,307	359,802	(123,278)	(483,080)
368,165	368,165	368,165	-
-	-	-	-
368,165	368,165	368,165	-
\$ 811,472	\$ 727,967	\$ 244,887	\$ (483,080)

Town of Westport, Connecticut

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

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

- A. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means to be utilized to finance them.
- B. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of \$20,000 per year. Additional appropriations aggregating more than \$20,000 per fiscal year must be approved by the Representative Town Meeting.
- C. Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.
- D. Budgeted amounts shown are as amended by a Representative Town Meeting or by the Board of Finance during the course of the year. Additional appropriations for the year ended June 30, 2018 aggregated approximately \$2,211,000 for the General Fund.
- E. All non-continuing appropriations lapse at year-end.
- F. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

Appendix B-1

Form of Opinion of Bond Counsel – Series A Bonds

FORM OF OPINION OF BOND COUNSEL

May __, 2019

Town of Westport
Westport Town Hall
110 Myrtle Avenue
Westport, Connecticut 06880

We have acted as Bond Counsel to the Town of Westport, Connecticut (the “Town”) in connection with the issuance by the Town of its \$_____ General Obligation Bonds, Issue of 2019, Series A, dated May __, 2019 (the “Bonds”). In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Compliance Agreement of the Town, dated May __, 2019 (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, they will be valid and binding general obligations of the Town payable as to both principal and interest 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 pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excludable from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

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

In our opinion, under existing law, interest on the Bonds is not included in gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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 other State income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated May __, 2019 and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of the Bonds.

Although we have rendered an opinion that interest on the Bonds is not included in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix B-2

Form of Opinion of Bond Counsel – Series B Bonds

FORM OF OPINION OF BOND COUNSEL

May __, 2019

Town of Westport
Westport Town Hall
110 Myrtle Avenue
Westport, Connecticut 06880

We have acted as Bond Counsel to the Town of Westport, Connecticut (the "Town") in connection with the issuance by the Town of its \$_____ General Obligation Refunding Bonds, Issue of 2019, Series B, dated May __, 2019 (the "Bonds"). In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Compliance Agreement of the Town, dated May __, 2019 (the "Agreement"), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, they will be valid and binding general obligations of the Town payable as to both principal and interest 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 pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excludable from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

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

In our opinion, under existing law, interest on the Bonds is not included in gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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 other State income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated May __, 2019 and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of the Bonds.

Although we have rendered an opinion that interest on the Bonds is not included in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C-1

Form of Continuing Disclosure Agreement – Series A Bonds

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS
BY THE TOWN OF WESTPORT, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$_____ Town of Westport, Connecticut
General Obligation Bonds, Issue of 2019, Series A
dated May __, 2019**

This Continuing Disclosure Agreement (“Agreement”) is made as of May __, 2019, by the Town of Westport, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$_____ General Obligation Bonds, Issue of 2019, Series A dated May __, 2019 (the “Bonds”).

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 Issuer pursuant to, and as described in, Section 2 of this Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated May __, 2019 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’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.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, 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 Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer 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 Issuer shall provide the information and 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 data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight

months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) 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 events affecting the tax status of the Bonds;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Bond defeasances;
- (ix) rating changes; and
- (x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’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 Issuer 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 Issuer 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 Issuer, 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) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the 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 MSRB. The annual financial information 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 operating or financial information provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement.

If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer 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 Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Westport Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. In the event the Issuer 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 enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF WESTPORT, CONNECTICUT

By: _____
James S. Marpe, First Selectman

By: _____
Gary G. Conrad, Finance Director

Appendix C-2

Form of Continuing Disclosure Agreement – Series B Bonds

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS
BY THE TOWN OF WESTPORT, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$_____ Town of Westport, Connecticut
General Obligation Refunding Bonds, Issue of 2019, Series B
dated May __, 2019**

This Continuing Disclosure Agreement (“Agreement”) is made as of May __, 2019, by the Town of Westport, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$_____ General Obligation Refunding Bonds, Issue of 2019, Series B dated May __, 2019 (the “Bonds”).

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 Issuer pursuant to, and as described in, Section 2 of this Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated May __, 2019 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’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.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, 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 Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer 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 Issuer shall provide the information and 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 data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight

months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) 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 events affecting the tax status of the Bonds;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Bond defeasances;
- (ix) rating changes; and
- (x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’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 Issuer 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 Issuer 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 Issuer, 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) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the 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 MSRB. The annual financial information 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 operating or financial information provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement.

If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer 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 Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Westport Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. In the event the Issuer 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 enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF WESTPORT, CONNECTICUT

By: _____
James S. Marpe, First Selectman

By: _____
Gary G. Conrad, Finance Director

Appendix D-1

Notice of Sale – Series A Bonds

NOTICE OF SALE

TOWN OF WESTPORT, CONNECTICUT \$7,600,000 GENERAL OBLIGATION BONDS, ISSUE OF 2019, SERIES A BOOK-ENTRY ONLY (the “Bonds”)

ELECTRONIC BIDS via **PARITY®** will be received by the **TOWN OF WESTPORT, CONNECTICUT** (the “Town”) at the Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880, until **11:00 A.M. (EDT), WEDNESDAY**

MAY 1, 2019

(the “Bid Date”) for the purchase of all (but not less than all) of \$7,600,000 General Obligation Bonds, Issue of 2019, Series A of the Town (the “Bonds”), when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, which mature on May 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$505,000	2030	\$255,000
2021	\$505,000	2031	\$255,000
2022	\$505,000	2032	\$255,000
2023	\$505,000	2033	\$255,000
2024	\$505,000	2034	\$255,000
2025	\$505,000	2035	\$255,000
2026	\$505,000	2036	\$255,000
2027	\$505,000	2037	\$255,000
2028	\$505,000	2038	\$255,000
2029	\$505,000	2039	\$255,000

The Issue

The full faith and credit of the Town will be pledged for the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. 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 limit 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 pursuant to provisions of the Connecticut General Statutes, as amended. The Bonds will be dated the date of delivery, with interest payable on November 15, 2019 and semiannually thereafter on each May 15 and November 15 in each year until maturity, or earlier redemption. The information in this Notice of Sale is only a brief summary of certain provisions of the Bonds. For further information about the Bonds, reference is hereby made to the Preliminary Official Statement, dated April 25, 2019.

Optional Redemption

The Bonds maturing on or before May 15, 2025 are not subject to redemption prior to maturity. The Bonds maturing May 15, 2026 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after May 15, 2025, 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 following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Redemption Period</u>	<u>Redemption Price</u>
May 15, 2025 and thereafter	100%

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its 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 content or effect will not affect the validity of the redemption of such Bonds called for redemption.

Ratings

The Town has applied to Moody's Investors Service for assignment of their municipal bond ratings to the Bonds. The assigned ratings may be obtained from the rating agency or will be posted through the facilities of **PARITY**® prior to sale.

Official Statement and Continuing Disclosure Agreement

The Town has prepared a Preliminary Official Statement for the Bonds which is dated April 25, 2019, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received. If the Town's municipal advisor is provided with the necessary information from the winning purchaser by noon of the date 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 underwriter, and any corrections. The purchaser shall arrange with the municipal advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file a final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C-1 to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data including audited financial statements, (ii) notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such

event, and (iii) timely notice of a failure by the Town to provide the required 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.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted electronically via **PARITY**[®], in accordance with this Notice of Sale, until 11:00 A.M. (EDT) on Wednesday, May 1, 2019, but no bid will be received after the time for receiving bids specified herein. To the extent any instructions or directions set forth in **PARITY**[®] shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**[®], including any fee charged, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal LLC's BiDCOMP competitive bidding system. The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**[®] is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY**[®], the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. **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[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

For the purpose of the electronic bidding process, the time maintained on **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, as described under "Award, Delivery and Payment" below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor **PARITY**[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor **PARITY**[®] shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Town is using **PARITY**[®] as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

Bid Requirements

Each proposal for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and shall specify in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any. No bid for less than par and accrued interest will be considered.

Establishment of Issue Price

In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town.

The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) The Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice of Sale.

By submitting a bid, each bidder is certifying that (i) it is an underwriter with an established industry reputation for underwriting municipal bonds, and (ii) its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the Competitive Sale Rule, 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. Phoenix Advisors 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.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Acceptance by the Town of a bid pursuant to this Notice of Sale shall constitute a written contract between the Town and the winning bidder.

In the event that the Competitive Sale Rule is not satisfied, the Town shall treat the first price at which 10% of a maturity of the Bonds (the "Actual Sale Rule") is sold to the Public as the issue price of that maturity. In such event, the winning bidder shall promptly advise the Town if the Bonds satisfy the Actual Sale Rule as of the Bid Date.

To satisfy the Actual Sale Rule for the Bonds, the winning bidder:

- (1) will make a bona fide offering to the Public of all of the Bonds at the Initial Offering Price 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,
- (2) will report to the Town information regarding the actual prices at which at least 10% of each maturity of the Bonds have been sold to the Public,
- (3) will provide the Town with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Bonds, will continue until such date that 10% of each maturity of the Bonds has been sold to the Public at such sale price, and
- (4) has or will include within any agreement among underwriters, any selling group agreement and each 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.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- (2) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) *Related Party* generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

- (4) *Underwriter* means (i) winning bidder, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Award, Delivery and Payment

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost ("TIC") to the Town. The TIC 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 15, 2019, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest TIC, the Town will determine by lot which of such bidders will be awarded the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

Promptly upon verbal notification that a bidder's proposal may be accepted, the bidder shall confirm to the Town the reoffering prices of all the Bonds of each maturity.

Bids will be finally accepted or rejected promptly after opening and not later than 3:00 p.m. (EDT) on the Bid Date in accordance with the provisions herein.

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with the approving opinion of Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B-1 to the Official Statement. The successful bidder will also be furnished with a receipt of payment for the Bonds, a Signature and No Litigation Certificate dated as of the date of delivery of the Bonds, stating that there is no litigation pending, or to the knowledge of the signers thereof, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them. A signed copy of the Official Statement prepared for this Bond issue will also be furnished together with a certificate of Town Officials relating to the accuracy and completeness of the Official Statement.

The Bonds will not be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

The Bonds will be delivered to The Depository Trust Company, New York, New York ("DTC") or its agent via Fast Automated Securities Transfer ("FAST") on or about May 15, 2019 against payment in immediately available Federal Funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be

responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder or bidders 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 purchaser.

Right to Reject Bids; Waiver

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Postponement; Change of Terms

The Town reserves the right to alter any terms of the Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

Book-Entry-Only Form

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 DTC, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or 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 purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, 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.

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 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 will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees. (The record dates for the Bonds will be the close of business on the last day of April and October in each year, or the preceding business day, if such last day is not a business day).

Additional Information

For more information regarding the Bonds and the Town, reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Tel. (203) 878-4945.

JAMES S. MARPE
First Selectman

GARY G. CONRAD
Director of Finance

April 25, 2019

Appendix D-2

Notice of Sale – Series B Bonds

NOTICE OF SALE

TOWN OF WESTPORT, CONNECTICUT \$4,630,000* GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2019, SERIES B BOOK-ENTRY ONLY (the “Bonds”)

ELECTRONIC BIDS via **PARITY**® will be received by the **TOWN OF WESTPORT, CONNECTICUT** (the “Town”) at the Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880, until **11:30 A.M. (EDT), WEDNESDAY**

MAY 1, 2019

(the “Bid Date”) for the purchase of all (but not less than all) of \$4,630,000* General Obligation Refunding Bonds, Issue of 2019, Series B of the Town (the “Bonds”), when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, which mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>
2021	\$1,550,000
2022	\$1,545,000
2023	\$1,535,000

The Issue

The full faith and credit of the Town will be pledged for the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. 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 limit 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 pursuant to provisions of the Connecticut General Statutes, as amended. The Bonds will be dated the date of delivery, with interest payable on August 1, 2019 and semiannually thereafter on each February 1 and August 1 in each year until maturity, or earlier redemption. The information in this Notice of Sale is only a brief summary of certain provisions of the Bonds. For further information about the Bonds, reference is hereby made to the Preliminary Official Statement, dated April 25, 2019.

Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Ratings

The Town has applied to Moody’s Investors Service for assignment of their municipal bond ratings to the Bonds. The assigned ratings may be obtained from the rating agency or will be posted through the facilities of **PARITY**® prior to sale.

Official Statement and Continuing Disclosure Agreement

The Town has prepared a Preliminary Official Statement for the Bonds which is dated April 25, 2019, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received. If the Town's municipal advisor is provided with the necessary information from the winning purchaser by noon of the date 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 underwriter, and any corrections. The purchaser shall arrange with the municipal advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file a final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C-2 to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data including audited financial statements, (ii) notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and (iii) timely notice of a failure by the Town to provide the required 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.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted electronically via **PARITY**[®], in accordance with this Notice of Sale, until 11:00 A.M. (EDT) on Wednesday, May 1, 2019, but no bid will be received after the time for receiving bids specified herein. To the extent any instructions or directions set forth in **PARITY**[®] shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**[®], including any fee charged, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal LLC's BiDCOMP competitive bidding system. The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**[®] is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY**[®], the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. **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**[®], or the inaccuracies of any**

information, including bid information or worksheets supplied by *PARITY*[®], the use of *PARITY*[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.

For the purpose of the electronic bidding process, the time maintained on *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, as described under “Award, Delivery and Payment” below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Disclaimer. Each *PARITY*[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access *PARITY*[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor *PARITY*[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor *PARITY*[®] shall be responsible for a bidder’s failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*[®]. The Town is using *PARITY*[®] as a communication mechanism, and not as the Town’s agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of *PARITY*[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*[®] are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone *PARITY*[®] at (212) 849-5021.

Bid Requirements

Each proposal for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and shall specify in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any. No bid for less than par and accrued interest will be considered.

Establishment of Issue Price

In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town.

The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) The Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice of Sale.

By submitting a bid, each bidder is certifying that (i) it is an underwriter with an established industry reputation for underwriting municipal bonds, and (ii) its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the Competitive Sale Rule, 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. Phoenix Advisors 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.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Acceptance by the Town of a bid pursuant to this Notice of Sale shall constitute a written contract between the Town and the winning bidder.

In the event that the Competitive Sale Rule is not satisfied, the Town shall treat the first price at which 10% of a maturity of the Bonds (the “Actual Sale Rule”) is sold to the Public as the issue price of that maturity. In such event, the winning bidder shall promptly advise the Town if the Bonds satisfy the Actual Sale Rule as of the Bid Date.

To satisfy the Actual Sale Rule for the Bonds, the winning bidder:

- (1) will make a bona fide offering to the Public of all of the Bonds at the Initial Offering Price 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,
- (2) will report to the Town information regarding the actual prices at which at least 10% of each maturity of the Bonds have been sold to the Public,
- (3) will provide the Town with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date

of the Bonds, will continue until such date that 10% of each maturity of the Bonds has been sold to the Public at such sale price, and

- (4) has or will include within any agreement among underwriters, any selling group agreement and each 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.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- (2) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) *Related Party* generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) *Underwriter* means (i) winning bidder, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Award, Delivery and Payment

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost ("TIC") to the Town. The TIC 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 15, 2019, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest TIC, the Town will determine by lot which of such bidders will be awarded the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

Promptly upon verbal notification that a bidder's proposal may be accepted, the bidder shall confirm to the Town the reoffering prices of all the Bonds of each maturity.

Bids will be finally accepted or rejected promptly after opening and not later than 3:00 p.m. (EDT) on the Bid Date in accordance with the provisions herein.

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with the approving opinion of Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B-2 to the Official Statement. The successful

bidder will also be furnished with a receipt of payment for the Bonds, a Signature and No Litigation Certificate dated as of the date of delivery of the Bonds, stating that there is no litigation pending, or to the knowledge of the signers thereof, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them. A signed copy of the Official Statement prepared for this Bond issue will also be furnished together with a certificate of Town Officials relating to the accuracy and completeness of the Official Statement.

The Bonds will not be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

The Bonds will be delivered to The Depository Trust Company, New York, New York ("DTC") or its agent via Fast Automated Securities Transfer ("FAST") on or about May 15, 2019 against payment in immediately available Federal Funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder or bidders 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 purchaser.

Adjustment of Maturity Schedule

The Town reserves the right to change the maturity schedule after the determination of the winning bidder. In such event, the final aggregate principal amount of the Bonds will be increased or decreased by a net amount of such change or changes in principal amount of one or more maturities. The Town anticipates that the final maturity schedule will be communicated to the successful bidder within four (4) hours of the Town's receipt of the reoffering prices and yields for the Bonds from the successful bidder. The dollar amount bid by the bidder will be adjusted to reflect any adjustments in the final maturity schedule and the aggregate principal amount of the Bonds to be issued. The adjusted bid prices will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Town as stated herein. **The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices provided as a result of any changes made to the principal amounts within these limits.**

Right to Reject Bids; Waiver

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Postponement; Change of Terms

The Town reserves the right to alter any terms of the Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

Book-Entry-Only Form

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 DTC, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or 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 purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, 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.

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 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 will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees. (The record dates for the Bonds will be the close of business on the fifteenth (15th) day of January and July in each year, or the preceding business day, if such fifteenth (15th) day is not a business day).

Additional Information

For more information regarding the Bonds and the Town, reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Tel. (203) 878-4945.

JAMES S. MARPE
First Selectman

GARY G. CONRAD
Director of Finance

April 25, 2019

(This page intentionally left blank)