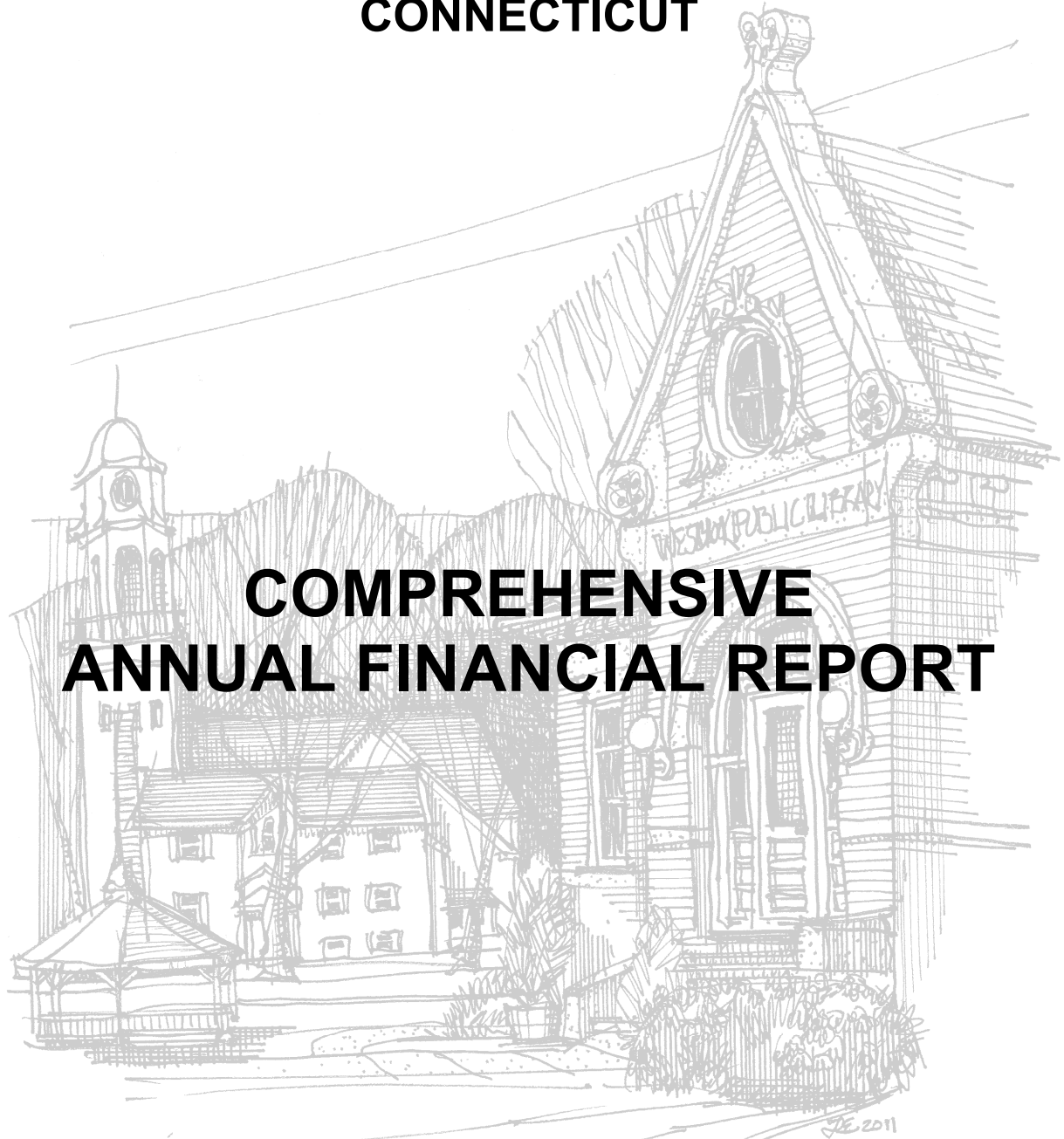


**TOWN OF WESTBROOK,  
CONNECTICUT**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

*Preserving Town Center as the Civic, Social and Commercial Core of the Community*

**TOWN OF WESTBROOK,  
CONNECTICUT**

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

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FISCAL YEAR ENDED JUNE 30, 2013

DEPARTMENT OF FINANCE

ANDREW URBAN  
DIRECTOR OF FINANCE

**TOWN OF WESTBROOK, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT, JUNE 30, 2013  
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## **I N T R O D U C T O R Y   S E C T I O N**



# WESTBROOK, CT

December 9, 2013

**TOWN OF WESTBROOK**  
NOEL BISHOP, FIRST SELECTMAN

866 BOSTON POST ROAD  
WESTBROOK, CONNECTICUT 06498  
TEL (860) 399-3040  
FAX (860) 399-3015  
WWW.WESTBROOKCT.US

The Honorable Noel Bishop  
First Selectman  
Town of Westbrook

The Honorable Paul Connolly  
Chairman, Board of Finance  
Town of Westbrook

To the Honorable First Selectman, Chairman, Board of Finance and the Citizens of the Town of Westbrook,

The Comprehensive Annual Financial Report (CAFR) of the Town of Westbrook for the fiscal year ended June 30, 2013 is hereby submitted. The purpose of this report is to provide citizens, board members, investors, grantor agencies and other interested parties with reliable information about the Town of Westbrook. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The intent is to provide reasonable assurance that the financial statements are free of any material misstatements.

The Town is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. The Town is also required to undergo a Single Audit under Public Act 91-401 of the State of Connecticut. Information related to these single audits will be issued separately.

Seward and Monde, CPAs, have issued an unmodified ("clean") opinion on the Town of Westbrook's financial statements for the year ended June 30, 2013. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follow the independent auditors' report and provides a narrative overview of the basic financial statements. The MD&A is intended to complement this transmittal letter and should be read in conjunction with it.

This report includes all of the funds and accounts of the Town. It includes all activities controlled or dependent on the Town. The Westbrook Board of Education (grades K through 12) as well as various boards and commissions are component units of the Town; therefore, these activities are included in this report.

## **PROFILE OF THE TOWN OF WESTBROOK**

Originally a part of Old Saybrook, the Town of Westbrook was incorporated in 1840. It is located thirty-five miles east of the City of New Haven and twenty-one miles west of the City of New London on the Long Island Sound. Located in Middlesex County, Westbrook comprises approximately 16.2 square miles. The Town is bounded by Essex and Deep River on the north, Old Saybrook on the east, Clinton on the west and Long Island Sound on the south.

The Town is bisected by U.S. Route 1 and Interstate Route I-95 (the New York - Providence - Boston corridor) which has two exits to inland and shore points in Westbrook. The Town is also traversed by State Highways 145, 153 and 166. In neighboring Essex, Route 9, a limited access highway, connects to Hartford.

The Town's population has grown from 2,400 in 1960 to 6,938 in 2010, according to the 2010 Census.

Given the Town's location and accessibility to major roadways, the Town contributes a great deal of its residents to the area's labor force. On June 30, 2013, 93.9% of the Town's available labor force was employed. This compares favorably to the area rate of 91.2% and the State rate of 92.0%. The Town's per capita income was \$40,506 and its median household income was \$72,688, as reported by in the State of Connecticut Fiscal Indicators report.

The Town's position as a residential community is illustrated by the fact that approximately 82.4% of the October 2012 grand list was residential. The percentage of the 2012 grand list was 82.3%. Permits for eleven new residential units were issued this year compared to just four in 2012. In the last ten years, the average number of new units per year is 11. As a percentage of the grand list, industrial and commercial property values increased slightly from 13.0% to 13.6%.

The Town provides a full range of municipal services including public safety (police, fire, animal control and emergency management), public works (roads, building and grounds, solid waste management, engineering), health, sanitation, zoning compliance, senior citizen services, youth services, and social services; recreation; library.

## **GOVERNANCE**

The Town of Westbrook derives its power and privileges from the provisions of Connecticut General Statutes. The Town Meeting form of government includes a three member Board of Selectmen and a six member Board of Finance. The Town Meeting acts as the legislative body for all matters. The Board of Selectmen prepares the annual budget which is then presented to the Board of Finance to establish the tax rate, ascertain the need for appropriations and transfers of monies to and from Town accounts and publishes the annual report.

## **ECONOMIC CONDITIONS**

- The unemployment rate for the Town as of July 2013 was 6.1%, which is a slight decrease from a rate of 7.2% a year ago. This compares very favorably to the state's average unemployment rate of 8.0% and the national average rate of 7.6%.
- Inflationary trends in the region compare favorably to national indices.
- Moody's Investors Service, on July 22, 2013 reaffirmed the Town's Aa2 credit rating with this observation: "Moody's believes that Westbrook's moderately sized \$1.7 billion equalized net grand list (ENGL) will stabilize given a recent increase in economic activity within its commercial sector. Located approximately 35 miles east of New Haven (G.O. rated A2/negative outlook) and 21 miles west of New London, the town's grand list has decreased by a 3.2% annual average rate from 2010 through 2013 (inclusive of the

2011 revaluation)reflecting the softening of the residential housing market. The equalized grand list declined by 2% from 2009 through 2013 however management anticipates growth in the October 2013 valuation given a significant increase in reported economic development activity including the expansion of the Middlesex Hospital (revenue bonds rated A2/stable outlook). Additionally, the Lee Company, the town's largest taxpayer, which accounts for 4.9% of the town's grand list, recently completed a large expansion project.

## **MAJOR INITIATIVES**

### **For the Year:**

Major initiatives tend to be measured by large expenditures and/or project size and are usually thought of in terms of capital projects. However, presented below are the highlights of the Town's special programmatic and service initiatives followed by the explanation of capital initiatives.

### **Programs and Services:**

Finance Department: The Department of Finance began formal operations on January 5, 2011 with the employment of the Town's first Director of Finance. Other than the Director, the Department is staffed with one full time and one part time employee. Some accomplishments during FY2013 include:

- Preparation of three bond ordinances for a total of \$7,090,000 general obligation bonds;
- Preparation and management of the FY2013-14 annual budget process;
- Preparation of the 5 Year Capital Improvement Plan for FY2014-18;
- Cash management practices that doubled the return on the investment of town funds compared to FY2012.
- Implementation of Purchase Letters used to authorize large capital procurements.

Facilities Management Department: This past year saw large improvements in energy usage in the town buildings as a result of the installation of perimeter LED lighting. This change was initiated due to Connecticut Light & Power rebate programs. The payback is three to four years.

### Planning Commission

- Worked in collaboration with CLEAR, CT Sea Grant and CT DEEP as pilot community for "Climate Change Workshop for Connecticut's Coastal Communities";
- Assisted Zoning Commission with FEMA updates to Zoning Regulations including major map revision. Provided analysis of recommended updates from CT DEEP;
- Established Incentive Housing Zone - Applied for and received Preliminary Determination of Eligibility for Zone Adoption Payment;
- Updated Design Standards for Multi-family Housing.

### Town Center Revitalization Committee

- Completed environmental remediation of 2 Westbrook Place and 1224 Boston Post Rd.
- Applied for 2013 STEAP Grant for Phase II of Town Center Parking Project - *pending*



- Continued Work with UCONN Community Research and Design Collaborative to develop Town Center and Flat Rock Place Master Plan
- Initiated Wastewater Disposal Study in conjunction with Town Center Master Plan Study
- Continued to oversee Adopt-A-Spot funded for a third year by a \$1,800 grant from the Westbrook Foundation

#### Economic Development Committee

- Became member of CT Main Street Program
- Applied through Middlesex County Revitalization Committee for Brownfields Assessment Grant for Turnpike Autowreckers Property (88 Pond Meadow Rd.)

Zoning Commission: During Fiscal Year 2012-2013, the Zoning Commission made changes to the Fee Schedule to address the need for outside consulting flood reviews on residential projects located in a flood hazard area. The supplemental flood reviews assures that that the town maintains their standing in the National Flood Insurance Program. The task of updating fees and obtaining a flood consultant was in conjunction with the updated FEMA Flood Maps that took effect in February 2013. Consequently, the Flood Plain Management Regulations were amended to focus on the revised flood mapping and FEMA requirements.

Inland Wetlands and Watercourses Commission (IWWC): From July 1, 2012 to June 30, 2013, the Inland Wetlands & Watercourses Commission (IWWC) received 10 new applications. Two commercial applications were pending from the previous year, (one of which was approved, and the other was withdrawn.) The IWWC granted a total of 8 approvals during this time period at its regular meetings. There were 9 residential applications and 1 commercial application. Two applications were withdrawn. There were no denials.

Of note, the IWWC reviewed and approved the application for the Middlesex Hospital Shoreline Clinic including the clearing, grading, and construction of portions of the parking access, sanitary system, utilities, helipad and storm water management system for an emergency/ambulatory outpatient medical facility.

Recreation: With Hurricane Sandy came many changes in registrations and attendance in all the programs. The problem continued with all the many snow days and changes in the school calendar. We ended school with 7 additional days which made our summer that much shorter. On the bright side, we had several programs that did very well. Adult basketball, Volleyball, Zumba and our Bus Trips all did very well this past year. All our summer camps were well attended and we saw many new faces. Our summer sports camps also saw higher numbers in Basketball, Field hockey and Gymnastics camps.

#### Public Works:

- The department completed the repaving of Old Clinton Road, which was funded completely with the accumulation of \$300,000 in State Local CIP (LOCIP) funds.
- Completed the scheduled repaving of the Sagamore Terrace area of town.
- The Town Garage Committee is supervising the construction of the new Town garage on Horse Hill Road. The \$1,800,000 project is expected to be substantially complete by November 2013.

### **Notable Event: Hurricane Sandy**

On October 27, 2012 Westbrook and other towns in Connecticut were struck by Hurricane Sandy. The Town suffered significant damage to its infrastructure and at one point 90% of the Town was without power. The Town's Daisy Elementary School was opened for several days as an evacuation center and shelter. On October 30, President Barack Obama signed a Connecticut Disaster Declaration, which means local governments as well as individuals and non-profits can apply for federal assistance from FEMA. The town, as well as local governments in Fairfield, Litchfield, Middlesex, New Haven and New London counties also qualified for public assistance, which was for emergency work and repair or replacement of facilities damaged by the storm.

Town staff gathered damage assessments for town properties as well as documented employee costs, equipment rentals and owned equipment use, and other expenses incurred by various town departments in response to Hurricane Sandy. Based on the damage assessments, the Town incurred nearly \$300,000 in damage.

The Federal Emergency Management Agency reimbursed the town \$224,806, 75% of eligible expenditures. Due to the advanced preparation of the town agencies and staff, all reimbursement requests were accepted by FEMA without adjustment. The town's insurance agent, CIRMA, reimbursed the town \$45,240 for property damaged or lost that was covered by our property insurance. The net cost to town was \$28,780 which was paid from existing capital reserves.

### **Notable Event: Superstorm Nemo**

On February 8, 2013 Westbrook and other towns in Connecticut were struck by a historic blizzard. Governor Malloy declared a state of emergency at 12:00 p.m. EST on February 8, and closed limited-access highways statewide. On February 9, the Governor ordered all roads in the state closed except to essential vehicles. On February 10, at Governor Malloy's request, President Obama granted an Emergency Declaration in all Connecticut Counties.

Prior to the storm we asked all departments to maintain detailed records of the use of personnel and equipment. The Finance Department instructed town departments to use a single expenditure account number in the Capital and Non-Recurring Expenditure (CNRE) Fund to ensure all storm-related payroll and non-payroll expenses were properly captured in one place.

Town staff gathered damage assessments for town properties as well as documented employee costs, equipment rentals and owned equipment use, and other expenses incurred by various town departments in response to this blizzard. The most extensive damage was to curbs as a result of snow plowing. There was no other building or infrastructure damage. Documented town costs exceeded \$59,000.

The Federal Emergency Management Agency reimbursed the town \$44,478, 75% of eligible expenditures. Due to the advanced preparation of the town agencies and staff, all reimbursement requests were accepted by FEMA without adjustment. The net cost to town was paid from existing capital reserves.

## **Budgeting Controls**

In addition to internal accounting controls, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget for the General Fund approved at the annual Town Meeting and as may be amended by the Boards of Selectmen and Finance or a Special Town Meeting during the fiscal year. The General Fund level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the division level within a department. The Town does not maintain annual budgets for any other funds. The Town also maintains project length budgets for all capital projects approved by special Town Meetings. The Town does not use an encumbrance system, but verification of funds availability is required prior to the payment of invoices.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

## **Fiscal Year 2013 Financial Results**

An extensive discussion of the Town's financial results of operation is contained in the Management's Discussion and Analysis. That information is not duplicated here.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the first time for the Town's Fiscal Year 2012 report. In order to be awarded a Certificate of Achievement, the Town publishes an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate for Excellence in Financial Reporting is valid for a period of one year only. I believe our current report continues to conform to Certificate of Achievement for Excellence in Financial Reporting Program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this annual financial report on a timely basis was made possible by the efficient and dedicated services of Carol Hess and Kim Zdon in the Finance Department, to whom I extend my sincere appreciation. I should also thank you, the Board of Selectmen and the Board of Finance for the interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully Submitted,



Andrew Urban  
Director of Finance



Government Finance Officers Association

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

Presented to

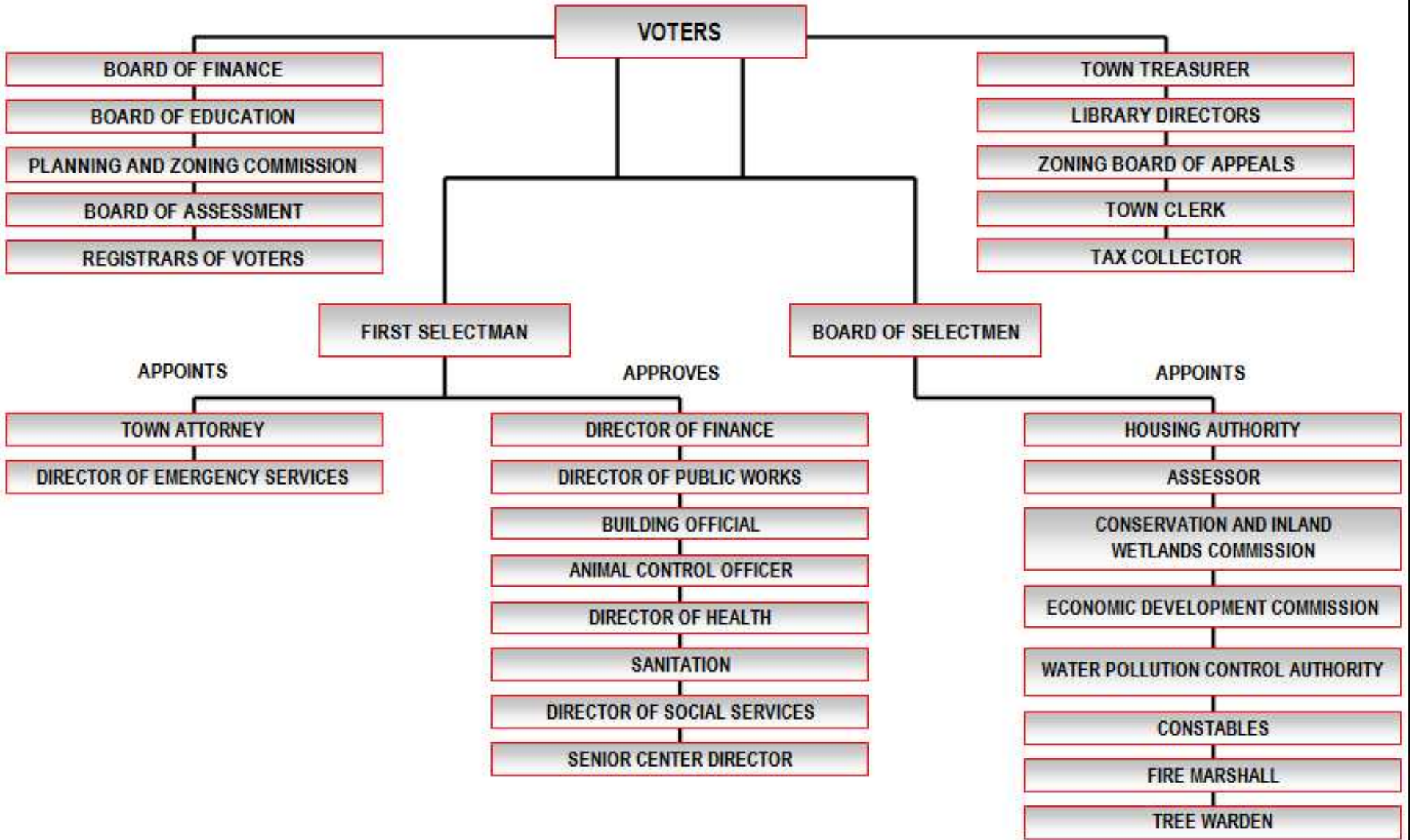
**Town of Westbrook  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**TOWN OF WESTBROOK, CONNECTICUT  
ORGANIZATIONAL CHART**



**TOWN OF WESTBROOK, CONNECTICUT  
LIST OF ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2013**

Elected Officials

Noel Bishop	First Selectman
John Hall	Selectman
Chris Ehlert	Selectman
Paul Connelly	Chairman, Board of Finance
Gary Gavigan	Board of Finance
George Pytlik	Board of Finance
Sherry Siedman	Board of Finance
Richard Westbrook	Board of Finance
Keith Maynard	Board of Finance
Jane Butterworth	Treasurer
Joan Angelini	Town Clerk
Kimberly Bratz	Tax Collector
Nancy Moore	Registrar
Mary Labaddia	Registrar

Appointed Officials

Andrew Urban	Director of Finance
Rich Annino	Director of Recreation
Loren Baker	Director of Facilities
Jeffrey Bernstein	Director of Health
Courtney Burks	Senior Center Director
Elizabeth Carpenter	Director of Social Services
Lewis Daniels	Library Director
Pam Fogarty	Assessor
Don Izzo	Director of Emergency Services
Michael Jenkins	Fire Chief
Deb Lovelette	Director of Public Nurses
Meg Parulis	Town Planner
George Rehberg	Fire Marshall
John Riggio	Director of Public Works
Nancy Rudek	Zoning Enforcement Officer
Roger Zito	Building Official
Patricia Ciccone	Superintendent of Schools
Lesley Wysocki	Business Manager
Michael Wells	Town Attorney

## **FINANCIAL SECTION**

# SEWARD AND MONDE

CERTIFIED PUBLIC ACCOUNTANTS  
296 STATE STREET  
NORTH HAVEN, CONNECTICUT 06473-2165  
(203) 248-9341  
FAX (203) 248-5813

## INDEPENDENT AUDITORS' REPORT

To the Honorable Members  
of the Board of Finance  
Town of Westbrook, 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 Westbrook, Connecticut (the Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 Westbrook, Connecticut, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in accordance with U.S. generally accepted accounting principles.

### ***Other Matters***

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 to 15 and the Schedules of Funding Progress and Employer Contributions – Westbrook Retirement Systems and Westbrook Other Postemployment Benefits Plan on pages 60 to 61 and 62, respectively 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The General Fund schedules and combining and individual nonmajor fund financial statements 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken 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 assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013 on our consideration of the Town of Westbrook, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westbrook, Connecticut's internal control over financial reporting and compliance.

*Seward and Monde*

North Haven, Connecticut  
December 9, 2013

**Town of Westbrook, Connecticut  
Management's Discussion and Analysis  
June 30, 2013**

As management of the Town of Westbrook, Connecticut, 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, 2013.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$43,133,557 (net position). Of this amount, \$6,725,269 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, the Town's total net position increased by \$2,486,021. The majority of the increase is attributable to debt service principal payments, which are budgeted as expenditures in the fund financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,788,507, a decrease of \$309,071 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,714,727, or 13.5% of total General Fund revenue for FY2013. This is at the upper end of the 12-15% fund balance margin policy established by the Board of Finance.
- The Town's total long-term obligations decreased by \$2,360,000 (10.8%) during the current fiscal year. In addition, the Town paid off the remaining \$195,000 in the 5 year notes that were issued to finance the replacement of the Daisy Ingraham Elementary School roof.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**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. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. They provide both long-term and short-term information about the Town's overall financial status.*

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 Town'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 the 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). The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues, since the Town does not operate any business-type activities. The government activities of the Town include general government, public safety, public works, development and community affairs, health and welfare, culture and recreation and education.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town'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 by governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town'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 maintains 22 individual governmental funds. During FY2013, one fund, the Recreation Concert Series Fund was closed due to inactivity and lack of purpose. The residual fund balance of \$1,357 was transferred to the Family Fun Day Fund. Three new funds, the Fire Equipment Bond Fund, the Infrastructure Bond Fund and the Board of Education Bond Fund were added during the fiscal year to account for the proceeds of bond issues. These three funds are grouped in the Bonded Projects Fund since collectively they are considered a fund group. Information is presented separately in the balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Nonrecurring Fund, both of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation titled "Other Governmental Funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The Town also adopted a budget for the Library Expendable Trust Fund.

**Proprietary Fund.** The Town maintains one internal service fund, the Health Insurance Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

**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's own programs. The accounting used for fiduciary funds is much like that used for proprietary type funds.

**Notes to the Basic 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.

**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 OPEB to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$43,133,557 at the close of the most recent fiscal year.

The Town's positive net position reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery, equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net 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.

Table 1, which can be found at the end of the Management Discussion and Analysis, presents a comparative summary statement of net position.

**Governmental Activities.** Governmental activities increased the Town's net position by \$2,486,021. The majority of the increase is attributable to debt service principal payments, which are budgeted as expenditures in the fund financial statements. This is due to the use of accrual accounting at the government-wide financial statement level where long term liabilities are amortized over a long period of time. Additional increases were due to principal payments made for debt service as these items are shown as expenditures in the fund financials.

Table 2, which can be found at the end of the Management Discussion and Analysis, presents a comparative change in net position.

Major revenue factors included:

- Property taxes increased \$852,576 due to a 4.02 mill increase to cover an increase in the Board of Education budget.
- Operating grants and contributions decreased by \$110,082 almost entirely due to a decrease in aid to education.
- Capital grants and contributions decreased by \$59,498 due to lower state grant reimbursements for capital projects.

Major expense factors included:

- Overall expenses decreased \$51,072, .2% lower than in FY2012. Public works expenses increased by \$368,727 due to costs related to Hurricane Sandy and Winter Storm Nemo and park maintenance expenses which in the prior year was included in culture and recreation expenses, education expenses increased by \$861,694 due to salaries and benefits for both certified and non-certified staff, non-departmental expenses decreased by \$916,393 due to decreased claims costs and increased contributions in the medical self insurance fund and interest expense decreased by \$162,544 due to refinancing of some general obligation bonds in the prior year.

## **FINANCIAL ANALYSIS OF THE TOWN'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 Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,788,507, a decrease of \$309,071 in comparison with the prior year. The decrease is immaterial.

The General Fund is the operating fund of the Town. At the end of the current fiscal year, nonspendable and unassigned balances for the General Fund was \$3,733,659. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance, \$3,714,727 to total fund revenues. Unassigned fund balance represents 13.5% of total General Fund revenues.

The fund balance of the Town's General Fund decreased by \$227,583 compared to an increase \$787,861 for FY2012. The cause of the decrease was due primarily to the shortfall in intergovernmental revenue.

### **GENERAL FUND BUDGETARY HIGHLIGHTS.**

The differences between the original budget and the final amended budget was \$5,841, including a \$2,500 grant from State Department of Public Health for a lead prevention program, a \$941 grant from the State Department of Emergency Services for communications equipment and a grant of \$2,400 from the Westbrook Foundation for the annual holiday lighting ceremony. There were no appropriations of fund balance during the fiscal year. This was primarily due to a contingency budget of \$77,000 in the FY2013 adopted budget. Of this contingency budget \$62,106 was transferred to various departments during the fiscal year.

During the year, revenues were lower than budgetary estimates by \$528,070, or 2.0%, mainly in property tax collections and intergovernmental revenues. This variance is minimal and well within the acceptable variance range of 5%. Expenditures were \$301,522 or 1.2% less than budgetary estimates. The net decrease in fund balance was \$227,583. Over the past five fiscal years from FY2009 through FY2013, actual expenditures have been lower than the adopted budget averaging 2%. This pattern demonstrates the good management of their budgets by town department managers.

For fiscal year 2013 on a summary basis, Town agencies delivered budgetary savings of nearly 5.6% while the Board of Education provided insignificant budgetary savings of .05%. The unexpended balance of \$7,181 of the Board of Education's appropriation was transferred at year end to a capital reserve account for the Board of Education in the Capital Nonrecurring (CNR) Fund.

- Current property tax revenues were lower than estimated by \$245,136 than the estimated but still 98.9% of the current levy. Prior year collections were \$56,076 greater than estimates. In addition, the Town collected \$33,819 more than expected interest and lien fees collections, and \$30,889 more than estimates from the supplemental motor vehicle tax. Total property tax collections were 99.5%, slightly lower than the 99.7% from last fiscal year.
- Intergovernmental revenues were \$377,206 lower due to a boat tax estimated at \$378,700 included in the governor's proposed budget for municipal aid that was not funded by the legislature.
- Charges for services were lower than estimates by \$13,659 primarily in lower than expected nursing fees, recreation fees, and private duty revenues, offset by higher than expected town clerk fees, land use fees, and building permits.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$ 55,809,214 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

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

- Replacement of the boilers at Daisy Ingraham Elementary School at a cost of \$45,557 to buildings and improvement assets.
- Continued investment in the Town's new public works facility added \$262,674. The amended project budget of \$1,802,000 is 22.4% complete.
- The Town added \$37,138 in machinery, equipment and vehicles to the town inventory of assets, including \$8,999 for a new Kawasaki lawn mower, \$10,989 for a new sand spreader, and \$17,150 to replace the outboard engine for the Police patrol boat.

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

Table 3, which can be found at the end of the Management Discussion and Analysis, presents a comparative schedule of capital assets.

### **Capital Financing**

The Town finances capital projects for both the Town and Board of Education through the Capital Nonrecurring Fund. Sources of income to the fund include annual contributions from the General Fund, state grants and debt financing. Projects are usually multi-year in nature and can include capital improvements, capital equipment, and certain non-recurring programs such as property revaluation that occurs every five years. The Town is progressing to a "pay as you go" approach to capital projects. Because of its fund classification, appropriations in the CNRE Fund do not lapse; therefore financial reporting focuses on financial results based on revenues and expenditures over the life of a project rather than a single fiscal year.

In fiscal year 2013, the Town General Fund contributed \$369,000 in planned contributions for various purposes. Additional income in the CNRE came from a variety of state grants and state FEMA reimbursements of \$247,181 for Hurricane Sandy and Storm Nemo; \$45,240 from insurance recoveries, also related to the two storms. Other state grants contributed \$333,239. There were also several non-governmental grants totaling \$12,300 for projects. Total revenues and other financing sources were \$1,016,550.

New appropriations for 18 projects and programs in the CNRE Fund during FY2013 totaled \$349,026. Expenditures by project year were: FY2011, \$264,525; FY2012, \$413,252; and FY2013, \$349,026. Total expenditures for all projects and programs totaled \$1,075,415. Nineteen projects were closed, returning \$24,898 to fund balance.



Expenditures exceeded revenues and other financing sources by \$59,865. At the end of the fiscal year, the CNRE Fund had \$791,303 in its committed fund balance.

**Long-term Debt.** At the end of the current fiscal year, the Town had \$19,435,000 of long-term bonded debt outstanding (excluding bond premiums). All outstanding debt of the Town is general obligation debt and is backed by the full faith and credit of the Town.

On July 11, 2012, \$195,000 of general obligation bond anticipation notes came due, and were paid down with funds included in the annual General Fund Fiscal Year 2012-13 budget operating budget.

On May 9, 2013 a Town Meeting approved three bond ordinances totaling \$7,090,000 for the following purposes:

- Fire Equipment: \$3,625,000 for the replacement of a 35 year old ladder truck during fiscal year 2013-14, and replacement of three pumper engines in 2016, 2018 and 2020.
- Infrastructure Improvements: \$1,540,000 for the repair or replacement of three bridges, and various road improvement projects.
- Board of Education Projects: \$1,925,000 for various school building improvements.

20 year bonds of \$5 million were sold on August 1, 2013:

- Fire Equipment           \$1,725,000
- Infrastructure            1,350,000
- Board of Education      1,925,000

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$165,110,253, 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.

## **CASH MANAGEMENT AND INVESTMENTS**

Cash temporarily idle during the year was invested in demand deposits, time deposits, money market accounts, and an authorized statewide investment pool, the State Treasurer's Investment Fund (STIF).

Significant changes were made in the cash management and investment of town funds during the fiscal year. The concentration of cash in one town bank account allowed more efficient cash management and easier investment of funds. For example, the town's primary bank is Citizens Bank, which offers just .01% interest on the balance of Town funds. The State Treasurer's Investment Fund (STIF), however, offers from .08% interest. 95.4% of the Town's funds are invested.

On June 30, 2013, the General Fund had cash and cash equivalents of \$4,750,797. There was \$2,047,580 in the capital nonrecurring fund, primarily for the new infrastructure and facility

improvement projects approved between the 2011 and 2013. The Health Insurance Fund had \$2,695,251 which is exclusively reserved for the payment of health claims. The total cash and cash equivalents for all funds, exclusive of Pension Funds, was \$10,826,733.

During the fiscal year, all cash accounts and cash equivalents were held by qualified public depositories as defined by State Statutes. Section 36-386 of the Connecticut General Statutes requires 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. By itself, a bank's risk based capital ratio is an indication of the bank's strength.

The Pension Fund assets are held in trust supervised by the Town's Retirement Board and invested by various money managers selected by the Board

### **PROPRIETARY FUND OPERATIONS**

The Town is self-insured for health and dental expenses of its employees in the Health Insurance Fund. Income to the fund comes from budgetary contributions from the Town and Board of Education budgets. Additional income comes from employee and retiree contributions toward the cost of health care. During FY2013, union employees contributed 12% to the cost of health care benefits, while non-union employees contributed 11%.

Benefits are paid via a third party administrator, Anthem Blue Cross & Blue Shield. Each year during the budget process USI Consulting, the Town's benefit consultant, calculates the expected claims expense and administrative fees for budgetary purposes. At the end of the fiscal year, a reconciliation is performed with Anthem data on the year's income and expense. Any surplus or deficit is adjusted to the Health Insurance Fund's reserves. A portion of these reserves are considered to be usable and can be used to offset the subsequent year's proposed health costs. A formula allows the Town and Board to use 50% of the useable reserves to offset expenses in the next fiscal year. Both the Town and the Board of Education applied 25% of their usable reserves at June 30, 2012 to offset the FY2013 health insurance budget.

The Health Insurance Fund ended the fiscal year with an operating surplus of \$707,844 due to lower than anticipated claims costs. However, \$341,430 of the Fund's reserves which were intended to be used during the fiscal year were not used due to the Fund's positive experience. At the end of fiscal year 2013, the reserves stood at \$2,528,617, of which \$468,868 will be used as an offset to the FY2014 health insurance costs.

### **PENSIONS AND OTHER POST EMPLOYMENT BENEFITS**

The Town administers three single-employer, defined benefit pension plans (Town of Westbrook Retirement Plan, Town of Westbrook Volunteer Firefighters' Pension Fund and Town of Westbrook Constables' Pension Plan) covering substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. The plans were established through ordinances adopted July 1, 1971, August 10, 1993 and April 24, 2007, respectively. The Retirement Board makes recommendations for plan provisions which are approved by the Board of Finance and/or Board of Selectmen. The plans are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue separate, stand alone, financial

reports. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers Retirement Board. The Town does not contribute to this plan. The State of Connecticut contributed \$1,552,092 to the plan on behalf of the Town's members.

During fiscal year 2013, the Town contributed the actuarially required contribution (ARC) to the three Town's pension plans. Net assets of the combined plans increased from \$6,226,477 to \$7,299,884. Additions to the plan included \$453,990 in employer contributions, \$123,441 in plan member contributions, \$335,025 in interest and dividends, and a gain of \$551,402 in the net fair value of investments. Deductions included \$352,854 in benefits and \$37,597 for administration. Benefit payments totaled 90.4% of the disbursements from the Pension Funds.

Actuarial valuations were conducted on all three plans as of June 30, 2013. The results of those valuations will be utilized to determine the ARC for the next three fiscal years. In summary, the Town's ARC beginning in fiscal year 2014 will increase from \$453,990 to \$549,149, a \$95,159 or 21% increase. This increase in the ARC is due to a large increase in the unfunded liability from 2011 to 2013 due to several factors. While the actuarial value of assets grew 17% over the past two years, liabilities also increased by nearly the same percentage.

## **ECONOMIC FACTORS**

- The unemployment rate for the Town as of June 2013 was 6.1%, which is a significant improvement from a rate of 7.2% a year ago. This compares very favorably to the state's average unemployment rate of 8.0% and the national average rate of 7.6%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2013-14 year. The Town did not appropriate any of its fund balance for spending in that budget.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Westbrook, 866 Boston Post Road, Westbrook, CT 06498.

Table 1  
Town of Westbrook  
Statement of Net Position

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current and other assets	\$ 12,054,758	\$ 11,450,223	\$ 604,535
Capital assets, net	<u>55,809,214</u>	<u>56,081,484</u>	<u>( 272,270)</u>
Total assets	<u>67,863,972</u>	<u>67,531,707</u>	<u>332,265</u>
Deferred outflows of resources	<u>1,251,354</u>	<u>-</u>	<u>1,251,354</u>
Long-term liabilities	20,743,679	21,134,722	( 391,043)
Other liabilities	<u>5,101,813</u>	<u>5,601,304</u>	<u>( 499,491)</u>
Total liabilities	<u>25,845,492</u>	<u>26,736,026</u>	<u>( 890,534)</u>
Deferred inflows of resources	<u>136,277</u>	<u>-</u>	<u>136,277</u>
Net position:			
Net investment in capital assets	36,374,214	34,429,651	1,944,563
Restricted	34,074	34,074	-
Unrestricted	<u>6,725,269</u>	<u>6,331,956</u>	<u>393,313</u>
Total net position	<u><u>\$ 43,133,557</u></u>	<u><u>\$ 40,795,681</u></u>	<u><u>\$ 2,337,876</u></u>

Table 2  
Town of Westbrook  
Condensed Statement of Activities

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Expenses:			
General government	\$ 1,200,320	\$ 1,215,658	(\$ 15,338)
Public safety	1,524,669	1,457,600	67,069
Public works	1,968,481	1,599,754	368,727
Community development	447,095	465,112	( 18,017)
Health and welfare	644,323	689,382	( 45,059)
Culture and recreation	685,613	876,824	( 191,211)
Education	17,967,333	17,105,639	861,694
Non-departmental	1,036,538	1,952,931	( 916,393)
Interest expense	705,705	868,249	( 162,544)
	<u>26,180,077</u>	<u>26,231,149</u>	<u>( 51,072)</u>
Total expenses			
Program Revenues:			
Charges for services	1,360,187	1,399,598	( 39,411)
Operating grants and contributions	2,914,031	3,024,113	( 110,082)
Capital grants and contributions	330,561	390,059	( 59,498)
	<u>4,604,779</u>	<u>4,813,770</u>	<u>( 208,991)</u>
Total program revenues			
Net expenses	<u>( 21,575,298)</u>	<u>( 21,417,379)</u>	<u>( 157,919)</u>
General Revenues:			
Governmental activities:			
Property taxes	23,654,089	22,801,513	852,576
Grants and contributions not restricted to specific programs	391,467	402,673	( 11,206)
Investment income	15,763	21,194	( 5,431)
	<u>24,061,319</u>	<u>23,225,380</u>	<u>835,939</u>
Total general revenues			
Increase in net position	2,486,021	1,808,001	678,020
Net position, beginning, as restated	<u>40,647,536</u>	<u>38,987,680</u>	<u>1,659,856</u>
Net position, ending	<u>\$43,133,557</u>	<u>\$40,795,681</u>	<u>\$ 2,337,876</u>

Table 3  
Town of Westbrook  
Capital Assets - Net

	2013	2012
Land	\$ 4,660,055	\$ 4,660,055
Construction in progress	435,388	673,002
Buildings and improvements	45,658,720	46,047,003
Machinery, equipment and vehicles	1,592,947	1,726,800
Infrastructure	3,462,104	2,974,624
 Total	 \$ 55,809,214	 \$ 56,081,484

# **BASIC FINANCIAL STATEMENTS**

**TOWN OF WESTBROOK, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 10,826,733
Investments	192,938
Receivables (net):	
Property taxes	310,449
Intergovernmental	172,731
Other	161,876
Due from other funds	286
Prepaid expenses	5,340
Inventory	15,266
Total current assets	11,685,619
Noncurrent assets:	
Receivables (net):	
Property taxes	369,139
Total noncurrent assets	369,139
Capital assets (net of accumulated depreciation):	
Land	4,660,055
Construction in progress	435,388
Buildings and improvements	45,658,720
Machinery, equipment and vehicles	1,592,947
Infrastructure	3,462,104
Total capital assets (net of accumulated depreciation)	55,809,214
Total assets	67,863,972
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	1,251,354
Total deferred outflows of resources	1,251,354
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,774,621
Accrued liabilities	27,116
Accrued interest payable	239,691
Unearned revenue	1,203,887
Bonds payable and related liabilities	1,790,000
Other liabilities	66,498
Total current liabilities	5,101,813
Noncurrent liabilities:	
Bonds payable and related liabilities	18,675,270
Other liabilities	2,068,409
Total noncurrent liabilities	20,743,679
Total liabilities	25,845,492
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	136,277
Total deferred inflows of resources	136,277
<b>NET POSITION</b>	
Net investment in capital assets	36,374,214
Restricted for:	
Nonexpendable permanent endowments	34,074
Unrestricted	6,725,269
Total net position	\$ 43,133,557

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



**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 1,200,320	\$ 563,186	\$ 11,500	\$ 69,710	(\$ 555,924)
Public safety	1,524,669	42,406	941	-	( 1,481,322)
Public works	1,968,481	43,708	403,822	260,851	( 1,260,100)
Community development	447,095	26,635	-	-	( 420,460)
Health and human services	644,323	373,256	25,532	-	( 245,535)
Culture and recreation	685,613	191,642	27,366	-	( 466,605)
Education	17,967,333	119,354	2,444,870	-	( 15,403,109)
Non-departmental	1,036,538	-	-	-	( 1,036,538)
Interest expense	705,705	-	-	-	( 705,705)
<b>Total</b>	<b>26,180,077</b>	<b>1,360,187</b>	<b>2,914,031</b>	<b>330,561</b>	<b>( 21,575,298)</b>
<b>General revenues:</b>					
Property taxes					23,654,089
Grants and contributions not restricted to specific programs					391,467
Investment income					15,763
					<u>24,061,319</u>
					<u>2,486,021</u>
					40,795,681
					( 148,145)
					<u>40,647,536</u>
					<u>\$ 43,133,557</u>

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

**TOWN OF WESTBROOK, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,750,797	\$ 2,047,581	\$ 1,333,104	\$ 8,131,482
Investments	-	-	192,938	192,938
Receivables (net):				
Property taxes	540,526	-	-	540,526
Intergovernmental	117,351	44,478	10,902	172,731
Other	85,153	-	75,176	160,329
Inventory	15,266	-	-	15,266
Prepaid items	3,666	1,674	-	5,340
Due from other funds	9,286	10,396	3,553	23,235
	<u>\$ 5,522,045</u>	<u>\$ 2,104,129</u>	<u>\$ 1,615,673</u>	<u>\$ 9,241,847</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,168,322	\$ 199,888	\$ 238,230	\$ 1,606,440
Accrued liabilities	27,116	-	-	27,116
Unearned revenues	-	1,112,938	90,949	1,203,887
Due to other funds	-	-	22,949	22,949
	<u>1,195,438</u>	<u>1,312,826</u>	<u>352,128</u>	<u>2,860,392</u>
Total liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	592,948	-	-	592,948
<b>FUND BALANCES</b>				
Nonspendable	18,932	-	34,074	53,006
Restricted	-	-	1,150,411	1,150,411
Committed	-	791,303	53,047	844,350
Assigned	-	-	28,792	28,792
Unassigned	3,714,727	-	( 2,779)	3,711,948
	<u>3,733,659</u>	<u>791,303</u>	<u>1,263,545</u>	<u>5,788,507</u>
Total fund balances				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,522,045</u>	<u>\$ 2,104,129</u>	<u>\$ 1,615,673</u>	<u>\$ 9,241,847</u>

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

**TOWN OF WESTBROOK, CONNECTICUT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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Amounts reported for governmental activities in the statement of net assets are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance	\$ 5,788,507
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning net capital assets	56,081,484
Current year additions	669,136
Depreciation expense	( 938,906)
Loss on disposal of capital assets	( 2,500)
	<u>55,809,214</u>

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

Property tax interest and lien accrual, net	139,062
Property tax receivable - accrual basis change	456,671
Deferred loss on refunding	1,251,354

Internal service funds are used by management to charge the cost of medical insurance premiums to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	2,528,617
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	( 19,435,000)
Bond premiums	( 1,030,270)
Other post employment benefits	( 809,261)
Compensated absences	( 157,489)
Net pension obligation	( 43,312)
Landfill closure costs	( 1,124,845)
Accrued interest payable	( 239,691)
	<u>                    </u>

Net position of governmental activities	\$ 43,133,557
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The notes to the financial statements are an integral part of this statement.

**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	General	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 23,608,365	\$ -	\$ -	\$ 23,608,365
Intergovernmental	2,641,702	580,420	387,123	3,609,245
Charges for services	1,194,061	-	474,075	1,668,136
Contributions	-	57,540	21,896	79,436
Investment income	17,025	2,409	( 3,678)	15,756
Total revenues	<u>27,461,153</u>	<u>640,369</u>	<u>879,416</u>	<u>28,980,938</u>
<b>EXPENDITURES</b>				
Current:				
General government	851,383	14,180	28,341	893,904
Public safety	1,397,994	-	24,757	1,422,751
Public works	1,466,927	-	-	1,466,927
Community development	447,095	-	-	447,095
Health and human services	658,205	-	269,887	928,092
Culture and recreation	665,467	-	14,120	679,587
Education	16,815,605	-	560,099	17,375,704
Non-departmental	1,718,216	-	-	1,718,216
Capital outlay	-	1,062,235	17,689	1,079,924
Debt service	3,277,809	-	-	3,277,809
Total expenditures	<u>27,298,701</u>	<u>1,076,415</u>	<u>914,893</u>	<u>29,290,009</u>
Excess (deficiency) of revenues over expenditures	<u>162,452</u>	<u>( 436,046)</u>	<u>( 35,477)</u>	<u>( 309,071)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,935	376,181	29,699	414,815
Transfers out	( 398,970)	-	( 15,845)	( 414,815)
Total other financing sources (uses)	<u>( 390,035)</u>	<u>376,181</u>	<u>13,854</u>	<u>-</u>
Net change in fund balance	( 227,583)	( 59,865)	( 21,623)	( 309,071)
Fund balance - July 1, 2012	<u>3,961,242</u>	<u>851,168</u>	<u>1,285,168</u>	<u>6,097,578</u>
Fund balance - June 30, 2013	<u>\$ 3,733,659</u>	<u>\$ 791,303</u>	<u>\$ 1,263,545</u>	<u>\$ 5,788,507</u>

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

**TOWN OF WESTBROOK, CONNECTICUT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for governmental activities in the statement of activities are due to:

Net change in fund balances - total governmental funds	( <u>\$ 309,071</u> )
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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 in the current period:

Capital outlay	669,136
Depreciation expense	( 938,906)
Loss on disposal of capital assets	( <u> 2,500</u> )
Total	( <u> 272,270</u> )

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

School building grant receipts	( 103,517)
Increase in property tax receivable - accrual basis change	45,724
Total	( <u> 57,793</u> )

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

Principal repayments:	
Bond anticipation notes	195,000
General obligation bonds	2,360,000
Total	<u>2,555,000</u>

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:

Accrued interest payment	17,104
Amortization of bond premium	93,019
Amortization of deferred charges	( 210,102)
Compensated absences	( 35,948)
Net pension obligation	1,993
Other post employment benefits (OPEB)	( 30,477)
Landfill closure	26,722
Total	( <u> 137,689</u> )

Internal service funds are used by management to charge costs of medical insurance premiums to individual departments	<u>707,844</u>
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Change in net position of governmental activities	<u><u>\$ 2,486,021</u></u>
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The notes to the financial statements are an integral part of this statement.

**TOWN OF WESTBROOK, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes, interest and lien fees	\$ 23,732,595	\$ 23,732,595	\$ 23,608,365	(\$ 124,230)
Intergovernmental	1,463,375	1,466,816	1,089,610	( 377,206)
Charges for services	1,205,320	1,207,720	1,194,061	( 13,659)
Investment income	30,000	30,000	17,025	( 12,975)
	<u>26,431,290</u>	<u>26,437,131</u>	<u>25,909,061</u>	<u>( 528,070)</u>
<b>EXPENDITURES</b>				
Current:				
General government	866,075	891,575	851,383	40,192
Public safety	1,442,726	1,447,567	1,397,994	49,573
Public works	1,515,354	1,517,154	1,466,927	50,227
Community development	480,287	489,387	447,095	42,292
Health and human services	654,404	676,904	658,205	18,699
Culture and recreation	728,927	728,927	665,467	63,460
Non-departmental	1,796,173	1,738,273	1,718,216	20,057
Board of Education	15,270,694	15,270,694	15,263,513	7,181
Debt service	3,287,650	3,287,650	3,277,809	9,841
	<u>26,042,290</u>	<u>26,048,131</u>	<u>25,746,609</u>	<u>301,522</u>
Excess of revenues over expenditures	<u>389,000</u>	<u>389,000</u>	<u>162,452</u>	<u>( 226,548)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 389,000)	( 389,000)	( 398,970)	( 9,970)
Transfers in	<u>-</u>	<u>-</u>	<u>8,935</u>	<u>8,935</u>
Net other financing sources (uses)	<u>( 389,000)</u>	<u>( 389,000)</u>	<u>( 390,035)</u>	<u>( 1,035)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>( 227,583)</u>	<u>(\$ 227,583)</u>
Budgetary fund balance - July 1, 2012			<u>3,961,242</u>	
Budgetary fund balance - June 30, 2013			<u>\$ 3,733,659</u>	

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

**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

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		<u>Governmental Activities</u>
		<u>Internal Service Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,695,251	
Prepaid expenses	1,547	
		<u>2,696,798</u>
<b>LIABILITIES</b>		
Current liabilities:		
Claims payable	26,911	
Claims incurred but not reported	141,270	
		<u>168,181</u>
<b>NET POSITION</b>		
Unrestricted	\$ 2,528,617	<u><u>2,528,617</u></u>

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

**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

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	Governmental Activities
	Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,397,367
<b>OPERATING EXPENSES</b>	
Benefits and claims	2,222,684
Administration	466,839
Total operating expenses	2,689,523
Change in net position	707,844
Net position - July 1, 2012	1,820,773
Net position - June 30, 2013	\$ 2,528,617

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



**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

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	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Cash received for charges for services	\$ 3,397,367
Cash paid for benefits and claims	( 2,517,862)
Cash paid for administration	( 468,386)
Net cash provided by operating activities	411,119
Net change in cash	411,119
Cash - July 1, 2012	2,284,132
Cash- June 30, 2013	\$ 2,695,251
Reconciliation of change in net position to net cash provided by operating activities:	
Change in net position	\$ 707,844
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Increase in prepaid expenses	( 1,547)
Decrease in claims payable	( 211,241)
Decrease in claims incurred but not reported	( 83,937)
Net cash provided by operating activities	\$ 411,119

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

**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013**

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	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 432,074	\$ 476,304
Investments at fair value:		
Mutual funds:		
Equity	4,144,344	-
Fixed income	2,306,780	-
Balanced	412,115	-
Total investments	<u>6,863,239</u>	<u>-</u>
Accrued income	<u>4,857</u>	<u>-</u>
Total assets	<u>7,300,170</u>	<u>\$ 476,304</u>
<b>LIABILITIES</b>		
Liabilities:		
Accounts payable	-	476,304
Due to other funds	<u>286</u>	<u>-</u>
Total liabilities	<u>286</u>	<u>\$ 476,304</u>
<b>NET POSITION</b>		
Net position held in trust for pension benefits	<u>\$ 7,299,884</u>	

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

**TOWN OF WESTBROOK, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

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	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 453,990
Plan members	<u>123,441</u>
Total contributions	<u>577,431</u>
Investment income:	
Net appreciation in fair value of investments	551,402
Interest and dividends	<u>335,025</u>
Total investment income	<u>886,427</u>
Total additions	<u>1,463,858</u>
<b>DEDUCTIONS</b>	
Benefits	352,854
Administration	<u>37,597</u>
Total deductions	<u>390,451</u>
Change in net position	1,073,407
Net position - July 1, 2012	<u>6,226,477</u>
Net position - June 30, 2013	<u><u>\$ 7,299,884</u></u>

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

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**Note 1 - Summary of Significant Accounting Policies**

The Town of Westbrook, Connecticut (the Town) was incorporated in 1840. The Town covers 16.2 square miles located in Middlesex County. The Town operates under a Town Meeting/Board of Selectmen form of government under the provisions of the general statutes of the State of Connecticut, and provides a full range of services including public safety, roads, sanitation, planning and zoning, health and social services, public library, parks and recreation, education and general administrative services to its residents.

The Town operates under the provisions of its charter and the General Statutes of the State of Connecticut. The legislative powers of the Town are vested in the Town meeting. The executive body is made up of a Board of Selectmen, consisting of a First Selectman, who is the chief executive officer, and two other board members. A six-member Board of Finance is responsible for presenting fiscal operating budgets to the Annual Town Meeting.

The financial statements of the Town of have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies used by the Town:

**A. Financial Reporting Entity**

The financial reporting entity consist of 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 as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**B. Basis of Presentation**

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. As a general rule, the effect of interfund balances and activity has been eliminated in preparation of these statements. Exceptions to this rule are services provided by one fund used by another fund. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned. Governmental activities, which are normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities.

Fund Financial Statement

The fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net position presented in the government-wide financial statements. The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

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

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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The Capital Nonrecurring Fund is a capital projects fund which is used to account for major capital asset construction and/or purchases funded substantially by grants and general fund appropriations.

Additionally, the Town reports the following fund types:

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

The Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. Permanent fund restricted net position are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

The Internal Service Fund accounts for risk financing activities for medical insurance benefits.

The Pension Trust Funds account for the activities of the Town Employees' Retirement System, the Firefighters' Retirement System and the Constables' Retirement System, which accumulate resources for pension benefit payments to qualified employees.

The Agency Funds account for monies held on behalf of students and performance bonds.

During the course of operations the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. Certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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Like the government-wide statements, all proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges for services. Operating expenses for the internal service fund include the cost of medical claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Fiduciary fund financial statements include a statement of net position and a statement of changes in net position. The Town's Fiduciary funds represent Pension Trust Funds and Agency Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

Cash equivalents

The Town considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value, generally based on quoted market prices.

Property Taxes and Other Receivables

The Town's property tax is levied and payable each July 1 on the assessed value listed as of the prior October 1 for all real and personal property located in the Town. These taxes are billed and due in two installments, July 1 and the subsequent January 1. Liens are effective on the assessment date and are continued by filing prior to the following levy date. Assessed values are established at 70 percent of estimated market value to conform to State statutes.



**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 15% to 29% of outstanding receivable balances at June 30, 2013, and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2013, which have not been collected within 60 days of June 30, 2013, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60 day period have been recorded as revenue.

State statutes require that a revaluation be done every four years. The last revaluation completed and enacted was for the list of October 1, 2011.

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

Inventory and Prepaid Items

Inventory consists of fuel and is recorded at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Assets	Years
Buildings and improvements	10 - 80
Machinery, equipment and vehicles	5 - 25
Infrastructure	50 - 90

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial 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(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported 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.

In addition to liabilities, the statements of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the government-wide statement of net position and the governmental funds balance sheet. The governmental activities and governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Compensated absences of the Town consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Town and the employee.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30, 2013 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at various rates.

Long-Term Obligations

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

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

Net Position/Fund Balance

Government-wide Statements

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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- c. Unrestricted - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment if capital assets or the restricted components of net position.

Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Financial Statements

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

- a. Nonspendable Fund Balance - represents amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact.
- b. Restricted Fund Balance - represents amounts that are constrained for a specific purpose by either (a) external parties, such as grantors, creditors, contributors, or laws and regulation of their governments or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed Fund Balance - represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Westbrook Town Meeting is the highest level of decision-making authority.
- d. Assigned Fund Balance - for all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance.
- e. Unassigned Fund Balance - represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Fund Balance Flow Assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The Board of Finance adopted a financial policy to maintain the General Fund fund balance in the range of an amount between 12 and 15 percent of the annual General Fund revenue budget. If the fund balance drops below the minimum 12 percent in the current fiscal year, an appropriation will be made in the subsequent year's budget to bring it back to 12 percent.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenses and expenditures. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated events through December 9, 2013, the date the financial statements were available to be issued.

Prior Period Adjustment

The governmental activities beginning net position has been restated by \$148,145 for the change in accounting method for debt issuance costs which should be recognized as an expense in the period incurred.

**Note 2 - Stewardship, Compliance and Accountability**

Budgets and Budgetary Accounting

At the annual Town meeting, the Board of Finance presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special Town meetings as required by changing conditions. In cases of

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
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extraordinary or unforeseen expenses, the Board of Finance is empowered to transfer funds from other budget line items up to \$20,000 to a departmental appropriation.

The Board of Education may transfer unexpended balances between accounts within its total line appropriation.

Generally, all appropriations lapse at year end, except those for the Bonded Capital Projects and the Capital Nonrecurring Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

The Town does not have legally adopted annual budgets for its special revenue funds because budgetary control is alternatively achieved by constraints imposed by the project authorization and grant awards related to these funds. The Town does not have legally adopted budgets for its internal service or fiduciary funds.

Application of Accounting Standards

For the year ended June 30, 2013, the Town implemented:

- GASB Statement 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* - This statement discusses transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods and provides guidance for reporting them.
- GASB Statement 65 - *Items Previously Reported as Assets and Liabilities* - This statement further clarifies that appropriate use of the financial statement elements of deferred outflows and deferred inflows of resources to ensure consistency in financial reporting.

Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP, and budgetary requirements, is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Budgetary basis (page 22)	\$ 25,917,996	\$ 26,145,579
State Teachers' Retirement on-behalf payment	1,552,092	1,552,092
GAAP basis (page 20)	\$ 27,470,088	\$ 27,697,671

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**Note 3 - Cash, Cash Equivalents and Investments**

Cash and Cash Equivalents

The deposit of public funds is controlled by Connecticut General Statutes. Cash equivalents are defined as those liquid investments having original maturities of three months or less. The carrying amount of the Town's cash deposits with financial institutions at June 30, 2013 was \$2,710,566.

The State Short-Term Investment Fund (STIF) is an investment pool managed by the Treasurer of the State of Connecticut. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the pooled fixed income investments were invested in a 2a-7 like pool, which operates within State Statutes. The fair value of the position in the pool is the same as the value of the pool shares. The pool is rated AAAM by Standard & Poor's. The carrying amount of the Town's cash equivalents (STIF) at June 30, 2013 was \$8,653,167.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. All of the Town's deposits are in qualified public institutions as defined by state statute. Under this statute, any bank holding public deposits must at all times maintain segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. Additionally, the Town has an agreement with its primary financial institution whereby one hundred percent of the Town deposits which exceed the FDIC limits are collateralized with assets segregated from the financial institutions assets at the Federal Reserve Bank and identified as being pledged to the Town. The Town does not have a deposit policy for custodial risk.

Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities.

The Pension Trust Funds are also authorized to invest in corporate stocks and bonds and mutual funds.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

At June 30, 2013, the Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Equity Mutual Funds	\$ 4,144,344	\$ 4,144,344	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	2,499,718	-	534,236	1,658,806	306,676
Balanced Mutual Funds	412,115	-	-	-	412,115
<b>Total</b>	<b>\$ 7,056,177</b>	<b>\$ 4,144,344</b>	<b>\$ 534,236</b>	<b>\$ 1,658,806</b>	<b>\$ 718,791</b>

The Town's investments in the Pension Trust funds are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest.

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

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

The equity mutual funds, fixed income mutual funds and balanced mutual funds are not rated.

Custodial credit risk - The Town has no formal policy regarding custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2013, the Town has no investments subject to custodial credit risk.

*Concentrations of Credit Risk* - The Town has no policy limiting the amount the Town may invest in any one issuer.



**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

**Note 4 - Receivables**

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	Property Taxes		
	Taxes	Interest & Lien Fees	Total
Current portion	\$ 234,841	\$ 75,608	\$ 310,449
Long-term portion	\$ 305,685	\$ 234,450	\$ 540,135
Less: Allowances for uncollectibles	( 81,079)	( 89,917)	( 170,996)
Net long-term portion	\$ 224,606	\$ 144,533	\$ 369,139

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

Deferred Inflows of Resources:

Delinquent property taxes (general fund)	\$ 456,671
Prepaid property taxes (general fund)	136,277
	\$ 592,948

Unearned Revenue:

Unearned grant revenue (capital nonrecurring fund)	\$ 1,112,938
Unearned grant revenue (boe grants fund)	15,869
Deferred loans (small cities repayment fund)	75,080
	\$ 1,203,887

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**Note 5 - Interfund Transactions**

Interfund Balances

Interfund balances consisted of the following at June 30, 2013, as reported in the fund financial statements:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 9,286	\$ -
Capital Nonrecurring	10,396	-
Nonmajor Governments Funds:		
Library Restricted Gift Fund	3,553	-
Westbrook Library Fund	-	3,553
Land Use Professional Services	-	9,001
Bonded Projects	-	10,395
 Pension Trust Funds	 -	 <u>286</u>
 Grand Total	 <u>\$ 23,235</u>	 <u>\$ 23,235</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not yet received. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Internal balances between governmental funds are eliminated on the government-wide financial statements; therefore, only one interfund balance is reported on the government-wide financial statements.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following, as reported in the fund financial statements:

	Transfer In	Transfer Out
General Fund	\$ 8,935	\$ 398,970
Major - Capital Nonrecurring	376,181	-
Nonmajor Governments Funds:		
Dog Fund	20,000	-
Insurance Fund	2,789	-
Westbrook Library Fund	2,000	3,553
Recreation Concert Series	-	1,357
Family Fun Day	1,357	-
Land Use Professional Services	-	8,935
Library Restricted Gift Fund	3,553	2,000
Total Nonmajor Governmental Funds	29,699	15,845
Grand Total	\$ 414,815	\$ 414,815

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

**Note 6 - Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposals/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital Assets, not being depreciated:				
Land	\$ 4,660,055	\$ -	\$ -	\$ 4,660,055
Construction in progress	<u>673,002</u>	<u>294,441</u>	<u>532,055</u>	<u>435,388</u>
Total Capital assets, not being depreciated	<u>5,333,057</u>	<u>294,441</u>	<u>532,055</u>	<u>5,095,443</u>
Capital Assets, being depreciated:				
Buildings and improvements	51,502,784	337,557	-	51,840,341
Machinery, equipment and vehicles	3,820,482	37,138	2,500	3,855,120
Infrastructure	<u>3,667,725</u>	<u>532,055</u>	<u>-</u>	<u>4,199,780</u>
Total Capital Assets, being depreciated	<u>58,990,991</u>	<u>906,750</u>	<u>2,500</u>	<u>59,895,241</u>
Total Capital Assets	<u>64,324,048</u>	<u>1,201,191</u>	<u>534,555</u>	<u>64,990,684</u>
Less Accumulated Depreciation for:				
Buildings and improvements	5,455,781	725,840	-	6,181,621
Machinery, equipment and vehicles	2,093,682	168,491	-	2,262,173
Infrastructure	<u>693,101</u>	<u>44,575</u>	<u>-</u>	<u>737,676</u>
Total Accumulated Depreciated	<u>8,242,564</u>	<u>938,906</u>	<u>-</u>	<u>9,181,470</u>
Total Capital Assets, being depreciated, net	<u>50,748,427</u>	<u>( 32,156)</u>	<u>2,500</u>	<u>50,713,771</u>
Government Activities Capital Assets, net	<u>\$ 56,081,484</u>	<u>\$ 262,285</u>	<u>\$ 534,555</u>	<u>\$ 55,809,214</u>

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

General government	\$ 139,860
Public safety	99,418
Public works	90,766
Culture and recreation	6,026
Education	<u>602,836</u>
Total depreciation expense	<u>\$ 938,906</u>

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

**Note 7 - Long-Term Obligations**

**Summary of Changes**

The following is a summary of changes in long-term obligations during the fiscal year:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2012	Additions	Deductions / Defeasance	Balance June 30, 2013	Current Portion
General Obligation Bonds									
General Purpose:									
Open space acquisition	\$ 2,160,000	11/01/04	06/15/24	3.00%-5.00%	\$ 240,000	\$ -	\$ 120,000	\$ 120,000	\$ 120,000
Refunding bond	3,162,000	10/12/10	07/01/26	1.50%-4.00%	3,155,000	-	215,000	2,940,000	210,000
Refunding bond	2,841,000	12/15/11	09/15/23	2.00%-4.00%	2,827,000	-	537,000	2,290,000	321,000
Total General Purpose					<u>6,222,000</u>	<u>-</u>	<u>872,000</u>	<u>5,350,000</u>	<u>651,000</u>
Schools:									
Improvement bond	5,980,000	01/15/94	06/15/13	3.60%-5.60%	315,000	-	315,000	-	-
Improvement bond	11,200,000	11/01/04	06/15/24	3.00%-5.00%	1,200,000	-	600,000	600,000	600,000
Refunding bond	7,363,000	10/12/10	07/01/26	1.50%-4.00%	7,335,000	-	375,000	6,960,000	420,000
Refunding bond	6,769,000	12/15/11	09/15/23	2.00%-4.00%	6,723,000	-	198,000	6,525,000	119,000
Total Schools					<u>15,573,000</u>	<u>-</u>	<u>1,488,000</u>	<u>14,085,000</u>	<u>1,139,000</u>
Total General Obligation Bonds					21,795,000	-	2,360,000	19,435,000	1,790,000
Bond Premiums					<u>1,123,289</u>	<u>-</u>	<u>93,019</u>	<u>1,030,270</u>	<u>-</u>
Total Bonds and Related Liabilities					<u>22,918,289</u>	<u>-</u>	<u>2,453,019</u>	<u>20,465,270</u>	<u>1,790,000</u>
Bond anticipation note					<u>195,000</u>	<u>-</u>	<u>195,000</u>	<u>-</u>	<u>-</u>
Other Long-Term Obligations:									
Compensated Absences					121,541	35,948	-	157,489	31,498
Net Pension Obligation					45,305	-	1,993	43,312	-
Other Post Employment Benefits (OPEB)					778,784	30,477	-	809,261	-
Landfill Closure Costs					<u>1,151,567</u>	<u>-</u>	<u>26,722</u>	<u>1,124,845</u>	<u>35,000</u>
Total Other Long-Term Obligations					<u>2,097,197</u>	<u>66,425</u>	<u>28,715</u>	<u>2,134,907</u>	<u>66,498</u>
Total General Long-Term Obligations					<u>\$ 25,210,486</u>	<u>\$ 66,425</u>	<u>\$ 2,676,734</u>	<u>\$ 22,600,177</u>	<u>\$ 1,856,498</u>

All other long-term liabilities are fully liquidated from the General Fund.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The following is a summary of annual debt service requirements and amounts to be provided by the State of Connecticut for the retirement of school bonds:

Fiscal Year	Bonds Payable	
	Principal	Interest
2014	\$ 1,790,000	\$ 636,600
2015	1,580,000	573,600
2016	1,580,000	527,275
2017	1,680,000	471,688
2018	1,670,000	407,938
2019-2023	7,655,000	1,165,246
2024-2027	3,480,000	192,583
	\$ 19,435,000	\$ 3,974,930

Debt Refunding

In prior years, the Town defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the Town's financial statements. At June 30, 2013, \$7,040,000 of defeased bonds remains outstanding.

Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. An expense provision and related liability should be recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The Town landfill has been closed. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired currently.

As of June 30, 2013 the estimated monitoring costs for the next 22 years are \$1,124,845. This amount is based on estimates which are subject to change due to inflation, changes in technology or changes in applicable laws and regulations.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
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Authorized/Unissued Bonds

At June 30, 2013, the Town had the following authorized, unissued bonds:

Project Name	Amount Unissued
Fire equipment	\$ 3,625,000
Infrastructure projects	1,540,000
Board of Education projects	1,925,000
	\$ 7,090,000

**Note 8 - Fund Balances**

	General Fund	Capital Nonrecurring	Non-major Governmental Funds	Total
Fund balances:				
Nonspendable				
Inventory	\$ 15,266	\$ -	\$ -	\$ 15,266
Prepaid expenses	3,666	-	-	3,666
Nonexpendable				
permanent endowment	-	-	34,074	34,074
Restricted for:				
General government	-	-	27,895	27,895
Public safety	-	-	728	728
Community development	-	-	119,148	119,148
Health and human services	-	-	38,289	38,289
Culture and recreation	-	-	316,285	316,285
Capital projects	-	-	648,066	648,066
Committed to:				
Capital projects	-	791,303	53,047	844,350
Assigned to:				
General government	-	-	21,929	21,929
Education	-	-	6,863	6,863
Capital projects	-	-	-	-
Unassigned	3,714,727	-	( 2,779)	3,711,948
Total fund balances	\$ 3,733,659	\$ 791,303	\$ 1,263,545	\$ 5,788,507

A fund balance deficit of \$2,779 exists in the Dog Fund resulting from recognition of expenditure for the Town's share of the capital costs for a regional animal shelter. The deficit will be resolved by a contingency transfer from the General Fund during year ending June 30, 2014.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Note 9 - Pension Plans**

Plan Descriptions

The Town administers three single-employer, defined benefit pension plans (Town of Westbrook Retirement Plan, Town of Westbrook Volunteer Firefighters' Pension Fund and Town of Westbrook Constables' Pension Plan) covering substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. The plans were established through ordinances adopted July 1, 1971, August 10, 1993 and April 24, 2007, respectively. The Pension Commission makes recommendations for plan provisions which are approved by the Board of Finance and/or Board of Selectmen. The plans are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue separate, stand alone, financial reports. 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.

Summary of Significant Accounting Policies

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. All plan investments are reported at fair value.

Plan Membership

Membership in the Plan consisted of the following at July 1, 2013, the date of the most recent actuarial valuation:

	Town	Firefighters	Constables
Retirees and beneficiaries currently receiving benefits	38	14	1
Terminated vested participants	10	6	1
Active plan members	80	56	7
Total Plan Participants	128	76	9



**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Funding Policy

The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined. Active plan members are not required to contribute to the plans.

Retirement Provisions

Town Plan

The Town Plan provides retirement benefits and death and disability benefits. Benefits vest after 5 years of service. Members may retire at age 65 with 5 years of service or at age 55 with 15 years of service. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.75% of final average compensation per year of credited service up to 30 years. Final average compensation is defined as the average annual compensation for the five highest consecutive years of the last ten years immediately preceding retirement.

Firefighters' Plan

The Firefighters' Plan provides retirement benefits and death and disability benefits. Benefits vest after 20 years of service. Members may retire at age 65 with 20 years of service. Members are entitled to a monthly retirement benefit for life, in an amount equal to \$25 per month times years of service. The maximum benefit is \$500 per month.

Constables' Plan

The Constables' Plan provides retirement benefits and death and disability benefits. Benefits vest after 20 years of service. A year of service is a year in which the participant performed 440 hours of service. Members may retire at age 65 with 20 years of service. Members are entitled to a monthly retirement benefit for life, in an amount equal to \$15 per month times years of service. Members are entitled to a retirement benefit for life of \$500 per month.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

Annual Pension Cost and Net Pension Obligation (NPO)

The annual pension cost and net pension obligation to the Plans' as of June 30, 2013 were as follows:

	Town Plan	Firefighters' Plan	Constables' Plan
Annual required contribution	\$ 313,274	\$ 117,870	\$ 22,846
Interest on net pension obligation	260	2,220	692
Adjustment to annual required contribution	( 415)	( 3,907)	( 843)
Annual pension cost	313,119	116,183	22,695
Contributions made	313,274	117,870	22,846
Decrease in net pension obligation	( 155)	( 1,687)	( 151)
Net pension obligation, July 1, 2012	3,711	31,715	9,879
Net pension obligation, June 30, 2013	\$ 3,556	\$ 30,028	\$ 9,728

Three-year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
<u>Town Plan</u>				
6/30/2011	\$ 254,228	\$ 254,387	100.1 %	\$ 3,864
6/30/2012	264,141	264,294	100.1	3,711
6/30/2013	313,119	313,274	100.0	3,556
<u>Firefighters' Plan</u>				
6/30/2011	\$ 91,801	\$ 93,175	101.5 %	\$ 33,204
6/30/2012	91,686	93,175	101.6	31,715
6/30/2013	116,183	117,870	101.5	30,028
<u>Constables' Plan</u>				
6/30/2011	\$ 5,987	\$ 6,100	101.9 %	\$ 10,003
6/30/2012	5,976	6,100	102.1	9,879
6/30/2013	22,695	22,846	100.7	9,728

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

Funding Status and Funding Progress

The funding status of the plan as of their most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially Accrued Liability (AAL) (b)	Unfunded AAL(UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<u>Town Plan</u>						
7/1/2013	\$6,434,759	\$ 7,299,773	\$ 865,014	88.15 %	\$ 3,202,773	27.01 %
<u>Firefighters' Plan</u>						
7/1/2013	\$ 817,777	\$ 1,608,694	\$ 790,917	50.83 %	N/A	N/A
<u>Constables' Plan</u>						
7/1/2013	\$ 36,455	\$ 222,019	\$ 185,564	16.42 %	N/A	N/A

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

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2011 actuarial valuation. The actuarial assumptions included:

Actuarial cost method	Entry age normal cost
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases:	
Town retirement plan	4.00%
Volunteer firefighters' plan	N/A
Constables' plan	N/A
Amortization method:	
Town retirement plan	Level dollar open
Volunteer firefighters' plan	Level dollar closed
Constables' plan	Level dollar closed
Remaining amortization period (closed):	
Town retirement plan	14 years
Volunteer firefighters' plan	11 years
Constables' plan	23 years

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

Financial statements for each individual pension plan are as follows:

	Town Employees' Pension Trust Fund	Volunteer Firefighters' Pension Trust Fund	Constables' Pension Trust Fund	Total Pension Trust Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 381,443	\$ 48,458	\$ 2,173	\$ 432,074
Investments at fair value:				
Mutual funds	6,059,002	769,727	34,510	6,863,239
Accrued income	4,288	545	24	4,857
Total assets	<u>6,444,733</u>	<u>818,730</u>	<u>36,707</u>	<u>7,300,170</u>
<b>Liabilities</b>				
Due to other funds	<u>286</u>	<u>-</u>	<u>-</u>	<u>286</u>
<b>Net Position</b>				
Net position held in trust for pension benefits	<u>\$ 6,444,447</u>	<u>\$ 818,730</u>	<u>\$ 36,707</u>	<u>\$ 7,299,884</u>
<b>Additions</b>				
Contributions:				
Employer	\$ 313,274	\$ 117,870	\$ 22,846	\$ 453,990
Plan members	123,441	-	-	123,441
Total contributions	<u>436,715</u>	<u>117,870</u>	<u>22,846</u>	<u>577,431</u>
Investment earnings:				
Net appreciation in fair value of investments	488,360	60,908	2,134	551,402
Interest and dividends	298,211	35,898	916	335,025
Total investment earnings	<u>786,571</u>	<u>96,806</u>	<u>3,050</u>	<u>886,427</u>
Total additions	<u>1,223,286</u>	<u>214,676</u>	<u>25,896</u>	<u>1,463,858</u>
<b>Deductions</b>				
Benefits	277,254	69,600	6,000	352,854
Administration	33,449	4,034	114	37,597
Total deductions	<u>310,703</u>	<u>73,634</u>	<u>6,114</u>	<u>390,451</u>
Changes in net assets	912,583	141,042	19,782	1,073,407
Net Position - July 1, 2012	5,531,864	677,688	16,925	6,226,477
Net Position - June 30, 2013	<u>\$ 6,444,447</u>	<u>\$ 818,730</u>	<u>\$ 36,707</u>	<u>\$ 7,299,884</u>

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**Note 10 - On-Behalf Payments**

The faculty and professional personnel of the Board of Education participate in a multiple employer contributory cost-sharing defined benefit plan with a special funding situation, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. The financial statements of the plan are available from the State of Connecticut State Teachers' Retirement Board, 765 Asylum Avenue, Hartford, CT 06105.

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

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual entity basis. Total contributions made by the State of Connecticut were \$787,536,000, of which \$1,552,092 benefited Town employees, and has been included in intergovernmental revenues and education expenditures in the accompanying combined statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2013, Town teachers contributed \$536,608 to the plan and covered Board of Education payroll for the year was approximately \$7,401,500.

**Note 11 - Other Postemployment Benefits (OPEB)**

Plan Description

The Town and the Board of Education (the Board) provide post-employment medical benefits to eligible retirees and their spouses through a single-employer, contributory, defined benefit OPEB plan. A triennial actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2011. The OPEB plan does not issue a separate, stand-alone, financial report.

Benefit Provisions

Town employees are eligible for medical coverage upon retirement at age 55 with 20 years of service.

Board teachers and administrators are eligible for medical coverage upon retirement at age 55 with 20 years of service or at any age with 25 years of service. Board hourly employees are eligible for medical coverage upon retirement at age 55 with 15 years of service or age 65 with 5 years of service.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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Plan Membership

Membership in the plan consisted of the following at of July 1, 2011, the date of the last actuarial valuation:

	Town	Board
Active members	37	140
Retirees and dependents	4	16
Total	41	156

Funding Policy

The contribution requirement of plan members, the Town and the Board are established and may be amended by the Town or the Board. The Town and the Board currently contribute enough money to the plan to satisfy the current obligations on a pay-as-you go basis.

Town retirees pay 100% of the premium; however, the Town pays \$200 per month towards the cost of the retirees' medical premium upon reaching 65. The Town also contributes \$100 per month towards the cost of a surviving spouse's medical premium upon reaching age 65. Board retirees pay 100% of the premium.

The Town and Board's contributions represent payments made for premiums for insured individuals.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

Annual OPEB Cost and Net OPEB Obligation

The annual OPEB cost and net OPEB obligation to the plan as of June 30, 2013 were as follows:

	Town	Board
Annual required contribution (ARC)	\$ 41,055	\$ 53,283
Interest on net OPEB obligation	3,181	27,971
Adjustment to annual required contribution	( 3,732)	( 34,488)
Annual OPEB cost	40,504	46,766
Contributions made	12,345	44,448
Increase in net OPEB obligation	28,159	2,318
Net OPEB obligation, July 1, 2012	79,518	699,266
Net OPEB obligation, June 30, 2013	\$ 107,677	\$ 701,584

Three-Year Trend Information

The Town's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation three-year trend information is presented below:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
<u>Town</u>				
6/30/2011	\$ 37,010	\$ 15,658	42.31%	\$ 54,719
6/30/2012	38,632	12,211	31.61%	79,518
6/30/2013	40,504	12,345	30.48%	107,677
<u>Board</u>				
6/30/2011	\$ 275,789	\$ 30,114	10.92%	\$ 694,160
6/30/2012	46,173	41,067	88.94%	699,266
6/30/2013	46,766	44,448	95.04%	701,584

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

Funding Status and Funding Progress

The funded status of the plan as of July 1, 2011, the most recent actuarial valuation date, is as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>Town</u>						
7/1/2011	\$ -	\$ 349,552	\$ 349,552	0.00%	\$ 1,714,614	20.39%
<u>Board</u>						
7/1/2011	\$ -	\$ 1,075,642	\$ 1,075,642	0.00%	N/A	N/A

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

The schedules of funding progress and employer contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations, will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.



**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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The annual required contribution for the current year was determined as part of the July 1, 2011 actuarial valuation. The actuarial assumptions included:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Actuarial Cost Method
Amortization Method	Level Percent
Remaining Amortization Period	26.27
Actuarial Assumptions:	
Discount rate	4.0%
Investment rate of return	4.0%
Inflation rate	3.5%
Medical cost trend rates	8.0% graded to 5.0% over 6 years

**Note 12 - Risk Management**

The Town is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters, and owners and contractor’s protective liability. During the year ended June 30, 2013, deductibles paid by the Town were insignificant. Settled claims, for all types of commercial coverage, have not exceeded commercial insurance coverage during any of the past three fiscal years.

**Health Insurance Fund**

The Town established as an internal service fund, the health insurance fund, to account for and finance the retained risk of loss for Town employee medical benefits coverage. A third party vender administers the plan for which the fund pays a fee. The health insurance fund provides coverage for all eligible full time employees.

The Town has purchased a stop loss policy for individual claims exceeding \$125,000 for hospital and major medical.

Health insurance premiums are based upon estimates by number of employees and type of coverage, trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded.

The internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used to compute claims liability does not necessarily result in an exact amount. Claims liabilities are

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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reevaluated periodically to take into consideration recently settled claims, the frequency of claims, including the effects of specific, incremental claim adjustment expenditures, salvage and subrogation; allocated claim adjustment expenditures are not included.

<u>Fiscal Year</u>	<u>Claims Payable July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2010-2011	\$ 160,030	\$ 2,271,296	\$ 2,285,150	\$ 146,176
2011-2012	146,176	2,880,600	2,801,569	225,207
2012-2013	225,207	2,222,624	2,306,561	141,270

Retrospectively Rated Policy

The commercial insurance carried for workers' compensation is a retrospectively rated policy for which the Town's contribution is based on the Town's loss experience. It is not possible to estimate the possible loss.

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction of insurance coverage from amounts held in prior years.

**Note 13 - Commitments and Contingencies**

The Town has been named as defendant in various claims and legal actions. The Town's attorney estimates that the potential claims against the Town covered by insurance resulting from such claims and legal actions would not materially affect the financial condition of the Town.

The Town has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based upon prior experience, Town management believes such disallowances, if any, will not be material.

The Town has \$1,245,110 in construction commitments outstanding as of June 30, 2013.

**TOWN OF WESTBROOK, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**  
**. . . Continued . . .**

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**Note 14 - Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation and natural disasters for which the Town carries commercial insurance. During the year ended June 30, 2013, deductibles paid by the Town were insignificant. Settled claims, for all types of commercial coverage, have not exceeded commercial insurance coverage during any of the past three fiscal years.

**Note 15 - Subsequent Event**

In August 2013, the Town issued \$5,000,000 in general obligation bonds with interest rates ranging from 2.0% to 4.0% to fund various Town capital improvement projects.

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**TOWN OF WESTBROOK, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION  
WESTBROOK RETIREMENT SYSTEMS  
SCHEDULE OF FUNDING PROGRESS**

TOWN EMPLOYEES' RETIREMENT SYSTEM

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
July 1, 2007	\$ 5,324,031	\$ 5,585,365	\$ 261,334	95.32 %	\$ 2,274,681	11.49 %
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	4,885,841	5,166,533	280,692	94.57	2,664,933	10.53
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	5,526,894	6,216,825	689,931	88.90	2,614,720	26.39
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	6,434,759	7,299,773	865,014	88.15	3,202,773	27.01

VOLUNTEER FIREFIGHTERS' PENSION

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
July 1, 2007	\$ 526,511	\$ 1,089,161	\$ 562,650	48.34 %	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	542,369	1,135,667	593,298	47.76	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	662,170	1,359,811	697,641	48.70	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	817,777	1,608,694	790,917	50.83	N/A	N/A

CONSTABLES' PENSION

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
July 1, 2007	\$ -	\$ 58,151	\$ 58,151	0.00 %	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	20,800	65,249	44,449	31.88	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	22,625	220,677	198,052	10.25	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	36,455	222,019	185,564	16.42	N/A	N/A

N/A - Not Applicable

**TOWN OF WESTBROOK, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION  
WESTBROOK RETIREMENT SYSTEMS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

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**TOWN EMPLOYEES' RETIREMENT SYSTEM**

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<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 196,100	96.40 %
2009	176,748	106.60
2010	156,475	100.00
2011	254,387	100.00
2012	264,294	100.00
2013	313,274	100.00

**VOLUNTEER FIREFIGHTERS' PENSION**

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<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 79,026	94.90 %
2009	79,026	100.00
2010	86,736	100.00
2011	93,175	100.00
2012	93,175	100.00
2013	117,870	100.00

**CONSTABLES' PENSION**

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<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 10,400	100.00 %
2009	10,400	100.00
2010	7,348	100.00
2011	6,100	100.00
2012	6,100	100.00
2013	22,846	100.00

**TOWN OF WESTBROOK, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION  
WESTBROOK OTHER POSTEMPLOYMENT BENEFITS PLANS  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

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**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<u>Town</u>						
7/1/2008	\$ -	\$ 319,991	\$ 319,991	0.00 %	\$ 1,358,901	23.55%
7/1/2011	-	349,552	349,552	0.00	1,714,614	20.39%
<u>Board</u>						
7/1/2008	\$ -	\$ 1,562,290	\$ 1,562,290	0.00 %	N/A	N/A
7/1/2011	-	1,075,642	1,075,642	0.00	N/A	N/A

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
<u>Town</u>		
2009	\$ 32,374	51.89 %
2010	33,868	47.38
2011	37,227	42.06
2012	38,943	31.36
2013	41,055	30.07
<u>Board</u>		
2009	\$ 245,473	10.58 %
2010	260,833	12.06
2011	277,137	10.87
2012	51,593	79.60
2013	53,283	83.42

## **SUPPLEMENTARY INFORMATION**



## **GENERAL FUND**

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

**TOWN OF WESTBROOK, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Taxes, Interest and Lien Fees:</b>				
Current property taxes	\$ 23,352,095	\$ 23,352,095	\$ 23,106,959	(\$ 245,136)
Prior year collections	200,000	200,000	256,076	56,076
Interest and lien fees	105,000	105,000	138,819	33,819
Supplemental motor vehicle	75,000	75,000	105,889	30,889
Collections from suspensions	500	500	622	122
<b>Total Taxes, Interest and Lien Fees</b>	<b>23,732,595</b>	<b>23,732,595</b>	<b>23,608,365</b>	<b>( 124,230)</b>
<b>Intergovernmental:</b>				
Mashantucket Pequot funds	14,552	14,552	11,801	( 2,751)
PILLOT - state owned property	37,469	37,469	35,194	( 2,275)
Elderly tax relief	44,000	44,000	38,812	( 5,188)
Boat tax registrations	378,700	378,700	-	( 378,700)
Property tax relief - vets	13,500	13,500	14,793	1,293
Town aid road fund	107,944	107,944	108,723	779
Educational cost sharing	427,677	427,677	427,677	-
Adult education	1,690	1,690	1,438	( 252)
School building grants	103,517	103,517	103,517	-
Telecommunication tax	30,000	30,000	26,306	( 3,694)
Miscellaneous state revenues	5,000	5,000	11,332	6,332
Municipal revenue sharing	250,543	250,543	247,962	( 2,581)
Special education	-	-	16,970	16,970
Public school transportation	5,283	5,283	4,367	( 916)
DUI enforcement	16,000	16,000	10,606	( 5,394)
Federal wildlife	5,000	5,000	4,178	( 822)
Payment in lieu of taxes	4,600	4,600	4,600	-
Youth and family services	17,300	17,300	17,226	( 74)
Property tax relief - disabled	600	600	667	67
Department of Public Health grant	-	2,500	2,500	-
Emergency management	-	941	941	-
<b>Total Intergovernmental</b>	<b>1,463,375</b>	<b>1,466,816</b>	<b>1,089,610</b>	<b>( 377,206)</b>
<b>Charges for Services:</b>				
<b>Fees:</b>				
Town Clerk	69,000	69,000	71,678	2,678
Conveyance tax	75,000	75,000	102,422	27,422
Conservation land records	5,500	5,500	6,309	809
Bulky waste	44,000	44,000	43,708	( 292)
Planning and zoning	10,800	10,800	11,860	1,060
Nursing fees	415,000	415,000	369,768	( 45,232)
Library fees and fines	3,000	3,000	2,215	( 785)
Board of recreation fees	120,000	120,000	104,327	( 15,673)
P&R youth programs	100,000	100,000	68,317	( 31,683)
After school program	25,000	25,000	4,030	( 20,970)
Riggio building rent	2,500	2,500	3,152	652
Senior center	6,000	6,000	10,608	4,608
Private duty reimbursement	110,000	110,000	38,246	( 71,754)
Land Use	-	-	1,679	1,679
IWWC Fees	5,500	5,500	2,358	( 3,142)
Rent/lease of property	-	-	2,000	2,000
Social services	-	-	200	200
<b>Total Fees</b>	<b>991,300</b>	<b>991,300</b>	<b>842,877</b>	<b>( 148,423)</b>
<b>Licenses and Permits:</b>				
Building permits	180,000	180,000	323,222	143,222
Sanitation permits	9,000	9,000	12,050	3,050
Beach permits	9,000	9,000	7,430	( 1,570)
Pistol permits	-	-	3,710	3,710
Miscellaneous	5,000	5,000	75	( 4,925)
<b>Total Licenses and Permits</b>	<b>203,000</b>	<b>203,000</b>	<b>346,487</b>	<b>143,487</b>

. . . Continued . . .

**TOWN OF WESTBROOK, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Other Revenues:				
Motor vehicle fines	\$ 500	\$ 500	\$ 450	(\$ 50)
Miscellaneous	10,520	12,920	4,247	( 8,673)
Total Other Revenues	<u>11,020</u>	<u>13,420</u>	<u>4,697</u>	<u>( 8,723)</u>
Total Charges for Services	<u>1,205,320</u>	<u>1,207,720</u>	<u>1,194,061</u>	<u>( 13,659)</u>
Investment Income:				
Interest income	<u>30,000</u>	<u>30,000</u>	<u>17,025</u>	<u>( 12,975)</u>
Total Revenues	<u>26,431,290</u>	<u>26,437,131</u>	<u>25,909,061</u>	<u>( 528,070)</u>
Other Financing Sources:				
Transfer in	<u>-</u>	<u>-</u>	<u>8,935</u>	<u>8,935</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>8,935</u>	<u>8,935</u>
Total Revenues and Other Financing Sources	<u>\$ 26,431,290</u>	<u>\$ 26,437,131</u>	<u>\$ 25,917,996</u>	<u>(\$ 519,135)</u>

**TOWN OF WESTBROOK, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government:				
Executive	\$ 155,169	\$ 155,169	\$ 152,864	\$ 2,305
Elections	49,881	49,881	40,040	9,841
Finance:				
Treasurer	14,013	15,013	14,927	86
Assessor	123,804	109,504	105,403	4,101
Tax collector	107,865	118,865	112,042	6,823
Tax refunds	20,000	30,000	27,667	2,333
Finance department	173,113	173,113	168,459	4,654
Total Finance	438,795	446,495	428,498	17,997
Law	57,000	71,300	71,294	6
Recording and Reporting	126,721	126,721	123,035	3,686
Boards and Commissions:				
Board of tax review	3,184	3,184	820	2,364
Board of finance	35,325	38,825	34,832	3,993
Total Boards and Commissions	38,509	42,009	35,652	6,357
Total General Government	866,075	891,575	851,383	40,192
Public Safety:				
Public safety	428,307	438,907	438,861	46
Police Protection:				
Police - protection	19,140	19,140	18,855	285
Resident troopers	378,250	378,250	368,281	9,969
Harbor patrol	9,215	13,375	13,366	9
Police vehicles	23,500	20,730	24,870	( 4,140)
Constables	255,103	241,898	204,455	37,443
Police advisory/traffic	1,580	1,580	917	663
Total Police Protection	686,788	674,973	630,744	44,229
Fire Protection:				
Training	14,495	14,095	12,090	2,005
Fire prevention	3,000	3,000	2,951	49
Fire protection	211,025	211,025	209,349	1,676
Fire station	60,186	65,701	65,699	2
Fire marshal	20,250	20,250	19,196	1,054
Fire commissioner	770	770	473	297
Open burning official	1,000	1,000	1,000	-
Total Fire Protection	310,726	315,841	310,758	5,083
Emergency management	16,905	17,846	17,631	215
Total Public Safety	1,442,726	1,447,567	1,397,994	49,573

. . . Continued . . .

**TOWN OF WESTBROOK, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Works:				
Public Works Department:				
Administration	\$ 393,429	\$ 397,914	\$ 397,913	\$ 1
Roads	248,300	248,300	237,278	11,022
Garage	30,900	30,900	24,044	6,856
Landfill	82,430	82,430	81,278	1,152
Equipment maintenance	66,450	84,880	85,297	( 417)
Property maintenance	22,750	22,750	19,991	2,759
Waste collection	63,000	63,000	67,853	( 4,853)
Parks	199,140	199,140	192,632	6,508
Total Public Works Department	<u>1,106,399</u>	<u>1,129,314</u>	<u>1,106,286</u>	<u>23,028</u>
Water pollution control commission	<u>51,729</u>	<u>47,244</u>	<u>25,763</u>	<u>21,481</u>
Facilities Management:				
Town Hall	53,415	56,300	56,297	3
Academy building	10,600	6,600	5,969	631
Riggio building	23,876	23,196	20,568	2,628
Old library	14,200	13,115	10,667	2,448
Mulvey Center	255,135	241,385	241,377	8
Total Municipal Buildings	<u>357,226</u>	<u>340,596</u>	<u>334,878</u>	<u>5,718</u>
Total Public Works	<u>1,515,354</u>	<u>1,517,154</u>	<u>1,466,927</u>	<u>50,227</u>
Community Development:				
Planning and Zoning:				
Planning	118,476	118,476	99,436	19,040
Zoning	85,190	91,705	91,843	( 138)
Zoning board of appeals	17,263	10,748	7,965	2,783
Total Planning and Zoning	<u>220,929</u>	<u>220,929</u>	<u>199,244</u>	<u>21,685</u>
Town Center	<u>6,690</u>	<u>6,690</u>	<u>4,538</u>	<u>2,152</u>
Land Use	<u>75,449</u>	<u>77,549</u>	<u>74,823</u>	<u>2,726</u>
Conservation	<u>16,037</u>	<u>16,037</u>	<u>13,251</u>	<u>2,786</u>
Economic Development	<u>4,694</u>	<u>4,694</u>	<u>4,000</u>	<u>694</u>
Inlands Wetlands	<u>61,623</u>	<u>61,623</u>	<u>53,868</u>	<u>7,755</u>
Inspections	<u>85,765</u>	<u>92,765</u>	<u>89,007</u>	<u>3,758</u>
Harbor Commissions	<u>9,100</u>	<u>9,100</u>	<u>8,364</u>	<u>736</u>
Total Community Development	<u>480,287</u>	<u>489,387</u>	<u>447,095</u>	<u>42,292</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Health and Human Services:				
Health:				
Director of Health	\$ 25,888	\$ 25,508	\$ 23,788	\$ 1,720
Public health nurses	413,979	429,979	429,834	145
Sanitarian	103,405	106,285	106,284	1
Contributions to other agencies	16,405	16,405	5,905	10,500
Total Health	<u>559,677</u>	<u>578,177</u>	<u>565,811</u>	<u>12,366</u>
Human Services:				
Social services	16,635	25,487	20,458	5,029
Elderly Programs	18,014	-	-	-
Senior Center	42,778	55,940	54,710	1,230
Total Human Resources	<u>77,427</u>	<u>81,427</u>	<u>75,168</u>	<u>6,259</u>
Youth and Family Services	<u>17,300</u>	<u>17,300</u>	<u>17,226</u>	<u>74</u>
Total Health and Human Services	<u>654,404</u>	<u>676,904</u>	<u>658,205</u>	<u>18,699</u>
Culture and Recreation:				
Library	<u>368,667</u>	<u>368,667</u>	<u>363,609</u>	<u>5,058</u>
Recreation:				
Recreation	136,921	136,921	125,114	11,807
Activities	206,009	206,009	162,155	43,854
Swimming	17,330	17,330	14,589	2,741
Total Recreation	<u>360,260</u>	<u>360,260</u>	<u>301,858</u>	<u>58,402</u>
Total Culture and Recreation	<u>728,927</u>	<u>728,927</u>	<u>665,467</u>	<u>63,460</u>
Non-Departmental:				
Employee benefits	1,293,556	1,293,556	1,292,273	1,283
Insurance	219,836	221,421	217,977	3,444
Dues and contributions	194,961	198,418	201,553	( 3,135)
Legislative	10,820	9,984	3,219	6,765
Judicial	-	-	3,194	( 3,194)
Contingency	77,000	14,894	-	14,894
Total Non-Departmental	<u>1,796,173</u>	<u>1,738,273</u>	<u>1,718,216</u>	<u>20,057</u>
Debt Service	<u>3,287,650</u>	<u>3,287,650</u>	<u>3,277,809</u>	<u>9,841</u>
Board of Education	<u>15,270,694</u>	<u>15,270,694</u>	<u>15,263,513</u>	<u>7,181</u>
Total Expenditures	<u>26,042,290</u>	<u>26,048,131</u>	<u>25,746,609</u>	<u>301,522</u>
Other Financing Uses:				
Capital contributions	369,000	369,000	378,970	( 9,970)
Transfers to other funds	20,000	20,000	20,000	-
Total Other Financing Uses	<u>389,000</u>	<u>389,000</u>	<u>398,970</u>	<u>( 9,970)</u>
Total Expenditures and Other Financing Uses	<u>\$ 26,431,290</u>	<u>\$ 26,437,131</u>	<u>\$ 26,145,579</u>	<u>\$ 291,552</u>

**TOWN OF WESTBROOK, CONNECTICUT  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2013**

Grand List Year	Uncollected Taxes July 1, 2012	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2013
			Additions	Deductions			Taxes	Interest & Lien Fees	Total	
1996	\$ 5,441	\$ -	\$ -	\$ 5,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1997	6,970	-	-	-	-	6,970	82	246	328	6,888
1998	6,196	-	-	-	-	6,196	83	231	314	6,113
1999	7,583	-	-	417	-	7,166	( 10)	269	259	7,176
2000	6,453	-	-	-	-	6,453	88	212	300	6,365
2001	5,175	-	-	-	-	5,175	189	412	601	4,986
2002	2,075	-	-	-	-	2,075	141	269	410	1,934
2003	4,733	-	-	-	-	4,733	150	258	408	4,583
2004	25,824	-	-	-	-	25,824	314	478	792	25,510
2005	29,582	-	-	161	-	29,421	1,032	1,220	2,252	28,389
2006	15,864	-	-	188	-	15,676	1,451	1,529	2,980	14,225
2007	14,009	-	-	54	-	13,955	917	992	1,909	13,038
2008	24,287	-	-	242	-	24,045	5,935	3,217	9,152	18,110
2009	87,224	-	-	982	-	86,242	42,813	18,796	61,609	43,429
2010	289,015	-	-	15,059	-	273,956	177,270	38,729	215,999	96,686
Total Prior Years	530,431	-	-	22,544	-	507,887	230,455	66,858	297,313	277,432
2011	-	23,542,384	1,535	61,013	-	23,482,906	23,219,812	70,054	23,289,866	263,094
Total	<u>\$ 530,431</u>	<u>\$ 23,542,384</u>	<u>\$ 1,535</u>	<u>\$ 83,557</u>	<u>\$ -</u>	<u>\$ 23,990,793</u>	<u>\$ 23,450,267</u>	<u>\$ 136,912</u>	<u>\$ 23,587,179</u>	<u>\$ 540,526</u>

\* Uncollected taxes eliminated pursuant to Section 12-165 of the CT General Statutes.

**TOWN OF WESTBROOK, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2013**

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Total Tax Collections (including interest and lien fees) for the year ended June 30, 2013:	\$ 23,587,179
Reimbursement for Revenue Loss: Tax relief for elderly	<u>-</u>
Base for Debt Limitation Computation	<u><u>\$ 23,587,179</u></u>

The Connecticut General Statutes provide that the total authorized debt of the Town shall not exceed seven times the above base cash receipts, of \$165,110,253, 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: (1)					
2 1/4 times base	\$ 53,071,153	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	106,142,306	-	-	-
3 3/4 times base	-	-	88,451,921	-	-
3 1/4 times base	-	-	-	76,658,332	-
3 times base	-	-	-	-	70,761,537
Total Debt Limitation	<u>53,071,153</u>	<u>106,142,306</u>	<u>88,451,921</u>	<u>76,658,332</u>	<u>70,761,537</u>
Indebtedness:					
Bonds payable	5,350,000	14,085,000	-	-	-
Authorized and unissued bonds	<u>5,165,000</u>	<u>1,925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Indebtedness	<u>10,515,000</u>	<u>16,010,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding Debt	<u><u>\$ 42,556,153</u></u>	<u><u>\$ 90,132,306</u></u>	<u><u>\$ 88,451,921</u></u>	<u><u>\$ 76,658,332</u></u>	<u><u>\$ 70,761,537</u></u>
(1) The total of the above net indebtedness amounts to:					<u><u>\$ 26,525,000</u></u>

There is no overlapping debt.



## **NONMAJOR GOVERNMENTAL FUNDS**

### Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

School Cafeteria Fund - to account for the activity of the schools' cafeterias.

Special Education Grants - to account for State and Federal education grants.

Dog Fund - to account for dog license fees and receipts and expenditures of the Dog Warden and Dog Pound.

Insurance Fund - to account for Unemployment Compensation claims and the deductible costs of other town insurance plans.

Open Space Preservation Fund - to account for funds for the acquisition of land for open space, protection of natural resources, preservation of Westbrook's small town character.

Westbrook Library Fund - to account for donations made to the Library which could be spent on items, other than those budgeted in the General Fund.

Detention Ponds Fund - to account for all detention pond funds for the purpose of making repairs and replacements to the detention basins or outlet structures.

Westbrook Nurses Fund - to account for all activity of Nurses, including any donations and distribution of scholarships.

Small Cities Repayment Fund - to account for funds the Town received from the Small Cities Program from the Connecticut Department of Housing as a vehicle for loan recipients to repay their loans.

Recreation Concert Series - to account for the funding of concerts on the Town Green on Sunday evenings throughout the summer.

Document Preservation Fund - to account to funds received for the preservation of land records.

Family Fun Day Fund - to account for donations in order to hold two events: Family Fun Day and the Halloween bash.

Land Use Professional Services - to account for funds to pay for hired Professional Service for services required to process all Planning/Zoning/ZBA/IWWC applications.

Local Prevention Council - to account for grants from the Connecticut Department of Mental Health and Addiction Services.

West Beach Playground Fund - to account for donations for the renovations of two playgrounds: Westbrook Beach Playground and the Wren Park Playground.

Senior Center Fund - to account for donations from citizens and organizations that are to be used to provide support to the operations of the Senior Center.

Social Services Fund - to account for donations from citizens and organizations that are to be used to provide emergency assistance to senior citizens.

Town Clerk Fund - to account for fees collected to be used for the preservation and management of historic documents.

### Capital Projects Fund

The capital project fund is used to account for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Bonded Projects - to account for the acquisition and construction of the Town's major capital facilities.

### Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

Library Restricted Gift Fund - to account for various endowments whose earnings are restricted to expenditures for the Library.

**TOWN OF WESTBROOK, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	Special Revenue Funds						
	School Cafeteria Fund	Special Education Grants	Dog Fund	Insurance Fund	Open Space Preservation Fund	Westbrook Library Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,244	\$ 18,222	\$ 6,623	\$ 22,743	\$ 54,129	\$ 114,974	\$ 53,047
Investments	-	-	-	-	-	192,938	-
Receivables:							
Intergovernmental	10,902	-	-	-	-	-	-
Other	-	81	15	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 13,146</u>	<u>\$ 18,303</u>	<u>\$ 6,638</u>	<u>\$ 22,743</u>	<u>\$ 54,129</u>	<u>\$ 307,912</u>	<u>\$ 53,047</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 6,283	\$ 2,434	\$ 9,417	\$ 814	\$ -	\$ 416	\$ -
Unearned revenues	-	15,869	-	-	-	-	-
Due to other funds	-	-	-	-	-	3,553	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,553</u>	<u>-</u>
Total liabilities	<u>6,283</u>	<u>18,303</u>	<u>9,417</u>	<u>814</u>	<u>-</u>	<u>3,969</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	54,129	303,943	-
Committed	-	-	-	-	-	-	53,047
Assigned	6,863	-	-	21,929	-	-	-
Unassigned	-	-	( 2,779)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>( 2,779)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,863</u>	<u>-</u>	<u>( 2,779)</u>	<u>21,929</u>	<u>54,129</u>	<u>303,943</u>	<u>53,047</u>
Total liabilities and fund balances	<u>\$ 13,146</u>	<u>\$ 18,303</u>	<u>\$ 6,638</u>	<u>\$ 22,743</u>	<u>\$ 54,129</u>	<u>\$ 307,912</u>	<u>\$ 53,047</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013  
...Continued...**

	Special Revenue Funds						
	Westbrook Nurses Fund	Small Cities Repayment Fund	Recreation Concert Series	Document Preservation Fund	Family Fun Day Fund	Land Use Professional Services	Local Prevention Council
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,436	\$ 119,148	\$ -	\$ 7,327	\$ 2,136	\$ 227,058	\$ 728
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Other	-	75,080	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,436</u>	<u>\$ 194,228</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ 2,136</u>	<u>\$ 227,058</u>	<u>\$ 728</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 742	\$ 218,057	\$ -
Unearned revenues	-	75,080	-	-	-	-	-
Due to other funds	-	-	-	-	-	9,001	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,001</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>75,080</u>	<u>-</u>	<u>-</u>	<u>742</u>	<u>227,058</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	9,436	119,148	-	7,327	1,394	-	728
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>9,436</u>	<u>119,148</u>	<u>-</u>	<u>7,327</u>	<u>1,394</u>	<u>-</u>	<u>728</u>
Total liabilities and fund balances	<u>\$ 9,436</u>	<u>\$ 194,228</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ 2,136</u>	<u>\$ 227,058</u>	<u>\$ 728</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013  
...Continued...**

	Special Revenue Funds				Total	Capital	Permanent	Total
	West Beach Playground Fund	Senior Center Fund	Social Services Fund	Town Clerk Fund		Projects Fund	Fund	
						Bonded Projects	Library Restricted Gift Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 9,387	\$ 1,561	\$ 28,853	\$ 20,568	\$ 698,184	\$ 604,399	\$ 30,521	\$ 1,333,104
Investments	-	-	-	-	192,938	-	-	192,938
Receivables:								
Intergovernmental	-	-	-	-	10,902	-	-	10,902
Other	-	-	-	-	75,176	-	-	75,176
Due from other funds	-	-	-	-	-	-	3,553	3,553
<b>Total assets</b>	<u>\$ 9,387</u>	<u>\$ 1,561</u>	<u>\$ 28,853</u>	<u>\$ 20,568</u>	<u>\$ 977,200</u>	<u>\$ 604,399</u>	<u>\$ 34,074</u>	<u>\$ 1,615,673</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 238,163	\$ 67	\$ -	\$ 238,230
Unearned revenues	-	-	-	-	90,949	-	-	90,949
Due to other funds	-	-	-	-	12,554	10,395	-	22,949
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,666</u>	<u>10,462</u>	<u>-</u>	<u>352,128</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	34,074	34,074
Restricted	9,387	1,561	28,853	20,568	556,474	593,937	-	1,150,411
Committed	-	-	-	-	53,047	-	-	53,047
Assigned	-	-	-	-	28,792	-	-	28,792
Unassigned	-	-	-	-	( 2,779)	-	-	( 2,779)
<b>Total fund balances</b>	<u>9,387</u>	<u>1,561</u>	<u>28,853</u>	<u>20,568</u>	<u>635,534</u>	<u>593,937</u>	<u>34,074</u>	<u>1,263,545</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,387</u>	<u>\$ 1,561</u>	<u>\$ 28,853</u>	<u>\$ 20,568</u>	<u>\$ 977,200</u>	<u>\$ 604,399</u>	<u>\$ 34,074</u>	<u>\$ 1,615,673</u>

**TOWN OF WESTBROOK, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds						Detention Ponds Fund
	School Cafeteria Fund	Special Education Grants	Dog Fund	Insurance Fund	Open Space Preservation Fund	Westbrook Library Fund	
<b>REVENUES</b>							
Intergovernmental	\$ 83,793	\$ 298,533	\$ -	\$ -	\$ -	\$ 797	\$ -
Charges for services	179,354	-	1,464	419	-	-	-
Contributions	-	-	-	-	-	10,027	-
Investment income (loss)	-	-	-	-	-	( 3,782)	-
<b>Total revenues</b>	<b>263,147</b>	<b>298,533</b>	<b>1,464</b>	<b>419</b>	<b>-</b>	<b>7,042</b>	<b>-</b>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	24,493	-	-	-
Public safety	-	-	24,757	-	-	-	-
Community development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	10,261	-
Education	261,566	298,533	-	-	-	-	-
Capital outlay	-	-	7,227	-	-	-	-
<b>Total expenditures</b>	<b>261,566</b>	<b>298,533</b>	<b>31,984</b>	<b>24,493</b>	<b>-</b>	<b>10,261</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	1,581	-	( 30,520)	( 24,074)	-	( 3,219)	-
Other financing sources (uses):							
Transfers in	-	-	20,000	2,789	-	2,000	-
Transfers out	-	-	-	-	-	( 3,553)	-
<b>Total other financing sources (uses):</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>2,789</b>	<b>-</b>	<b>( 1,553)</b>	<b>-</b>
Net change in fund balances	1,581	-	( 10,520)	( 21,285)	-	( 4,772)	-
Fund balances - July 1, 2012	5,282	-	7,741	43,214	54,129	308,715	53,047
Fund balances - June 30, 2013	\$ 6,863	\$ -	(\$ 2,779)	\$ 21,929	\$ 54,129	\$ 303,943	\$ 53,047

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
... Continued ...

	Special Revenue Funds						
	Westbrook Nurses Fund	Small Cities Repayment Fund	Recreation Concert Series	Document Preservation Fund	Family Fun Day Fund	Land Use Professional Services	Local Prevention Council
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -
Charges for services	257,047	26,635	-	2,147	-	-	2,183
Contributions	843	-	-	-	2,145	-	2,285
Investment income (loss)	12	-	-	-	-	92	-
Total revenues	<u>257,902</u>	<u>26,635</u>	<u>-</u>	<u>6,147</u>	<u>2,145</u>	<u>92</u>	<u>4,468</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	2,190	-	-	-
Public safety	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Health and human services	259,933	-	-	-	-	-	3,740
Culture and recreation	-	-	-	-	3,859	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>259,933</u>	<u>-</u>	<u>-</u>	<u>2,190</u>	<u>3,859</u>	<u>-</u>	<u>3,740</u>
Excess (deficiency) of revenues over expenditures	( 2,031)	26,635	-	3,957	( 1,714)	92	728
Other financing sources (uses):							
Transfers in	-	-	-	-	1,357	-	-
Transfers out	-	-	( 1,357)	-	-	( 8,935)	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>( 1,357)</u>	<u>-</u>	<u>1,357</u>	<u>( 8,935)</u>	<u>-</u>
Net change in fund balances	( 2,031)	26,635	( 1,357)	3,957	( 357)	( 8,843)	728
Fund balances - July 1, 2012	11,467	92,513	1,357	3,370	1,751	8,843	-
Fund balances - June 30, 2013	<u>\$ 9,436</u>	<u>\$ 119,148</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ 1,394</u>	<u>\$ -</u>	<u>\$ 728</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
... Continued ...

	Special Revenue Funds				Total	Capital	Permanent	Total
	West Beach Playground Fund	Senior Center Fund	Social Services Fund	Town Clerk Fund		Projects Fund Bonded Projects	Fund Library Restricted Gift Fund	
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 387,123	\$ -	\$ -	\$ 387,123
Charges for services	-	-	-	4,826	474,075	-	-	474,075
Contributions	800	1,425	4,364	-	21,889	-	7	21,896
Investment income (loss)	-	-	-	-	( 3,678)	-	-	( 3,678)
<b>Total revenues</b>	<b>800</b>	<b>1,425</b>	<b>4,364</b>	<b>4,826</b>	<b>879,409</b>	<b>-</b>	<b>7</b>	<b>879,416</b>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	1,658	28,341	-	-	28,341
Public safety	-	-	-	-	24,757	-	-	24,757
Community development	-	-	-	-	-	-	-	-
Health and human services	-	5,554	660	-	269,887	-	-	269,887
Culture and recreation	-	-	-	-	14,120	-	-	14,120
Education	-	-	-	-	560,099	-	-	560,099
Capital outlay	-	-	-	-	7,227	10,462	-	17,689
<b>Total expenditures</b>	<b>-</b>	<b>5,554</b>	<b>660</b>	<b>1,658</b>	<b>904,431</b>	<b>10,462</b>	<b>-</b>	<b>914,893</b>
Excess (deficiency) of revenues over expenditures	800	( 4,129)	3,704	3,168	( 25,022)	( 10,462)	7	( 35,477)
Other financing sources (uses):								
Transfers in	-	-	-	-	26,146	-	3,553	29,699
Transfers out	-	-	-	-	( 13,845)	-	( 2,000)	( 15,845)
<b>Total other financing sources (uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,301</b>	<b>-</b>	<b>1,553</b>	<b>13,854</b>
<b>Net change in fund balances</b>	<b>800</b>	<b>( 4,129)</b>	<b>3,704</b>	<b>3,168</b>	<b>( 12,721)</b>	<b>( 10,462)</b>	<b>1,560</b>	<b>( 21,623)</b>
Fund balances - July 1, 2012	8,587	5,690	25,149	17,400	648,255	604,399	32,514	1,285,168
Fund balances - June 30, 2013	<u>\$ 9,387</u>	<u>\$ 1,561</u>	<u>\$ 28,853</u>	<u>\$ 20,568</u>	<u>\$ 635,534</u>	<u>\$ 593,937</u>	<u>\$ 34,074</u>	<u>\$ 1,263,545</u>

## **Fiduciary Funds**

### Agency Funds

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Student Activities Fund was established to receive student funds and promote the educational and student activities of students.

Performance Bonds Fund was established to receive deposits from contractors and others.



**TOWN OF WESTBROOK, CONNECTICUT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

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	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b>ASSETS</b>				
Cash and cash equivalents:				
Student activities	\$ 129,667	\$ 402,593	\$ 384,707	\$ 147,553
Performance bonds	<u>339,766</u>	<u>37,392</u>	<u>48,407</u>	<u>328,751</u>
Total cash	<u>469,433</u>	<u>439,985</u>	<u>433,114</u>	<u>476,304</u>
Total Assets	<u><u>\$ 469,433</u></u>	<u><u>\$ 439,985</u></u>	<u><u>\$ 433,114</u></u>	<u><u>\$ 476,304</u></u>
<b>LIABILITIES</b>				
Accounts payable:				
Student activities	\$ 129,667	\$ 402,593	\$ 384,707	\$ 147,553
Performance bonds	<u>339,766</u>	<u>37,392</u>	<u>48,407</u>	<u>328,751</u>
Total Liabilities	<u><u>\$ 469,433</u></u>	<u><u>\$ 439,985</u></u>	<u><u>\$ 433,114</u></u>	<u><u>\$ 476,304</u></u>

## **STATI STI CAL SECTI ON**

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	77 - 80
Revenue Capacity <i>These schedules present information to help the reader assess the government's most significant local revenue source, the property tax.</i>	81 - 84
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	85 - 86
Demographic and Economic Information <i>This schedule helps the reader understand the environment within which the government's financial activities take place.</i>	87
Operating Information <i>This schedule contains service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs</i>	88 - 89

**TOWN OF WESTBROOK, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Governmental Activities:										
Net investment in capital assets	\$ 36,374,214	\$ 34,429,651	\$ 31,186,356	\$ 28,949,121	\$ 26,403,626	\$ 24,336,710	\$ 19,771,746	\$ 21,398,285	\$ 15,415,905	\$ 18,823,243
Restricted for capital projects	-	-	-	-	-	399,696	2,806,008	190,918	1,913,188	-
Restricted for nonexpendable permanent endowments	34,074	34,074	34,074	34,074	34,074	34,074	-	-	-	-
Unrestricted	<u>6,725,269</u>	<u>6,331,956</u>	<u>7,734,747</u>	<u>6,652,732</u>	<u>7,037,766</u>	<u>5,745,262</u>	<u>6,917,108</u>	<u>6,437,602</u>	<u>2,838,697</u>	<u>( 807,729)</u>
Total Net Position	<u>\$ 43,133,557</u>	<u>\$ 40,795,681</u>	<u>\$ 38,955,177</u>	<u>\$ 35,635,927</u>	<u>\$ 33,475,466</u>	<u>\$ 30,515,742</u>	<u>\$ 29,494,862</u>	<u>\$ 28,026,805</u>	<u>\$ 20,167,790</u>	<u>\$ 18,015,514</u>

**TOWN OF WESTBROOK, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	\$ 1,200,320	\$ 1,215,658	\$ 2,652,059	\$ 2,596,749	\$ 2,166,037	\$ 2,062,110	\$ 1,769,310	\$ 1,747,589	\$ 1,511,043	\$ 1,995,202
Public safety	1,524,669	1,457,600	1,668,253	1,319,021	1,351,058	1,324,685	1,507,560	1,412,971	1,402,775	1,276,318
Public works	1,968,481	1,599,754	241,464	1,162,756	1,139,920	1,143,085	1,522,152	1,176,565	1,187,238	971,263
Community development	447,095	465,112	405,808	-	-	-	-	-	-	-
Health and human services	644,323	689,382	651,167	754,837	638,421	557,242	645,645	642,175	629,105	496,847
Culture and recreation	685,613	876,824	832,379	846,270	807,707	740,027	728,258	628,710	717,494	633,494
Education	17,967,333	17,105,639	16,863,986	16,216,398	15,535,704	18,300,874	12,844,223	12,144,473	11,048,686	11,215,803
Non-departmental	1,036,538	1,952,931	-	-	-	-	-	-	-	-
Interest expense	705,705	868,249	950,424	1,213,060	1,295,106	1,367,985	1,407,463	1,309,007	1,034,958	848,386
<b>Total expenses</b>	<b>26,180,077</b>	<b>26,231,149</b>	<b>24,265,540</b>	<b>24,109,091</b>	<b>22,933,953</b>	<b>25,496,008</b>	<b>20,424,611</b>	<b>19,061,490</b>	<b>17,531,299</b>	<b>17,437,313</b>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	563,186	479,453	431,768	523,407	353,356	876,834	525,715	555,726	495,314	635,195
Public safety	42,406	88,123	50,719	69,597	34,608	125,835	6,732	7,570	6,144	6,556
Public works	43,708	61,880	38,606	45,487	40,528	45,632	43,510	51,603	45,322	37,132
Community development	26,635	-	-	-	-	-	-	-	-	-
Health and human services	373,256	402,691	489,478	414,741	335,964	362,383	346,992	402,162	426,971	380,895
Culture and recreation	191,642	219,525	200,174	233,799	216,471	214,187	213,928	177,414	176,055	168,619
Education	119,354	147,926	189,668	191,838	213,911	207,628	212,862	224,499	210,540	197,824
Operating grants and contributions	2,914,031	3,024,113	2,173,670	2,173,784	2,072,552	5,860,707	1,417,907	1,335,872	970,430	1,158,264
Capital grants and contributions	330,561	390,059	527,923	-	876,718	450,000	45,000	5,445,527	1,011,600	374,535
<b>Total program revenues</b>	<b>4,604,779</b>	<b>4,813,770</b>	<b>4,102,006</b>	<b>3,652,653</b>	<b>4,144,108</b>	<b>8,143,206</b>	<b>2,812,646</b>	<b>8,200,373</b>	<b>3,342,376</b>	<b>2,959,020</b>
Net Expenses:										
Governmental activities	( 21,575,298)	( 21,417,379)	( 20,163,534)	( 20,456,438)	( 18,789,845)	( 17,352,802)	( 17,611,965)	( 10,861,117)	( 14,188,923)	( 14,478,293)
General Revenues:										
Governmental activities:										
Property taxes	23,654,089	22,801,513	22,970,748	21,702,816	20,930,232	19,310,767	17,956,139	17,065,027	15,673,501	14,519,299
Grants and contributions not restricted to specific programs	391,467	402,673	480,546	815,002	595,026	466,731	646,795	608,357	531,525	517,360
Investment income	15,763	21,194	31,490	99,081	175,614	376,184	477,088	319,624	213,612	65,433
<b>Total general revenues</b>	<b>24,061,319</b>	<b>23,225,380</b>	<b>23,482,784</b>	<b>22,616,899</b>	<b>21,700,872</b>	<b>20,153,682</b>	<b>19,080,022</b>	<b>17,993,008</b>	<b>16,418,638</b>	<b>15,102,092</b>
<b>Change in net position</b>	<b>\$ 2,486,021</b>	<b>\$ 1,808,001</b>	<b>\$ 3,319,250</b>	<b>\$ 2,160,461</b>	<b>\$ 2,911,027</b>	<b>\$ 2,800,880</b>	<b>\$ 1,468,057</b>	<b>\$ 7,131,891</b>	<b>\$ 2,229,715</b>	<b>\$ 623,799</b>

**TOWN OF WESTBROOK, CONNECTICUT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 173,643	\$ -	\$ -	\$ -	\$ -	\$ 485,000
Unreserved:										
Designated	-	-	-	-	-	-	-	27,031	-	-
Undesignated	-	-	-	2,426,297	2,852,949	2,594,930	2,121,759	1,530,339	1,182,060	1,134,476
Nonspendable	18,932	10,167	214,825	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	2,213	-	-	-	-	-	-	-
Unassigned	3,714,727	3,951,075	2,956,343	-	-	-	-	-	-	-
Total general fund	<u>\$ 3,733,659</u>	<u>\$ 3,961,242</u>	<u>\$ 3,173,381</u>	<u>\$ 2,426,297</u>	<u>\$ 3,026,592</u>	<u>\$ 2,594,930</u>	<u>\$ 2,121,759</u>	<u>\$ 1,557,370</u>	<u>\$ 1,182,060</u>	<u>\$ 1,619,476</u>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,696	\$ 2,806,008	\$ 190,918	\$ 1,913,188	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	690,457	642,426	783,468	713,042	551,103	604,554	560,975
Capital projects funds	-	-	-	2,332,969	1,402,598	1,134,125	1,636,016	1,216,735	( 10,833,599)	( 6,634,490)
Nonspendable	34,074	34,074	34,074	-	-	-	-	-	-	-
Restricted	1,150,411	1,151,111	1,687,392	-	-	-	-	-	-	-
Committed	844,350	904,215	1,011,371	-	-	-	-	-	-	-
Assigned	28,792	48,496	755,265	-	-	-	-	-	-	-
Unassigned	( 2,779)	( 1,560)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,054,848</u>	<u>\$ 2,136,336</u>	<u>\$ 3,488,102</u>	<u>\$ 3,023,426</u>	<u>\$ 2,045,024</u>	<u>\$ 2,317,289</u>	<u>\$ 5,155,066</u>	<u>\$ 1,958,756</u>	<u>(\$ 8,315,857)</u>	<u>(\$ 6,073,515)</u>

**TOWN OF WESTBROOK, CONNECTICUT  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
Property taxes	\$ 23,608,365	\$ 22,821,938	\$ 22,869,340	\$ 21,687,014	\$ 20,926,333	\$ 19,310,568	\$ 18,094,883	\$ 16,910,927	\$ 15,665,750	\$ 14,382,321
Intergovernmental	3,609,245	4,122,906	3,525,018	3,189,679	3,949,389	7,184,164	2,483,964	7,563,207	3,071,476	2,626,869
Charges for services	1,668,136	1,736,175	1,366,681	1,404,524	1,189,915	1,832,499	1,349,739	1,418,974	1,360,346	1,426,221
Contributions	79,436	22,151	41,669	17,603	78,373	91,134	142,580	-	-	-
Investment income	15,756	21,183	31,554	99,081	175,614	376,184	441,131	310,321	211,656	64,988
Total revenues	<u>28,980,938</u>	<u>28,724,353</u>	<u>27,834,262</u>	<u>26,397,901</u>	<u>26,319,624</u>	<u>28,794,549</u>	<u>22,512,297</u>	<u>26,203,429</u>	<u>20,309,228</u>	<u>18,500,399</u>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	2,612,120	2,549,778	2,513,272	2,619,942	2,693,841	2,397,645	2,217,576	2,114,720	1,908,785	1,867,190
Public safety	1,422,751	1,380,145	1,397,483	1,302,365	1,274,039	1,287,488	1,181,281	1,073,123	1,042,498	1,029,526
Public works	1,466,927	1,136,419	1,139,858	1,269,697	1,094,728	972,730	920,203	890,291	936,552	855,928
Community development	447,095	465,112	406,106	-	-	-	-	-	-	-
Health and human services	928,092	1,028,393	651,167	754,837	638,421	557,242	522,248	525,448	525,614	496,847
Culture and recreation	679,587	870,798	829,627	840,244	827,177	742,649	674,020	579,294	559,332	572,752
Education	17,375,704	16,510,399	15,939,968	15,291,164	14,761,260	17,766,186	12,753,028	12,240,296	11,199,316	10,811,041
Capital outlay	1,079,924	1,611,915	983,048	417,223	1,525,276	4,089,835	882,937	3,356,881	17,101,978	5,401,402
<b>Debt service:</b>										
Principal	2,557,250	2,980,000	2,575,000	2,280,000	2,030,000	1,955,000	1,580,000	1,922,900	1,905,000	1,560,000
Interest	720,559	908,993	1,059,816	1,244,322	1,315,485	1,390,380	1,572,103	1,359,668	1,142,401	661,833
Total expenditures	<u>29,290,009</u>	<u>29,441,952</u>	<u>27,495,345</u>	<u>26,019,794</u>	<u>26,160,227</u>	<u>31,159,155</u>	<u>22,303,396</u>	<u>24,062,621</u>	<u>36,321,476</u>	<u>23,256,519</u>
Excess (deficiency) of revenues over expenditures	<u>( 309,071)</u>	<u>( 717,599)</u>	<u>338,917</u>	<u>378,107</u>	<u>159,397</u>	<u>(2,364,606)</u>	<u>208,901</u>	<u>2,140,808</u>	<u>(16,012,248)</u>	<u>(4,756,120)</u>
<b>Other Financing Sources (Uses):</b>										
Transfers in	414,815	962,610	886,802	1,474,494	757,491	1,254,974	480,235	342,398	356,462	658,189
Transfers out	( 414,815)	( 962,610)	( 886,802)	( 1,474,494)	( 757,491)	( 1,254,974)	( 480,235)	( 342,398)	( 356,462)	( 658,189)
Proceeds from issuance of bonds	-	9,610,000	10,525,000	-	-	-	3,550,000	12,570,000	13,360,000	-
Payments to escrow agents	-	( 10,224,130)	( 10,914,326)	-	-	-	-	( 4,069,018)	49,929	-
Bond premiums	-	735,321	467,169	-	-	-	1,798	8,133	-	-
Total other financing sources (uses)	<u>-</u>	<u>121,191</u>	<u>77,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,551,798</u>	<u>8,509,115</u>	<u>13,409,929</u>	<u>-</u>
Net change in fund balance	<u>(\$ 309,071)</u>	<u>(\$ 596,408)</u>	<u>\$ 416,760</u>	<u>\$ 378,107</u>	<u>\$ 159,397</u>	<u>\$ (2,364,606)</u>	<u>\$ 3,760,699</u>	<u>\$ 10,649,923</u>	<u>(\$ 2,602,319)</u>	<u>(\$ 4,756,120)</u>
Debt Service as Percentage of Noncapital Expenditures	11.45%	13.79%	13.47%	14.08%	13.61%	12.31%	14.13%	13.64%	8.39%	9.55%

**TOWN OF WESTBROOK, CONNECTICUT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Dollars in Thousands)**

<b>Fiscal Year Ended June 30</b>	<b>Grand List Year</b>	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>Total Real Estate</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Less Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value As a Percentage of Actual Value</b>	
2013	2	2011	\$ 910,346	\$ 143,027	\$ 1,053,373	\$ 32,715	\$ 52,615	(\$ 36,307)	\$ 1,102,396	\$ 20.98	\$ 1,574,851	70.00%
2012		2010	905,028	141,681	1,046,709	53,468	50,726	( 29,793)	1,121,110	16.96	1,601,586	70.00%
2011		2009	1,097,805	169,390	1,267,195	53,107	50,383	( 28,783)	1,341,902	17.25	1,917,003	70.00%
2010		2008	1,091,951	167,110	1,259,061	54,186	48,768	( 27,014)	1,335,001	16.30	1,907,144	70.00%
2009		2007	1,086,916	164,801	1,251,717	52,503	51,157	( 24,660)	1,330,717	15.78	1,901,024	70.00%
2008	1	2006	1,082,987	160,197	1,243,184	49,941	50,264	( 19,249)	1,324,140	14.80	1,891,629	70.00%
2007		2005	1,072,148	155,809	1,227,957	53,451	49,339	( 14,572)	1,316,175	22.22	1,880,250	70.00%
2006		2004	604,661	114,996	719,657	45,840	46,645	( 12,772)	799,370	21.43	1,141,957	70.00%
2005		2003	599,939	111,571	711,510	40,716	43,848	( 14,042)	782,032	20.18	1,117,189	70.00%
2004		2002	687,587	144,841	832,428	40,996	44,864	( 16,083)	902,205	18.96	1,288,864	70.00%

Source: Assessor's Office - Town of Westbrook

Notes:

- (1) Revaluation October 1, 2006
  - (2) Revaluation October 1, 2011
- Tax rates are per \$1,000 of assessed value.



**TOWN OF WESTBROOK, CONNECTICUT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (rate per \$1,000 of assessed value)**

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Fiscal Year	Operating Millage	Total Direct Tax Rate
2013	\$ 20.98	\$ 20.98
2012	16.96	16.96
2011	17.25	17.25
2010	16.30	16.30
2009	15.78	15.78
2008	14.80	14.80
2007	22.22	22.22
2006	21.43	21.43
2005	20.18	20.18
2004	18.96	18.96

Note: The Town has no overlapping property tax rates.

**TOWN OF WESTBROOK, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

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Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Lee Company	\$ 55,195,840	1	5.01%	\$ 17,073,100	2	1.89%
COROC I	24,276,640	2	2.20%	23,100,000	1	2.56%
DGG Properties Company	22,626,150	3	2.05%	13,293,640	3	1.47%
Pilots Point Marina Inc.	10,716,540	4	0.97%	9,125,900	4	1.01%
Connecticut Light & Power Company	8,438,040	5	0.77%			
Connecticut Water Company	6,499,660	6	0.59%			
IPC Information Systems	5,446,010	7	0.49%	2,680,380	6	0.30%
Jensens Inc.	3,815,570	8	0.35%	3,846,530	5	0.43%
Westbrook Properties	3,201,390	9	0.29%	-		
80 Flat Rock Place LLC	2,603,010	10	0.24%	-		
COROC II	-			2,264,470	7	0.25%
Lorensen	-			2,170,610	8	0.24%
Tinty Donald TTEE & Beatrice	-			1,725,100	9	0.19%
Ambleside	-			1,723,070	10	0.19%
	<u>\$ 142,818,850</u>		<u>12.96%</u>	<u>\$ 77,002,770</u>		<u>8.53%</u>

Source: Assessor's Office - Town of Westbrook

**TOWN OF WESTBROOK, CONNECICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

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Fiscal Year Ended June 30	Grand List Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percent of Levy		Amount	Percent of Levy
2013	2011	\$ 23,482,906	\$ 23,219,812	98.88%	\$ -	\$ 23,219,812	98.88%
2012	2010	22,650,090	22,361,075	98.72%	192,329	22,553,404	99.57%
2011	2009	22,892,909	22,596,679	98.71%	252,801	22,849,480	99.81%
2010	2008	21,550,048	21,343,627	99.04%	188,311	21,531,938	99.92%
2009	2007	20,726,781	20,494,764	98.88%	218,979	20,713,743	99.94%
2008	2006	19,242,513	18,996,111	98.72%	232,177	19,228,288	99.93%
2007	2005	17,804,376	17,601,854	98.86%	174,133	17,775,987	99.84%
2006	2004	16,887,242	16,639,806	98.53%	221,926	16,861,732	99.85%
2005	2003	15,503,530	15,318,649	98.81%	180,298	15,498,947	99.97%
2004	2002	14,334,731	14,274,550	99.58%	58,247	14,332,797	99.99%

Source: Tax Collector's Report; Annual Financial Report

**TOWN OF WESTBROOK, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Governmental Activities</b>					
<b>Fiscal Year</b>	<b>General Obligation Bonds (1) (2)</b>	<b>Percentage of Personal Income (3)</b>	<b>Population</b>	<b>Debt per Capita</b>	<b>Percentage of Estimated Actual Taxable Value of Property (4)</b>
2013	\$ 20,465,270	7.28%	6,938	\$ 2,950	1.30%
2012	22,918,289	8.79%	6,938	3,303	1.43%
2011	24,792,671	9.75%	6,769	3,663	1.29%
2010	26,651,810	9.99%	6,685	3,987	1.40%
2009	28,934,939	15.84%	6,663	4,343	1.52%
2008	30,968,066	16.30%	6,626	4,674	1.64%
2007	32,926,195	17.41%	6,596	4,992	1.75%
2006	22,505,000	11.89%	6,599	3,410	1.97%
2005	24,060,000	12.76%	6,575	3,659	2.15%
2004	12,605,000	6.68%	6,575	1,917	0.98%

- Notes:
- (1) The Town has no debt other than general obligation bonds of the primary government unit. There is no overlapping debt.
  - (2) Presented net of original issue discounts and premiums
  - (3) Personal income is disclosed on page 87.
  - (4) Estimated actual taxable value of property is disclosed on page 81.

**TOWN OF WESTBROOK, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(dollars in thousands)**

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Legal Debt Margin Calculation for Fiscal Year 2013:

Revenue Base	\$ 23,587
Debt limit (Revenue Base x 7)	\$ 165,110
Debt applicable to limit:	
General obligation bonds	19,435
Bonds, authorized, unissued	7,090
	26,525
Legal Debt Margin	\$ 138,585

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit	\$ 165,110	\$ 159,119	\$ 159,835	\$ 151,432	\$ 145,706	\$ 134,835	\$ 126,372	\$ 117,907	\$ 108,958	\$ 100,492
Total net debt applicable to limit	26,525	22,234	24,823	26,973	34,652	36,273	30,921	28,542	29,684	22,777
Legal debt margin	\$ 138,585	\$ 136,885	\$ 135,012	\$ 124,459	\$ 111,054	\$ 98,562	\$ 95,451	\$ 89,365	\$ 79,274	\$ 77,715
Total net debt applicable to the limit as a percentage of debt limit	16.07%	13.97%	15.53%	17.81%	23.78%	26.90%	24.47%	24.21%	27.24%	22.67%

**TOWN OF WESTBROOK, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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<u>Fiscal Year</u>	<u>Population<sup>1</sup></u>	<u>Median Age<sup>3</sup></u>	<u>Per Capita Income<sup>2</sup></u>	<u>Median Household Income<sup>2</sup></u>	<u>Personal Income</u>	<u>School Enrollment<sup>3</sup></u>	<u>Unemployment Rate<sup>2</sup></u>	<u>Municipal Employees<sup>4</sup></u>
2013	6,938	46.8	\$ 40,506	\$ 72,688	\$ 281,030,628	871	6.1%	258
2012	6,938	46.8	37,576	64,482	260,702,288	966	7.2%	263
2011	6,769	46	37,576	64,482	254,351,944	922	7.1%	256
2010	6,685	46	39,899	72,387	266,724,815	974	7.5%	252
2009	6,663	45	27,414	69,302	182,659,482	966	6.9%	252
2008	6,626	45	28,680	64,682	190,033,680	980	4.6%	254
2007	6,596	45	28,680	64,181	189,173,280	995	3.5%	232
2006	6,599	43	28,680	62,404	189,259,320	1,016	3.5%	232
2005	6,575	43	28,680	56,835	188,571,000	1,026	4.2%	240
2004	6,575	43	28,680	55,100	188,571,000	1,044	3.9%	238

Source: <sup>1</sup> U.S. Department of Commerce, Bureau of Census 1960-2010

<sup>2</sup> U.S. Census Bureau, Census 2011 American Community Survey.

<sup>3</sup> Westbrook Board of Education

<sup>4</sup> Westbrook Department of Finance

**TOWN OF WESTBROOK, CONNECTICUT  
 FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS**

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<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
General government	40	43	43	42	43	42	42	42	43	42
Public safety	6	6	6	5	5	6	6	6	5	5
Public works	8	9	9	9	9	9	9	9	9	9
Development and community affairs	7	8	8	7	7	8	8	8	7	7
Health and welfare	7	7	7	6	6	7	7	7	6	6
Culture and recreation	8	8	8	8	8	8	8	8	8	8
Education	182	182	175	175	174	174	152	152	162	161
	258	263	256	252	252	254	232	232	240	238

Source: Town Department of Finance and Board of Education Business Office.

**TOWN OF WESTBROOK, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
General government:										
Number of building permits	612	512	531	400	263	302	328	318	302	333
Value of building permits	\$ 34,151,508	\$ 20,044,205	\$ 17,195,407	\$ 15,954,885	\$ 9,137,297	\$ 23,126,529	\$ 24,597,682	\$ 17,489,152	\$ 20,393,234	\$ 21,016,666

Source: Various Town departments