

**TOWN OF WESTBROOK,
CONNECTICUT**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
JUNE 30, 2012**

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

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**TOWN OF WESTBROOK,
CONNECTICUT**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

DEPARTMENT OF FINANCE

ANDREW URBAN
DIRECTOR OF FINANCE

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**TOWN OF WESTBROOK, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT, JUNE 30, 2012
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INTRODUCTORY SECTION

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WESTBROOK, CT

December 13, 2012

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

Gentlemen,

The Annual Financial Report (AFR) of the Town of Westbrook for the fiscal year ended June 30, 2012 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 unqualified ("clean") opinion on the Town of Westbrook's financial statements for the year ended June 30, 2012. 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.

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, 2012, 92.8% of the Town's available labor force was employed. This compares favorably to the area rate of 90.1% and the State rate of 90.1%. The Town's per capita income was \$37,576 and its median household income was \$64,482, as reported by in the State of Connecticut Municipal Fiscal Indicators report.

The Town's position as a residential community is illustrated by the fact that approximately 86.5% of the October 2011 grand list was residential. The percentage of the 2010 grand list was 86.6%. Permits for only four new residential units were issued this year compared to ten in 2011. In the last ten years, the average number of new units per year is 11. 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 remained approximately the same at 13.5%.

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, and a public 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, transfer funds to and from Town accounts and publish the annual report.

ECONOMIC CONDITIONS

- The unemployment rate for the Town as of June 2012 was 7.2%, which is a slight increase from a rate of 6.8% a year ago. This compares very favorably to the state's average unemployment rate of 8.1% and the national average rate of 8.2%.
- Inflationary trends in the region compare favorably to national indices.
- The November 23, 2011 Moody's Investors Service report, in its reaffirmation of the Town's Aa2 credit rating, stated "Moody's believes that Westbrook's moderately sized \$1.9 billion equalized net grand list (ENGL) will remain healthy given its stable residential tax base and ongoing economic activity within its commercial sector. The town's grand list has expanded by a modest 1.5% annual average rate over the last

five years. While grand list growth has moderated in subsequent non-revaluation years the town expects modest ongoing expansion from a number of recently completed and ongoing development projects including a 169,000 square foot expansion at the Lee Company, the town's largest taxpayer (3.6% of the grand list), a new car dealership (completed), a completed expansion at the Water's Edge Resort, the third largest taxpayer. (1.4% of the grand list), and several residential subdivisions. Given Westbrook's location on the Long Island Sound, the town has a significant number of seasonal residences, which drives the ENGL per capita to a strong \$270,008. The median family and per capita incomes exceed the national Aa2 medians at \$71,344 (143% of the nation) and \$28,680 (133% of the nation), respectively.

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 FY2012 include:

- Refunding of \$9,610,000 general obligation bonds, with estimated interest savings of \$536,850 over the next thirteen years;
- Preparation and management of the FY2012-13 annual budget process;
- Preparation of the 5 Year Capital Improvement Plan;
- Successful implementation of a new financial management system;
- Formalization of various budgeting and accounting policies and procedures;
- Primary responsibility for financial statement preparation for audit purposes.
- Replacement of six obsolete copiers in town hall with ten state-of-the-art document management machines;
- Replacement of a 15 year old mailing machine with a state-of-the-art mail management system.

Assessor: The town-wide revaluation was completed with a physical inspection ("full measure and list") by Vision Appraisal of all 4,496 properties in the town to establish the grand list for October 1, 2011. This type of property revaluation, which includes all residential and commercial properties, is required of all towns in Connecticut every five years. A significant accomplishment as part of the project was implementing an online system where by all town property information is available to anyone on the town's website, (www.westbrookct.us) or Vision Appraisal's website (visionappraisal.com).

Elections: During the fiscal year, the Elections Department held a Democratic and Republican Primary, a State Election, and a Budget Referendum.

Town Clerk: The Town Clerk's Office has joined the Connecticut Town Clerk's Portal which offers viewers copies of land records at a cost of \$1.00 per page which goes directly to the town's general fund. The monthly average is at about \$250 per month over the usual income for copy fees. The revenue will only increase as they make more records available online.

Facilities Management: All new energy efficient lighting was installed at the Academy Building. The department also installed new software in our computerized control system of the Town Hall that allows better management of energy at the Mulvey Center.

Planning Commission:

- Completed Historic & Architectural Survey funded by a \$20,000 grant from the state Commission on Culture and Tourism
- Assisted Zoning Commission with comprehensive update of flood management regulations
- Successfully lobbied for town funding (\$12,000) to acquire higher quality aerial photography and updated building footprint data for the On-Line Mapping System
- Assisted Zoning Commission with the drafting of affordable housing regulations (Housing Opportunity District)
- Assisted Zoning Commission with comprehensive update of Site Plan Review standards
- Prepared successful application for the nomination of the Menunketesuck Greenway as a state designated greenway (in partnership with the Conservation Commission)

Town Center Revitalization Committee (TCRC):

- Completed environmental assessment and acquisition of 2 Westbrook Place & 1224 Boston Post Road funded by a Small Town Economic Assistance Program (STEAP) grant
- Continued to oversee the Adopt-A-Spot Program funded for a second year by a \$3,400 grant from the Westbrook Foundation
- Obtained town funding (\$20,000) to engage the UCONN Community Research and Design Collaborative to develop a Master Plan for Town Center and Flat Rock Place

Economic Development Committee:

- Installed Welcome Sign at exit 65 southbound off-ramp
- Worked with TCRC to initiate UCONN study

Zoning: During Fiscal Year 2011-2012, the Zoning Commission continued amending the Zoning Regulations, along with reviewing several residential and commercial projects. To raise public awareness of Coastal Hazards and minimize flood hazards, a Floodplain Management Resource Library was created. In addition, best management practices for Stormwater Management were updated. Also, as part of the Regulation amendments, the Site Plan Review section was revised to encourage the use of native plant species in landscaping, prohibit use of invasive species, incorporate Low Impact Development techniques, encourage green roofs and design of buildings to incorporate energy conservation principles.

Inland Wetlands and Watercourses Commission (IWWC): From July 1, 2011 to June 30, 2012, IWWC received thirteen new applications. The IWWC granted ten approvals during this time period at its regular meetings. There were six residential applications, six nonresidential applications, and one town application for utilities installation associated with the new Town garage.

Of note, the IWWC reviewed an attainable housing project located on Spencer Plains Road, a Lee Company proposal for an industrial building on Pettipaug Road, a utility corridor road extending from Pequot Park Road extension to Pond Meadow Road, and the Middlesex Hospital Shoreline Clinic on Flat Rock Place.

Recreation: This past summer, the department had large enrollments in many of our camps. From Teen Camp to Gymnastic Camp to even Broadway Bound Camp, the department does their best to satisfy the demands of all town residents. Its many diverse and popular programs draw people from all over the shoreline, and the department does their programming for tots, youth, adults and seniors all year long. Westbrook Recreation is affordable, fun and is "Where the Benefits are Endless!"

Public Works:

- The department completed the restoration of McVeagh Road, which was heavily damaged during the storms of March 2010. The project was funded completely with Federal ARRA and State bond funds.
- The department completed the move of the town garage to a new facility on Horse Hill Road as a result of a land swap between the Town and the State of Connecticut. Improvements to the former state facility and the construction of a new public works facility commenced under a \$1,500,000 grant from the State of Connecticut.

Notable Event: Tropical Storm Irene

During the last days of August 2011 Westbrook and other towns in Connecticut were struck by what started out as Hurricane Irene and ended up as Tropical Storm Irene. The Town suffered significant damage to its infrastructure. On September 2, 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 is 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 Tropical Storm Irene. Based on the damage assessments, the Town on October 3, 2011, appropriated \$400,000 from its Capital and Non-Recurring Expenditure Fund unassigned reserves to fund the restoration effort.

The Town expended \$393,954 on the effort, more than half of which was related to the restoration of town beaches and seawalls. The Federal Emergency Management Agency reimbursed the town \$270,421, 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 \$15,225 for property damaged that was covered by our property insurance. The net cost to the Town of Westbrook as a result of the storm was \$108,308 which means that of the \$400,000 appropriated for the event, \$291,692 was returned to the CNRE 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 object (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 2012 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.

Acknowledgments

The preparation of this annual financial report on a timely basis was made possible by the efficient and dedicated service of Carol Hess and Kim Zdon of 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

**TOWN OF WESTBROOK, CONNECTICUT
ORGANIZATIONAL CHART**

VOTERS

BOARD OF FINANCE

BOARD OF EDUCATION

PLANNING AND ZONING COMMISSION

BOARD OF ASSESSMENT

REGISTRARS OF VOTERS

TOWN TREASURER

LIBRARY DIRECTORS

ZONING BOARD OF APPEALS

TOWN CLERK

TAX COLLECTOR

FIRST SELECTMAN

BOARD OF SELECTMEN

APPOINTS

APPROVES

APPOINTS

TOWN ATTORNEY

DIRECTOR OF EMERGENCY SERVICES

DIRECTOR OF FINANCE

DIRECTOR OF PUBLIC WORKS

BUILDING OFFICIAL

ANIMAL CONTROL OFFICER

DIRECTOR OF HEALTH

SANITATION

DIRECTOR OF SOCIAL SERVICES

SENIOR CENTER DIRECTOR

HOUSING AUTHORITY

ASSESSOR

**CONSERVATION AND INLAND
WETLANDS COMMISSION**

ECONOMIC DEVELOPMENT COMMISSION

WATER POLLUTION CONTROL AUTHORITY

CONSTABLES

FIRE MARSHALL

TREE WARDEN

**TOWN OF WESTBROOK, CONNECTICUT
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2012**

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
Barbara Lupa	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
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	Planning Officer
George Rehberg	Fire Marshall
John Riggio	Director of Public Works
Nancy Rudek	Zoning Officer
Roger Zito	Building Official
Carol Blancato	Superintendent of Schools
Lesley Wysocki	Business Manager
Michael Wells	Town Attorney

FINANCIAL SECTION

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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

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, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof, for the year then ended, in conformity with U.S. generally accepted accounting principles and the respective budgetary comparison for the General Fund.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 7, 2012 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Government 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westbrook, Connecticut's financial statements as a whole. The introductory section, supplementary information and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Act, and are not a required part of the financial statements. The supplementary information, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information, schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole. The introductory section and statistical tables 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 it.

Seward and Monde

North Haven, Connecticut
December 7, 2012

**Town of Westbrook, Connecticut
Management's Discussion and Analysis
June 30, 2012**

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, 2012.

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 \$40,795,681 (net assets). Of this amount, \$6,331,956 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, the Town's total net assets increased by \$1,808,001. 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 \$6,097,578, a decrease of \$596,408 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,951,075, or 14.7% of total budgeted general fund expenditures and transfers out 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 general obligation bonds decreased by \$2,515,000 (10.3%) during the current fiscal year. The key contributors in this were \$2,570,000 in general obligation bond principal payments and a net increase of \$55,000 from the November 2011 refunding.

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

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 FY12, five funds were closed due to inactivity and lack of purpose. One new fund, the Town Clerk Fund, was added during the fiscal year to account for fees collected by the Town Clerk to be used at the discretion of that elected official. 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 and 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 proprietary 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 and OPEB benefits 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 assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$40,795,681 at the close of the most recent fiscal year.

All of the Town's positive net assets reflect its 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 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 assets.

Governmental Activities. Governmental activities increased the Town's net assets by \$1,808,001. 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 assets.

Major revenue factors included:

- Current property tax revenues were lower by \$169,235, primarily due to the economy which continued to affect taxpayers' ability to pay on a timely basis. However, prior year collections were \$169,923 greater than estimates. In addition, the town collected \$39,582 more than expected interest and lien fees collections. Total property tax collections were 99.7%, slightly higher than the 99.3% from last fiscal year.
- Charges for services were flat as compared to the prior year, but higher than estimates by \$267,388 primarily in higher town clerk fees, land use fees, building permits, private duty revenues and nursing fees.
- Operating grants and contributions increased by \$850,443 almost entirely to an increase in aid to education and FEMA reimbursement from Tropical Storm Irene.
- Capital grants and contributions decreased by \$137,864 due to lower state grant reimbursements for capital projects.

Major expense factors included:

- Overall expenses increased \$1,965,609, 8.1% higher than FY2011. There were no notable increases or decreases in Town expenditures.
- The cost of education services increased \$241,653, a 1.4% increase over FY2011 and in line with prior year increases. The largest component of that increase is salaries and benefits for both certified and non-certified staff.

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, unreserved 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 \$6,097,578, a decrease of \$596,408 in comparison with the prior year. The decrease is mostly attributable to Capital Nonrecurring Fund capital expenditures offset by an increase in the General Fund.

The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,951,075. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.7% of total General Fund expenditures and other financing uses.

The fund balance of the Town's General Fund increased by \$787,861 compared to an increase of \$758,788 for FY2011.

GENERAL FUND BUDGETARY HIGHLIGHTS.

Differences between the original budget and the final amended expenditure budget were \$38,282, including \$19,500 for the After School program in the Department of Recreation funded with service charges and a grant of \$4,600 from VISTA for contributions to various community organizations. For the first time, there were no appropriations of fund balance during the fiscal year, except for a small carryover from the prior year. This was primarily due to a contingency budget of \$100,000 in the FY2012 adopted budget. Of this contingency budget \$90,046 was transferred to various departments during the fiscal year.

During the year, revenues were higher than budgetary estimates by \$265,287, or 1%, mainly in intergovernmental revenues and charges for service. This variance is immaterial. Expenditures were \$401,776 or 1.6% less than budgetary estimates, thus eliminating the need to draw upon fund balance.

Over the past five fiscal years from FY2008 through FY2012, actual expenditures have been lower than the adopted budget averaging 2.1%. This pattern demonstrates the good management of their budgets by town department managers.

For fiscal year 2012 on a summary basis, Town agencies delivered budgetary savings of nearly 53.7% while the Board of Education provided insignificant budgetary savings.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$56,081,484 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure.

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

- Continued investment in the Town's new public works facility added \$95,099. The original project budget of \$1,517,000 is 9.3% complete.

- A portion of Clinton Road was reconstructed at a cost of \$300,000.
- The Town added \$632,997 in capital equipment to the town inventory of assets, including \$417,882 for a new fire rescue truck, \$115,425 for a new backhoe, and \$29,908 for a 2012 Dodge Charger police vehicle.

Additional information on the Town's capital assets can be found in Note 5.

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

Capital Financing

The Town finances capital projects for both the Town and Board of Education through the Capital Nonrecurring Fund (CNRF). 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 CNRF 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 2012, the Town General Fund contributed \$363,000 in planned contributions for various purposes. Additional income in the CNRF came from state grant reimbursements of \$698,251; \$15,225 from insurance recoveries; and interest on investments of \$491. There were also \$142,109 in transfers of the residual fund balance of funds closed during the year. Total revenues and other resources were \$1,222,076.

New appropriations for 27 projects and programs in the CNRF during FY2012 totaled \$1,518,970. Expenditures by project year were: FY2010, \$207,090; FY2011, \$817,273 and FY2012, \$972,439. Total expenditures for all projects and programs totaled \$1,996,802. Eighteen projects were closed.

Expenditures exceeded revenues and other resources by \$774,726. At the end of the fiscal year, the CNRF had \$851,168 in its total committed fund balance.

Long-term Debt. At the end of the current fiscal year, the Town had \$21,795,000 of long-term bonded debt outstanding (excluding premiums and deferred charges). 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, 2011 the \$595,000 general obligation bond anticipation notes came due. The Town issued \$195,000 in one year bond anticipation notes at a very attractive interest rate of .892%. A principal pay down of \$200,000 was included in the annual General Fund Fiscal Year 2011-12 budget operating budget. In a review of the completed project by the Town's Director of Finance, it was determined that the Town had an unexpended balance of \$206,922 in the project account as a result of state grant reimbursements for the project. As a result, the Board

of Finance at its June 15, 2011 meeting voted to apply this residual balance to the maturing notes, \$200,000 to principal and the remainder to interest. Of the \$595,000 in notes due July 21, 2011, \$400,000 was paid down and the balance of \$195,000 reissued for one year.

On December 15, 2011 the Town issued \$9,610,000 of General Obligation Refunding Bonds, with interest rates of 2.0% to 4.0% to currently refund \$2,515,000 of the outstanding principal and advance refund \$7,040,000 of the outstanding principal amount of the Town's general obligation bond issues of \$4,170,000, dated January 19, 2006 and \$13,360,000, dated November 1, 2004, respectively (Refunded Bonds). This refunding reduced total debt service payments by \$536,850 over the next 13 years. The Refunded Bonds were to mature at various dates through June 15, 2024 but were called on January 16, 2012 and June 15, 2014, respectively.

In conjunction with that refunding, the Town's credit rating was upgraded by Moody's Investors Service to an Aa2 from an "A1" for its general obligation debt.

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 \$159,119,429, 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 two authorized statewide investment pools, Connecticut CLASS and the State Treasurer's Investment Fund (STIF).

Significant changes were made in the cash management and investment of town funds during the fiscal year. With the assistance of the Town Treasurer, 25 bank accounts were closed. The monies in those accounts were transferred to the Town's General Account where the accounting system manages the "equity in pooled cash" balances of all funds. The three Connecticut CLASS accounts were also closed as they were no longer necessary to facilitate money transfer activities of the town. 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 .03% interest on the balance of town funds. The State Treasurer's Investment Fund (STIF), however, offers from .21% interest. 92% of the Town's funds are invested.

On June 30, 2012, the General Fund had cash and investments of \$4,120,441. There was \$1,864,529 in the CNRF, primarily for the new infrastructure and facility improvement projects approved in the 2011 and 2012. The Health Insurance Fund had cash of \$2,284,132 which is exclusively reserved for the payment of health claims. The total cash and investments for all funds, exclusive of Pension Funds, was \$10,289,115.

During the fiscal year, all cash accounts 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 FY2012, union employees contributed 11% to the cost of health care benefits, while non-union employees contributed 9%.

Benefits are paid via a third party administrator, Anthem Blue Cross & Blue Shield. Each year during the budget process the Ganim Group, the Town's health consultants, 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 25% 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, 2011 to offset the FY2012 health insurance budget.

The Health Insurance Fund ended the fiscal year with an operating loss of \$411,751 due to higher than anticipated claims costs. However, \$296,000 of the Fund's reserves were intended to be used during the fiscal year. At the end of fiscal year 2012, the reserves were \$1,820,773, of which \$341,430 was used as an offset to the FY2013 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.

During fiscal year 2012, the Town contributed the actuarially required contribution (ARC) to the three Town's pension plans. Net assets of the combined plans increased from \$6,182,638 to \$6,226,477. Additions to the plan included \$363,569 in employer contributions, \$109,163 in

plan member contributions, \$200,455 in interest and dividends, and a loss of \$236,474 in the net fair value of investments. Deductions included \$329,081 in benefits and \$63,793 for administration. Benefit payments totaled 84% of the disbursements from the Pension Funds.

Actuarial valuations were conducted on all three plans as of June 30, 2011. 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 2013 will increase from \$363,262 to \$453,990, a \$90,728 or 25% increase. This increase in the ARC is due to a large increase in the unfunded liability from 2009 to 2011 due to several factors. Liabilities increased due to changes in the actuarial assumptions. These changes included a decrease in the interest rate from 7.5% to 7.0% (causing an increase in liability), a decrease in the salary scale from 5.0% to 4.0% (causing a decrease in the liability), and a change to a mortality table that includes future mortality improvement (again increasing liabilities). This increase in liability, combined with lower than expected returns on the actuarial value of assets, caused an increase in the unfunded actuarial accrued liability.

ECONOMIC FACTORS

- The unemployment rate for the Town as of June 2012 was 7.2%, which is a slight increase from a rate of 7.1% a year ago. This compares very favorably to the state's average unemployment rate of 8.1% and the national average rate of 8.2%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2011-12 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 Assets

	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 11,450,223	\$ 13,016,229
Capital assets, net	<u>56,081,484</u>	<u>55,782,726</u>
 Total assets	 <u>67,531,707</u>	 <u>68,798,955</u>
 Long-term liabilities	 21,134,722	 23,938,894
Other liabilities	<u>5,601,304</u>	<u>5,904,884</u>
 Total liabilities	 <u>26,736,026</u>	 <u>29,843,778</u>
 Net assets:		
Invested in capital assets, net of related debt	34,429,651	31,186,356
Restricted	34,074	34,074
Unrestricted	<u>6,331,956</u>	<u>7,734,747</u>
 Total net assets	 <u>\$ 40,795,681</u>	 <u>\$ 38,955,177</u>

Table 2
Town of Westbrook
Condensed Statement of Activities

	<u>2012</u>	<u>2011</u>
Expenses:		
General government	\$ 3,168,589	\$ 2,652,059
Public safety	1,457,600	1,668,253
Public works	1,599,754	241,464
Development and community affairs	465,112	405,808
Health and welfare	689,382	651,167
Culture and recreation	876,824	832,379
Education	17,105,639	16,863,986
Interest expense	<u>868,249</u>	<u>950,424</u>
 Total expenses	 <u>26,231,149</u>	 <u>24,265,540</u>
 Program Revenues:		
Charges for services	1,399,598	1,400,413
Operating grants and contributions	3,024,113	2,173,670
Capital grants and contributions	<u>390,059</u>	<u>527,923</u>
 Total program revenues	 <u>4,813,770</u>	 <u>4,102,006</u>
 Net Expenses	 <u>(21,417,379)</u>	 <u>(20,163,534)</u>
 General Revenues:		
Governmental activities:		
Property taxes	22,801,513	22,970,748
Grants and contributions not restricted to specific programs	402,673	480,546
Investment income	<u>21,194</u>	<u>31,490</u>
 Total general revenues	 <u>23,225,380</u>	 <u>23,482,784</u>
 Increase in Net Assets	 1,808,001	 3,319,250
 Net assets, beginning, as restated	 <u>38,987,680</u>	 <u>35,635,927</u>
 Net assets, ending	 <u><u>\$40,795,681</u></u>	 <u><u>\$38,955,177</u></u>

Table 3
Town of Westbrook
Capital Assets - Net

	2012	2011
Land	\$ 4,660,055	\$ 4,502,669
Construction in progress	673,002	537,477
Buildings and improvements	46,047,003	46,764,441
Machinery, equipment and vehicles	1,726,800	1,268,185
Infrastructure	2,974,624	2,709,954
 Total	 \$ 56,081,484	 \$ 55,782,726

BASIC FINANCIAL STATEMENTS

TOWN OF WESTBROOK, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 7,508,319
Investments	2,311,363
Receivables (net):	
Property taxes	323,062
Intergovernmental	658,468
Other	168,229
Prepaid expenses	110
Inventory	10,057
Bond issue costs	17,089
	10,996,697
Total current assets	
Noncurrent assets:	
Receivables (net):	
Property taxes	322,470
Bond issue costs	131,056
	453,526
Total other noncurrent assets	
Capital assets (net of accumulated depreciation):	
Land	4,660,055
Construction in progress	673,002
Buildings and improvements	46,047,003
Machinery, equipment and vehicles	1,726,800
Infrastructure	2,974,624
	56,081,484
Total capital assets (net of accumulated depreciation)	
Total noncurrent assets	56,535,010
Total assets	67,531,707
LIABILITIES	
Current liabilities:	
Accounts payable	1,061,184
Accrued liabilities	22,014
Accrued interest payable	256,795
Deferred revenue	1,647,003
Bond anticipation note	195,000
Bonds payable and related liabilities	2,360,000
Other liabilities	59,308
	5,601,304
Total current liabilities	
Noncurrent liabilities:	
Bonds payable and related liabilities	19,096,833
Other liabilities	2,037,889
	21,134,722
Total noncurrent liabilities	
Total liabilities	26,736,026
NET ASSETS	
Invested in capital assets, net of related debt	34,429,651
Restricted for:	
Nonexpendable permanent endowments	34,074
Unrestricted	6,331,956
	\$ 40,795,681
Total net assets	

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, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 1,215,658	\$ 479,453	\$ 3,500	\$ 157,302	(\$ 575,403)
Public safety	1,457,600	88,123	15,265	-	(1,354,212)
Public works	1,599,754	61,880	404,271	232,757	(900,846)
Development and community affairs	465,112	-	-	-	(465,112)
Health and welfare	689,382	402,691	23,469	-	(263,222)
Culture and recreation	876,824	219,525	31,401	-	(625,898)
Education	17,105,639	147,926	2,546,207	-	(14,411,506)
Non-departmental	1,952,931	-	-	-	(1,952,931)
Interest expense	868,249	-	-	-	(868,249)
Total	26,231,149	1,399,598	3,024,113	390,059	(21,417,379)
General revenues:					
					22,801,513
					402,673
					21,194
Total general revenues and contributions					23,225,380
Change in net assets					1,808,001
Net assets - July 1, 2011, as restated					38,987,680
Net assets - June 30, 2012					\$ 40,795,681

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

**TOWN OF WESTBROOK, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,008,797	\$ 1,864,529	\$ 1,350,861	\$ 5,224,187
Investments	2,111,644	-	199,719	2,311,363
Receivables (net):				
Property taxes	530,431	-	-	530,431
Intergovernmental	112,232	431,014	11,705	554,951
Other	63,693	-	104,536	168,229
Inventory	10,057	-	-	10,057
Prepaid expenses	110	-	-	110
Due from other funds	-	-	157	157
	<u>\$ 4,836,964</u>	<u>\$ 2,295,543</u>	<u>\$ 1,666,978</u>	<u>\$ 8,799,485</u>
Total assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 258,314	\$ 68,763	270,748	\$ 597,825
Accrued liabilities	22,014	-	-	22,014
Due to other funds	157	-	-	157
Deferred revenue	595,237	1,375,612	111,062	2,081,911
	<u>875,722</u>	<u>1,444,375</u>	<u>381,810</u>	<u>2,701,907</u>
Total liabilities				
Fund Balances:				
Nonspendable	10,167	-	34,074	44,241
Restricted	-	-	1,151,111	1,151,111
Committed	-	851,168	53,047	904,215
Assigned	-	-	48,496	48,496
Unassigned	3,951,075	-	(1,560)	3,949,515
	<u>3,961,242</u>	<u>851,168</u>	<u>1,285,168</u>	<u>6,097,578</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 4,836,964</u>	<u>\$ 2,295,543</u>	<u>\$ 1,666,978</u>	<u>\$ 8,799,485</u>

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

**TOWN OF WESTBROOK, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2012**

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	\$ 6,097,578
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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	55,782,726
Current year additions	1,233,455
Depreciation expense	(902,741)
Loss on disposal of capital assets	(31,956)
	56,081,484

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	115,101
Property tax receivable - accrual basis change	434,908
School building grant receivable	103,517
Bond issue costs	148,145
Deferred loss on refunding	1,461,456

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 assets	1,820,773
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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:

Bond anticipation note	(195,000)
Bonds payable	(21,795,000)
Bond premiums	(1,123,289)
Other post employment benefits	(778,784)
Compensated absences	(121,541)
Net pension obligation	(45,305)
Landfill closure costs	(1,151,567)
Accrued interest payable	(256,795)
	(13,475,281)

Net assets of governmental activities	\$ 40,795,681
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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, 2012**

	General	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 22,821,938	\$ -	\$ -	\$ 22,821,938
Intergovernmental	3,067,410	698,251	357,245	4,122,906
Charges for services	1,199,408	15,225	521,542	1,736,175
Contributions	-	3,000	19,151	22,151
Investment income	8,960	491	11,732	21,183
Total revenues	<u>27,097,716</u>	<u>716,967</u>	<u>909,670</u>	<u>28,724,353</u>
EXPENDITURES:				
Current:				
General government	812,517	184,048	34,901	1,031,466
Public safety	1,355,153	-	24,992	1,380,145
Public works	1,136,419	-	-	1,136,419
Development and community affairs	455,571	-	9,541	465,112
Health and welfare	684,754	-	343,639	1,028,393
Culture and recreation	855,635	-	15,163	870,798
Education	15,984,126	-	526,273	16,510,399
Non-departmental	1,518,312	-	-	1,518,312
Capital outlay	-	1,606,821	5,094	1,611,915
Debt service	3,683,060	205,933	-	3,888,993
Total expenditures	<u>26,485,547</u>	<u>1,996,802</u>	<u>959,603</u>	<u>29,441,952</u>
Excess (deficiency) of revenues over expenditures	<u>612,169</u>	<u>(1,279,835)</u>	<u>(49,933)</u>	<u>(717,599)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from general obligation refunding bonds	9,610,000	-	-	9,610,000
Premium on general obligation refunding bonds	735,321	-	-	735,321
Payment to escrow agent	(10,224,130)	-	-	(10,224,130)
Transfers in	437,501	505,109	20,000	962,610
Transfers out	(383,000)	-	(579,610)	(962,610)
Net other financing sources (uses)	<u>175,692</u>	<u>505,109</u>	<u>(559,610)</u>	<u>121,191</u>
Net change in fund balance	787,861	(774,726)	(609,543)	(596,408)
Fund balances - July 1, 2011	<u>3,173,381</u>	<u>1,625,894</u>	<u>1,894,711</u>	<u>6,693,986</u>
Fund balances - June 30, 2012	<u>\$ 3,961,242</u>	<u>\$ 851,168</u>	<u>\$ 1,285,168</u>	<u>\$ 6,097,578</u>

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

**TOWN OF WESTBROOK, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net change in fund balances - total governmental funds (\$ 596,408)

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	1,233,455
Depreciation expense	(902,741)
Loss on disposal of capital assets	(31,956)
Total	<u>298,758</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	(325,767)
Decrease in property tax receivable - accrual basis change	(20,425)
Total	<u>(346,192)</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:

Debt issued:	
General obligation refunding bonds	(9,610,000)
Premium on bonds	(735,321)
Bond issue costs	71,400
Principal repayments:	
Bond anticipation notes	400,000
General obligation bonds	2,570,000
Payment to escrow agent	10,224,130
Total	<u>2,920,209</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	(20,656)
Amortization of bond premium	94,702
Amortization of bond issuance costs	(27,473)
Amortization of deferred charges	(120,051)
Compensated absences	10,269
Net pension obligation	1,766
Other post employment benefits (OPEB)	(29,905)
Landfill closure	34,568
Total	<u>(56,780)</u>

Internal service funds are used by management to charge costs of medical insurance premiums to individual departments (411,586)

Change in net asset of governmental activities \$ 1,808,001

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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes, interest and lien fees	\$ 22,885,565	\$ 22,885,565	\$ 22,821,938	(\$ 63,627)
Intergovernmental	1,419,508	1,425,959	1,501,925	75,966
Charges for services	913,020	932,020	1,199,408	267,388
Investment income	23,400	23,400	8,960	(14,440)
	<u>25,241,493</u>	<u>25,266,944</u>	<u>25,532,231</u>	<u>265,287</u>
Expenditures:				
Current:				
General government	831,901	853,356	812,517	40,839
Public safety	1,460,940	1,475,242	1,355,153	120,089
Public works	1,290,521	1,305,082	1,136,419	168,663
Development and community affairs	474,041	492,715	455,571	37,144
Health and welfare	679,803	697,923	684,754	13,169
Culture and recreation	865,216	896,114	855,635	40,479
Non-departmental	1,633,288	1,553,560	1,518,312	35,248
Board of Education	14,418,685	14,418,685	14,418,641	44
Debt service	3,629,161	3,629,161	3,683,060	(53,899)
	<u>25,283,556</u>	<u>25,321,838</u>	<u>24,920,062</u>	<u>401,776</u>
Excess of revenues over expenditures	(42,063)	(54,894)	612,169	667,063
Other Financing Sources (Uses):				
Proceeds from general obligation refunding bonds	-	-	9,610,000	9,610,000
Premium on general obligation refunding bonds	-	-	735,321	735,321
Payment to escrow agent	-	-	(10,224,130)	(10,224,130)
Appropriation of fund balance	-	2,213	-	(2,213)
Transfers out	(383,000)	(383,000)	(383,000)	-
Transfers in	435,681	435,681	437,501	1,820
	<u>52,681</u>	<u>54,894</u>	<u>175,692</u>	<u>120,798</u>
Net other financing sources (uses)	<u>52,681</u>	<u>54,894</u>	<u>175,692</u>	<u>120,798</u>
Net change in fund balance	<u>\$ 10,618</u>	<u>\$ -</u>	<u>787,861</u>	<u>\$ 787,861</u>
Budgetary Fund Balance - July 1, 2011			<u>3,173,381</u>	
Budgetary Fund Balance - June 30, 2012			<u>\$ 3,961,242</u>	

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

**TOWN OF WESTBROOK, CONNECTICUT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	Governmental Activities
	<u>Internal Service Fund</u>
<u>ASSETS</u>	
Cash	\$ 2,284,132
Total assets	<u>2,284,132</u>
<u>LIABILITIES</u>	
Liability:	
Accounts payable	238,152
Claims incurred but not reported	<u>225,207</u>
Total liabilities	<u>463,359</u>
<u>NET ASSETS</u>	
Net Assets:	
Unrestricted	<u>\$ 1,820,773</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 FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Charges for services	\$ 2,837,026	
Operating Expenses:		
Claims incurred		2,880,600
Administration		<u>368,177</u>
Total Operating Expenses		<u>3,248,777</u>
Operating loss before nonoperating revenues	(411,751)	
Nonoperating Revenues:		
Investment income		<u>165</u>
Change in Net Assets	(411,586)	
Net Assets - July 1, 2011		<u>2,232,359</u>
Net Assets - June 30, 2012		<u><u>\$ 1,820,773</u></u>

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, 2012**

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Cash received for charges for services	\$ 2,837,011
Cash paid for benefits and claims	(2,591,937)
Cash paid for administration	<u>(368,177)</u>
Net cash used by operating activities	(123,103)
Cash Flows from Investing Activities:	
Income from investments	<u>165</u>
Net change in cash	(122,938)
Cash - July 1, 2011	<u>2,407,070</u>
Cash- June 30, 2012	<u><u>\$ 2,284,132</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(\$ 411,751)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	209,632
Decrease in due to other funds	(15)
Increase in claims incurred but not reported	<u>79,031</u>
Net cash used by operating activities	<u><u>(\$ 123,103)</u></u>

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

**TOWN OF WESTBROOK, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 60,231	\$ 469,433
Investments at fair value:		
Mutual funds:		
Equity	3,822,969	-
Fixed income	2,137,148	-
Balanced	206,129	-
Total investments	<u>6,166,246</u>	<u>-</u>
Total Assets	<u>6,226,477</u>	<u>\$ 469,433</u>
<u>LIABILITY</u>		
Liability:		
Accounts payable	<u>-</u>	<u>\$ 469,433</u>
Net assets held in trust for pension benefits	<u>\$ 6,226,477</u>	

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

**TOWN OF WESTBROOK, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 363,569
Plan members	<u>109,163</u>
Total contributions	<u>472,732</u>
Investment income:	
Net depreciation in fair value of investments	(236,474)
Interest and dividends	<u>200,455</u>
Total investment income	<u>(36,019)</u>
Total Additions	<u>436,713</u>
Deductions:	
Benefits	329,081
Administration	<u>63,793</u>
Total deductions	<u>392,874</u>
Change in net assets	43,839
Net assets - July 1, 2011	<u>6,182,638</u>
Net assets - June 30, 2012	<u><u>\$ 6,226,477</u></u>

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

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TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Westbrook, Connecticut (the "Town") 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 significant accounting policies are described below:

A. Reporting Entity

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.

As required by generally accepted accounting principles, the financial statements of the reporting entity include only the funds and account groups of the Town of Durham (the primary government) as no other component units exist based on operational or financial relationships with the Town.

B. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the 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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement but are accounted for on 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.

C. Fund Financial Statements

Governmental Funds

Governmental 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 assets presented in the government-wide financial statements. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Proprietary and Fiduciary funds are reported by type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Property taxes, intergovernmental revenues, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received.

Expenditures, including capital outlays, 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.

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.

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 governmental 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 Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

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 assets 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.

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

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Proprietary Funds

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 assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 to for sales and 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.

The Town reports the following proprietary fund type:

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

Fiduciary Funds

Fiduciary Fund Financial Statements include a statement of net assets and a statement of changes in net assets. 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. The agency funds are accounted for on a spending of current financial resources measurement focus and the modified accrual basis of accounting as are the governmental funds explained above.

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

D. Cash, Cash Equivalents and Investments

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

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. Investment income is recorded in the fund in which it was earned.

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

Investments for the Town are reported at fair value.

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.

E. Receivables and Payables

Interfunds

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).

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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.

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, 2012, and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2012, which have not been collected within 60 days of June 30, 2012, have been recorded as deferred revenue, 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.

F. Prepaid Expenses

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.

G. 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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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. 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

H. 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.

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, 2012 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.

I. 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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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.

J. Fund Equity

Government-wide Statements

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

- a. Invested in Capital Assets, Net of Related Debt - 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 Net Assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

- c. Committed Fund Balance - represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Westbrook Town Meeting).
- 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.

K. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Subsequent Events

Management has evaluated events through December 7, 2012, the date the financial statements were available to be issued.

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 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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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.

Budget - GAAP Reconciliation

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

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Budgetary basis (page 21)	\$ 36,315,053	\$ 35,527,192
State Teachers' Retirement on-behalf payment	<u>1,565,485</u>	<u>1,565,485</u>
GAAP basis (page 19)	<u><u>\$ 37,880,538</u></u>	<u><u>\$ 37,092,677</u></u>

Note 3 - Cash and Investments

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 deposits with financial institutions at June 30, 2012 was \$8,437,889.

Cash - Custodial Credit Risk

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Investments

At June 30, 2012, 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	\$ 3,822,969	\$ 3,822,969	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	2,336,867	-	344,168	1,689,150	303,549
Balanced Mutual Funds	206,129	-	-	-	206,129
Pooled Fixed Income	2,111,644	2,111,644	-	-	-
Total	<u>\$ 8,477,609</u>	<u>\$ 5,934,613</u>	<u>\$ 344,168</u>	<u>\$ 1,689,150</u>	<u>\$ 509,678</u>

The entirety of the \$2,111,644 of pooled fixed income was invested in STIF.

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, 2012, the Town has no investments subject to custodial credit risk.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . 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	\$ 237,514	\$ 85,548	\$ 323,062
Long-term portion	\$ 292,917	\$ 188,629	\$ 481,546
Less: Allowances for uncollectibles	(79,565)	(79,511)	(159,076)
Net long-term portion	\$ 213,352	\$ 109,118	\$ 322,470

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds 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 revenue and unearned revenue reported in the governmental funds were as follows:

Deferred Revenue:

Delinquent property taxes (general fund)	\$ 434,908
Unearned property taxes (general fund)	160,329
Unearned grant revenue (capital nonrecurring fund)	1,375,612
Unearned grant revenue (boe grants fund)	9,347
Deferred loans (small cities repayment fund)	101,715
	\$ 2,081,911

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance July 1, 2012
Capital Assets, not being depreciated:				
Land	\$ 4,502,669	\$ 157,386	\$ -	\$ 4,660,055
Construction in progress	537,477	135,525	-	673,002
Total Capital assets, not being depreciated	<u>5,040,146</u>	<u>292,911</u>	<u>-</u>	<u>5,333,057</u>
Capital Assets, being depreciated:				
Buildings and improvements	51,498,151	4,633	-	51,502,784
Machinery, equipment and vehicles	3,368,929	632,997	181,444	3,820,482
Infrastructure	3,364,811	302,914	-	3,667,725
Total Capital Assets, being depreciated	<u>58,231,891</u>	<u>940,544</u>	<u>181,444</u>	<u>58,990,991</u>
Total Capital Assets	<u>63,272,037</u>	<u>1,233,455</u>	<u>181,444</u>	<u>64,324,048</u>
Less Accumulated Depreciation for:				
Buildings and improvements	4,730,837	724,944	-	5,455,781
Machinery, equipment and vehicles	2,103,617	139,553	149,488	2,093,682
Infrastructure	654,857	38,244	-	693,101
Total Accumulated Depreciated	<u>7,489,311</u>	<u>902,741</u>	<u>149,488</u>	<u>8,242,564</u>
Total Capital Assets, being depreciated, net	<u>50,742,580</u>	<u>37,803</u>	<u>31,956</u>	<u>50,748,427</u>
Government Activities Capital Assets, net	<u>\$ 55,782,726</u>	<u>\$ 330,714</u>	<u>\$ 31,956</u>	<u>\$ 56,081,484</u>

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

General government	\$ 129,509
Public safety	77,455
Public works	87,487
Culture and recreation	6,026
Education	<u>602,264</u>
Total depreciation expense	<u>\$ 902,741</u>

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Note 6 - Interfund Accounts

Interfund Balances

Interfund balances consisted of the following at June 30, 2012, as reported in the fund financial statements:

	Due From	Due To	
General Fund	\$ -	\$ 157	
Nonmajor Governments Funds:			
Westbrook Nurses	157	-	
Grand Total	\$ 157	\$ 157	

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, 2012
. . . Continued . . .

Interfund Transfers

Interfund transfers for the year ended June 30, 2012, consisted of the following, as reported in the fund financial statements:

	<u>Transfer In</u>	<u>Transfer Out</u>	
General Fund	\$ 437,501	\$ 383,000	
Major - Capital Nonrecurring	505,109	-	
Nonmajor Governments Funds:			
Bonded Projects	-	436,328	
Evictions Fund	-	1,173	
Dog Fund	20,000	-	
Bonded Projects	-	104,071	
Weatherhead Fund	-	2,509	
Town Improvement Fund	-	35,529	
Total Nonmajor Governmental Funds	<u>20,000</u>	<u>579,610</u>	
Grand Total	<u>\$ 962,610</u>	<u>\$ 962,610</u>	

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, 2012
. . . 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, 2011	Additions	Deductions / Defeasance	Balance June 30, 2012	Current Portion
General Obligation Bonds									
General Purpose:									
Open space acquisition	\$ 2,160,000	11/01/04	06/15/24	3.00%-5.00%	\$ 1,400,000	\$ -	\$ 1,160,000	\$ 240,000	\$ 120,000
Refunding bond	3,064,000	01/19/06	09/15/19	3.50%-4.00%	2,098,000	-	2,098,000	-	-
Library project	3,550,000	03/15/07	03/15/27	4.00%-4.50%	150,000	-	150,000	-	-
Refunding bond	3,162,000	10/12/10	07/01/26	1.50%-4.00%	3,162,000	-	7,000	3,155,000	215,000
Refunding bond	2,841,000	12/15/11	09/15/23	2.00%-4.00%	-	2,841,000	14,000	2,827,000	537,000
Total General Purpose					6,810,000	2,841,000	3,429,000	6,222,000	872,000
Schools:									
Improvement bond	12,575,000	03/15/92	03/15/12	5.50%-7.50%	600,000	-	600,000	-	-
Improvement bond	5,980,000	01/15/94	06/15/13	3.60%-5.60%	630,000	-	315,000	315,000	315,000
Improvement bond	11,200,000	11/01/04	06/15/24	3.00%-5.00%	7,800,000	-	6,600,000	1,200,000	600,000
Refunding bond	1,106,000	01/19/06	09/15/19	3.50%-4.00%	757,000	-	757,000	-	-
Improvement bond	8,400,000	01/01/06	01/01/26	4.00%-5.63%	350,000	-	350,000	-	-
Refunding bond	7,363,000	10/12/10	07/01/26	1.50%-4.00%	7,363,000	-	28,000	7,335,000	375,000
Refunding bond	6,769,000	12/15/11	09/15/23	2.00%-4.00%	-	6,769,000	46,000	6,723,000	198,000
Total Schools					17,500,000	6,769,000	8,696,000	15,573,000	1,488,000
Total General Obligation Bonds					24,310,000	9,610,000	12,125,000	21,795,000	2,360,000
Bond Premiums					482,671	735,320	94,702	1,123,289	-
Deferred Loss on Refundings					(791,309)	(790,198)	(120,051)	(1,461,456)	-
Total Bonds and Related Liabilities					24,001,362	9,555,122	12,099,651	21,456,833	2,360,000
Bond anticipation note					595,000	195,000	595,000	195,000	195,000
Other Long-Term Obligations:									
Compensated Absences					131,810	-	10,269	121,541	24,308
Net Pension Obligation					47,071	-	1,766	45,305	-
Other Post Employment Benefits (OPEB)					748,879	29,905	-	778,784	-
Landfill Closure Costs					1,186,135	-	34,568	1,151,567	35,000
Total Other Long-Term Obligations					2,113,895	29,905	46,603	2,097,197	59,308
Total General Long-Term Obligations					\$ 26,710,257	\$ 9,780,027	\$ 12,741,254	\$ 23,749,030	\$ 2,614,308

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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:

<u>Fiscal Year</u>	<u>Bonds Payable</u>		<u>Amounts to be Provided by the State</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,360,000	\$ 717,650	\$ 99,737	\$ 3,780
2014	1,790,000	636,600	-	-
2015	1,580,000	573,600	-	-
2016	1,580,000	527,275	-	-
2017	1,680,000	471,688	-	-
2018-2022	7,890,000	1,443,771	-	-
2023-2027	4,915,000	321,996	-	-
	<u>\$ 21,795,000</u>	<u>\$ 4,692,580</u>	<u>\$ 99,737</u>	<u>\$ 3,780</u>

Refunding Bonds - 2011 Issue

On December 15, 2011 the Town issued \$9,610,000 of General Obligation Refunding Bonds, with interest rates of 2.0% to 4.0% to advance refund \$7,040,000 and currently refund \$2,515,000 of the outstanding principal amounts of the Town's general obligation bond issues of \$13,360,000, dated November 1, 2004 and \$4,170,000, dated January 19, 2006, respectively (Refunded Bonds). This advance refunding will reduce total debt service payments by \$536,850 over the next 13 years. The Refunded Bonds were to mature at various dates through June 15, 2024 and September 15, 2019, but will be called on June 15, 2014 and were called on January 16, 2012, respectively.

The net proceeds of the 2011 Refunding Bonds of \$10,224,130 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds are called on various dates through June 15, 2014. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$9,555,000 were removed from the Town's balance sheet.

The difference of \$790,198 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the 2011 Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the year ended June 30, 2012 totaled \$31,546.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Bond Anticipation Notes

On July 21, 2011 the Town issued \$195,000 in general obligation bond anticipation notes in order to finance the Daisy Ingraham Elementary School roof project. The notes bear interest at 1.5% and are due on July 19, 2012.

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, 2012 the estimated monitoring costs for the next 23 years are \$1,151,567. This amount is based on estimates which are subject to change due to inflation, changes in technology or changes in applicable laws and regulations.

Authorized/Unissued Bonds

At June 30, 2012, the Town had the following authorized, unissued bonds:

Project Name	Amount Unissued
School Improvements:	
New middle school	\$ 87,446
Daisy Ingraham roof	260,251
	\$ 347,697

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Note 8 - Fund Balance

	General Fund	Capital Nonrecurring	Non-major Governmental Funds	Total
Fund balances:				
Nonspendable				
Inventory	\$ 10,057	\$ -	\$ -	\$ 10,057
Prepaid expenses	110	-	-	110
Nonexpendable				
permanent endowment	-	-	34,074	34,074
Restricted for:				
General government	-	-	20,770	20,770
Public safety	-	-	7,741	7,741
Development and community affairs	-	-	155,485	155,485
Health and welfare	-	-	42,306	42,306
Culture and recreation	-	-	320,410	320,410
Capital projects	-	-	604,399	604,399
Committed to:				
General government	-	-	-	-
Capital projects	-	851,168	53,047	904,215
Assigned to:				
General government	-	-	43,214	43,214
Education	-	-	5,282	5,282
Capital projects	-	-	-	-
Unassigned	3,951,075	-	(1,560)	3,949,515
Total fund balances	<u>\$ 3,961,242</u>	<u>\$ 851,168</u>	<u>\$ 1,285,168</u>	<u>\$ 6,097,578</u>

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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

	Town	Firefighters	Constables
Retirees and beneficiaries currently receiving benefits	36	12	1
Terminated vested participants	9	6	1
Active plan members	70	57	6
Total Plan Participants	115	75	8

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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 \$300 per month.

Annual Pension Cost and Net Pension Obligation (NPO)

The annual pension cost and net pension obligation to the Retirement Plan for the Employees of the Town of Westbrook as of June 30, 2012 were as follows:

	Town Plan	Firefighters' Plan	Constables' Plan
Annual required contribution	\$ 264,294	\$ 93,175	\$ 6,100
Interest on net pension obligation	290	2,490	750
Adjustment to annual required contribution	(443)	(3,979)	(874)
Annual pension cost	264,141	91,686	5,976
Contributions made	264,294	93,175	6,100
Increase (decrease) in net pension obligation	(153)	(1,489)	(124)
Net pension obligation, July 1, 2011	3,864	33,204	10,003
Net pension obligation, June 30, 2012	\$ 3,711	\$ 31,715	\$ 9,879

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

Three-year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>Town Plan</u>				
6/30/2010	\$ 156,308	\$ 156,475	100.1 %	\$ 4,023
6/30/2011	254,228	254,387	100.1	3,864
6/30/2012	264,141	264,294	100.1	3,711
<u>Firefighters' Plan</u>				
6/30/2010	\$ 85,470	\$ 86,736	101.5 %	\$ 34,578
6/30/2011	91,801	93,175	101.5	33,204
6/30/2012	91,686	93,175	101.6	31,715
<u>Constables' Plan</u>				
6/30/2010	\$ 7,244	\$ 7,348	101.4 %	\$ 10,116
6/30/2011	5,987	6,100	101.9	10,003
6/30/2012	5,976	6,100	102.1	9,879

Funding Status and Funding Progress

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarially Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL(UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a) / c)</u>
<u>Town Plan</u>						
7/1/2011	\$5,526,894	\$ 6,216,825	\$ 689,931	88.90 %	\$ 2,614,720	26.39 %
<u>Firefighters' Plan</u>						
7/1/2011	\$ 662,170	\$ 1,359,811	\$ 697,641	48.70 %	N/A	N/A
<u>Constables' Plan</u>						
7/1/2011	\$ 22,625	\$ 220,677	\$ 198,052	10.25 %	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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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	13 years
Constables' plan	25 years

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

	<u>Employees'</u> <u>Pension</u> <u>Trust Fund</u>	<u>Firefighters'</u> <u>Pension</u> <u>Trust Fund</u>	<u>Constables'</u> <u>Pension</u> <u>Trust Fund</u>	<u>Pension</u> <u>Trust</u> <u>Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 53,512	\$ 6,555	\$ 164	\$ 60,231
Investments at fair value:				
Mutual funds	<u>5,478,352</u>	<u>671,133</u>	<u>16,761</u>	<u>6,166,246</u>
Total Assets	<u>5,531,864</u>	<u>677,688</u>	<u>16,925</u>	<u>6,226,477</u>
<u>Net Assets</u>				
Net assets held in trust for pension benefits	<u>\$ 5,531,864</u>	<u>\$ 677,688</u>	<u>\$ 16,925</u>	<u>\$ 6,226,477</u>
Additions:				
Contributions:				
Employer	\$ 264,294	\$ 93,175	\$ 6,100	\$ 363,569
Plan members	<u>109,163</u>	<u>-</u>	<u>-</u>	<u>109,163</u>
Total contributions	<u>373,457</u>	<u>93,175</u>	<u>6,100</u>	<u>472,732</u>
Investment earnings:				
Net depreciation in fair value of investments	(210,302)	(25,239)	(933)	(236,474)
Interest and dividends	<u>178,727</u>	<u>21,038</u>	<u>690</u>	<u>200,455</u>
Total investment earnings	<u>(31,575)</u>	<u>(4,201)</u>	<u>(243)</u>	<u>(36,019)</u>
Total additions	<u>341,882</u>	<u>88,974</u>	<u>5,857</u>	<u>436,713</u>
Deductions:				
Benefits	255,481	67,600	6,000	329,081
Administration	<u>55,009</u>	<u>2,735</u>	<u>6,049</u>	<u>63,793</u>
Total deductions	<u>310,490</u>	<u>70,335</u>	<u>12,049</u>	<u>392,874</u>
Changes in net assets	31,392	18,639	(6,192)	43,839
Net Assets - July 1, 2011	<u>5,500,472</u>	<u>659,049</u>	<u>23,117</u>	<u>6,182,638</u>
Net Assets - June 30, 2012	<u>\$ 5,531,864</u>	<u>\$ 677,688</u>	<u>\$ 16,925</u>	<u>\$ 6,226,477</u>

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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 \$757,246,000, of which \$1,565,485 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, 2012, Town teachers contributed \$552,569 to the plan and covered Board of Education payroll for the year was approximately \$7,622,000.

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, 2012
. . . Continued . . .

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, 2012
. . . Continued . . .

Annual OPEB Cost and Net OPEB Obligation

The annual OPEB cost and net OPEB obligation to the plan as of June 30, 2012 were as follows:

	Town	Board
Annual required contribution (ARC)	\$ 38,943	\$ 51,593
Interest on net OPEB obligation	2,124	27,766
Adjustment to annual required contribution	(2,435)	(33,186)
Annual OPEB cost	38,632	46,173
Contributions made	12,211	41,067
Increase in net OPEB obligation	26,421	5,106
Net OPEB obligation, beginning of year	53,097	694,160
Net OPEB obligation, end of year	\$ 79,518	\$ 699,266

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>				
6/30/2012	\$ 38,632	\$ 12,211	31.61%	\$ 79,518
6/30/2013	40,504	12,345	30.48%	107,677
6/30/2014	42,549	12,868	30.24%	137,358
<u>Board</u>				
6/30/2012	\$ 46,173	\$ 41,067	88.94%	\$ 699,266
6/30/2013	46,766	44,448	95.04%	701,584
6/30/2014	48,346	50,771	105.02%	699,159

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . 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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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.

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, 2012, 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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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 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>
2009-2010	\$ 175,820	\$ 2,125,175	\$ 2,140,965	\$ 160,030
2010-2011	160,030	2,271,296	2,285,150	146,176
2011-2012	146,176	2,880,600	2,801,569	225,207

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.

TOWN OF WESTBROOK, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
. . . Continued . . .

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.

Note 14 - Adjustments

The Town has determined that the Library Restricted Gift Fund, which was previously reported as an agency fund, is a permanent fund. Accordingly, fund balance reclassifications made by the Town have resulted in an increase in the beginning fund balance of the governmental funds and beginning net assets of governmental activities in the amount of \$32,503.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

**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,						
2006	\$ 4,379,128	\$ 4,342,928	(\$ 36,200)	100.83 %	\$ 2,112,093	(1.71) %
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

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,						
2006	\$ 463,015	\$ 1,027,805	\$ 564,790	45.05 %	N/A	N/A
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

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

N/A - Not Applicable

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

TOWN EMPLOYEES' RETIREMENT SYSTEM

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 185,400	93.90 %
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

VOLUNTEER FIREFIGHTERS' PENSION

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 69,956	100.00 %
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

CONSTABLES' PENSION

<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

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

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
<u>Board</u>		
2009	\$ 245,473	10.58 %
2010	260,833	12.06
2011	277,137	10.87
2012	51,593	79.60

SUPPLEMENTARY INFORMATION

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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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes, Interest and Lien Fees:				
Current property taxes	\$ 22,610,065	\$ 22,610,065	\$ 22,320,795	(\$ 289,270)
Prior year collections	110,000	110,000	279,923	169,923
Interest and lien fees	100,000	100,000	139,582	39,582
Supplemental motor vehicle	65,000	65,000	80,250	15,250
Collections from suspensions	500	500	1,388	888
	<u>22,885,565</u>	<u>22,885,565</u>	<u>22,821,938</u>	<u>(63,627)</u>
Total Taxes, Interest and Lien Fees				
Intergovernmental:				
Mashantucket Pequot funds	14,552	14,552	10,507	(4,045)
PILOT - state owned property	37,469	37,469	37,484	15
Elderly tax relief	44,000	44,000	43,718	(282)
Boat tax registrations	111,000	111,000	-	(111,000)
Property tax relief - vets	10,000	10,000	12,379	2,379
Town aid road fund	107,944	107,944	108,110	166
Educational cost sharing	427,677	427,677	430,774	3,097
Adult education	1,725	1,726	1,673	(53)
School building grants	325,767	325,767	325,767	-
Telecommunication tax	45,000	45,000	28,343	(16,657)
Miscellaneous state revenues	-	1,850	2,629	779
Municipal revenue sharing	250,000	250,000	263,013	13,013
Special education	-	-	190,096	190,096
Public school transportation	5,474	5,474	5,043	(431)
DUI enforcement	10,000	10,000	15,240	5,240
Federal wildlife	7,000	7,000	5,249	(1,751)
Payment in lieu of taxes	4,600	9,200	4,600	(4,600)
Youth and family services	17,300	17,300	17,300	-
	<u>1,419,508</u>	<u>1,425,959</u>	<u>1,501,925</u>	<u>75,966</u>
Total Intergovernmental				
Charges for Services:				
Fees:				
Town Clerk	50,000	50,000	64,551	14,551
Conveyance tax	70,000	70,000	92,775	22,775
Conservation land records	5,000	5,000	5,481	481
Bulky waste	40,000	40,000	46,655	6,655
Planning and zoning	15,000	15,000	27,861	12,861
Nursing fees	382,000	382,000	402,691	20,691
Library fees and fines	3,000	3,000	2,337	(663)
Board of recreation fees	100,000	100,000	107,283	7,283
P&R youth programs	90,000	90,000	80,737	(9,263)
After school program	-	19,500	19,616	116
Riggio building rent	-	-	2,802	2,802
Senior center	5,000	5,000	7,118	2,118
Private duty reimbursement	25,000	25,000	71,964	46,964
	<u>785,000</u>	<u>804,500</u>	<u>931,871</u>	<u>127,371</u>
Total Fees				
Licenses and Permits:				
Building permits	100,000	100,000	203,588	103,588
Sanitation permits	6,500	6,500	11,375	4,875
Beach permits	10,000	10,000	9,325	(675)
Miscellaneous	500	-	3,320	3,320
	<u>117,000</u>	<u>116,500</u>	<u>227,608</u>	<u>111,108</u>
Total Licenses and Permits				

. . . Continued . . .

**TOWN OF WESTBROOK, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Revenues:				
Motor vehicle fines	\$ 500	\$ 500	\$ 13,449	\$ 12,949
Miscellaneous	10,520	10,520	26,480	15,960
Total Other Revenues	<u>11,020</u>	<u>11,020</u>	<u>39,929</u>	<u>28,909</u>
Total Charges for Services	<u>913,020</u>	<u>932,020</u>	<u>1,199,408</u>	<u>267,388</u>
Investment Income:				
Interest income	<u>23,400</u>	<u>23,400</u>	<u>8,960</u>	(<u>14,440</u>)
Total Revenues	<u>25,241,493</u>	<u>25,266,944</u>	<u>25,532,231</u>	<u>265,287</u>
Other Financing Sources:				
Appropriation of fund balance	-	2,213	-	(2,213)
Transfer in	<u>435,681</u>	<u>435,681</u>	<u>437,501</u>	<u>1,820</u>
Total Other Financing Sources	<u>435,681</u>	<u>437,894</u>	<u>437,501</u>	(<u>393</u>)
Total Revenues and Other Financing Sources	<u>\$ 25,677,174</u>	<u>\$ 25,704,838</u>	<u>\$ 25,969,732</u>	<u>\$ 264,894</u>

**TOWN OF WESTBROOK, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
Executive	\$ 143,618	\$ 145,377	\$ 150,454	(\$ 5,077)
Elections:				
Administration	27,336	27,970	24,748	3,222
Primary elections	4,250	4,250	3,040	1,210
General elections	7,450	7,450	4,620	2,830
Special elections	7,600	7,600	1,544	6,056
Total Elections	<u>46,636</u>	<u>47,270</u>	<u>33,952</u>	<u>13,318</u>
Finance:				
Treasurer	13,531	14,731	13,014	1,717
Assessor	131,095	132,555	89,054	43,501
Tax collector	101,611	103,177	104,546	(1,369)
Tax refunds	20,000	30,000	25,478	4,522
Finance department	136,656	137,420	140,824	(3,404)
Total Finance	<u>402,893</u>	<u>417,883</u>	<u>372,916</u>	<u>44,967</u>
Law	<u>65,000</u>	<u>66,500</u>	<u>92,905</u>	<u>(26,405)</u>
Recording and Reporting	<u>127,559</u>	<u>129,956</u>	<u>126,593</u>	<u>3,363</u>
Boards and Commissions:				
Board of tax review	6,050	6,050	1,205	4,845
Board of finance	39,395	39,570	34,492	5,078
ADA compliance	750	750	-	750
Total Boards and Commissions	<u>46,195</u>	<u>46,370</u>	<u>35,697</u>	<u>10,673</u>
Total General Government	<u>831,901</u>	<u>853,356</u>	<u>812,517</u>	<u>40,839</u>
Public Safety:				
Public safety	<u>415,967</u>	<u>415,967</u>	<u>419,878</u>	<u>(3,911)</u>
Police Protection:				
Resident troopers	403,660	404,030	404,531	(501)
Harbor patrol	9,300	14,160	12,936	1,224
Police vehicles	23,500	23,500	26,542	(3,042)
Constables	280,850	285,350	181,274	104,076
Police advisory/traffic	6,508	6,508	5,149	1,359
Game warden	300	300	-	300
Total Police Protection	<u>724,118</u>	<u>733,848</u>	<u>630,432</u>	<u>103,416</u>
Fire Protection:				
Training	14,495	14,495	14,562	(67)
Fire prevention	3,000	3,000	3,000	-
Fire protection	190,001	190,001	190,852	(851)
Fire station	56,057	56,057	55,975	82
Fire marshal	20,124	20,591	19,719	872
Fire commissioner	772	772	131	641
Open burning official	1,000	1,000	1,000	-
Total Fire Protection	<u>285,449</u>	<u>285,916</u>	<u>285,239</u>	<u>677</u>
Emergency management	<u>35,406</u>	<u>39,511</u>	<u>19,604</u>	<u>19,907</u>
Total Public Safety	<u>1,460,940</u>	<u>1,475,242</u>	<u>1,355,153</u>	<u>120,089</u>

. . . Continued . . .

**TOWN OF WESTBROOK, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
Public Works Department:				
PW administration	\$ 367,096	\$ 378,079	\$ 362,766	\$ 15,313
PW roads	265,300	239,300	215,352	23,948
PW garage	13,500	22,500	18,905	3,595
PW maintenance	6,850	33,850	32,024	1,826
PW equipment maintenance & repair	58,150	58,150	59,309	(1,159)
Total Public Works Department	<u>710,896</u>	<u>731,879</u>	<u>688,356</u>	<u>43,523</u>
Sanitation and Waste Disposal:				
Water pollution control commission	68,535	72,439	23,369	49,070
Waste collection	75,000	65,000	54,541	10,459
Landfill	81,061	81,819	64,304	17,515
Total Sanitation and Waste Disposal	<u>224,596</u>	<u>219,258</u>	<u>142,214</u>	<u>77,044</u>
General Engineering	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Municipal Buildings:				
Mulvey Center	56,300	56,300	37,114	19,186
Academy building	10,800	10,800	7,202	3,598
Riggio building	23,910	23,910	22,226	1,684
Old library	14,000	14,000	9,746	4,254
Mulvey buildings and land	247,019	248,935	229,561	19,374
Total Municipal Buildings	<u>352,029</u>	<u>353,945</u>	<u>305,849</u>	<u>48,096</u>
Total Public Works	<u>1,290,521</u>	<u>1,305,082</u>	<u>1,136,419</u>	<u>168,663</u>
Planning and Development:				
Planning and Zoning:				
Planning	122,774	124,200	98,904	25,296
Zoning	87,460	88,630	91,956	(3,326)
Zoning board of appeals	14,800	14,920	17,460	(2,540)
Total Planning and Zoning	<u>225,034</u>	<u>227,750</u>	<u>208,320</u>	<u>19,430</u>
Town Center	<u>5,600</u>	<u>7,813</u>	<u>6,938</u>	<u>875</u>
Land Use	<u>70,009</u>	<u>71,170</u>	<u>66,949</u>	<u>4,221</u>
Housing	<u>450</u>	<u>450</u>	<u>20</u>	<u>430</u>
Conservation	<u>11,505</u>	<u>11,505</u>	<u>11,496</u>	<u>9</u>
Economic Development	<u>4,300</u>	<u>4,300</u>	<u>4,156</u>	<u>144</u>
Inlands Wetlands	<u>62,812</u>	<u>63,793</u>	<u>55,426</u>	<u>8,367</u>
Inspections	<u>82,806</u>	<u>94,409</u>	<u>97,116</u>	<u>(2,707)</u>
Harbor Commissions	<u>6,440</u>	<u>6,440</u>	<u>5,150</u>	<u>1,290</u>
Shellfish Commissions	<u>5,085</u>	<u>5,085</u>	<u>-</u>	<u>5,085</u>
Total Planning and Development	<u>474,041</u>	<u>492,715</u>	<u>455,571</u>	<u>37,144</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
... Continued ...**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Health and Human Services:				
Health:				
Director of Health	\$ 20,648	\$ 20,846	\$ 20,647	\$ 199
Public health nurses	410,206	416,548	417,376	(828)
Sanitarian	120,430	121,780	117,380	4,400
Contributions to other agencies	16,405	16,405	13,580	2,825
Total Health	<u>567,689</u>	<u>575,579</u>	<u>568,983</u>	<u>6,596</u>
Human Resources:				
Human services	12,400	16,635	13,237	3,398
Elderly Programs	47,369	47,706	46,146	1,560
Senior Center	35,045	40,703	39,088	1,615
Total Human Resources	<u>94,814</u>	<u>105,044</u>	<u>98,471</u>	<u>6,573</u>
Youth and Family Services	<u>17,300</u>	<u>17,300</u>	<u>17,300</u>	<u>-</u>
Total Health and Human Services	<u>679,803</u>	<u>697,923</u>	<u>684,754</u>	<u>13,169</u>
Culture and Recreation:				
Library	<u>357,495</u>	<u>364,002</u>	<u>358,609</u>	<u>5,393</u>
Recreation:				
Recreation	126,808	128,779	126,047	2,732
Activities	169,480	171,451	148,131	23,320
Swimming	14,733	34,182	28,938	5,244
Total Recreation	<u>311,021</u>	<u>334,412</u>	<u>303,116</u>	<u>31,296</u>
Parks	<u>196,700</u>	<u>197,700</u>	<u>193,910</u>	<u>3,790</u>
Total Culture and Recreation	<u>865,216</u>	<u>896,114</u>	<u>855,635</u>	<u>40,479</u>
Non-Departmental:				
Employee benefits	1,125,990	1,130,090	1,125,797	4,293
Insurance	251,315	251,315	230,036	21,279
Dues and contributions	155,983	160,583	155,988	4,595
Legislative	4,000	4,000	3,297	703
Judicial	6,618	6,618	3,194	3,424
Contingency	100,000	954	-	954
Total Non-Departmental	<u>1,633,288</u>	<u>1,553,560</u>	<u>1,518,312</u>	<u>35,248</u>
Debt Service	<u>3,629,161</u>	<u>3,629,161</u>	<u>3,683,060</u>	<u>(53,899)</u>
Board of Education	<u>14,418,685</u>	<u>14,418,685</u>	<u>14,418,641</u>	<u>44</u>
Total Expenditures	<u>25,283,556</u>	<u>25,321,838</u>	<u>24,920,062</u>	<u>401,776</u>
Other Financing Uses:				
Capital contributions	363,000	363,000	363,000	-
Transfers to other funds	20,000	20,000	20,000	-
Total Other Financing Uses	<u>383,000</u>	<u>383,000</u>	<u>383,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 25,666,556</u>	<u>\$ 25,704,838</u>	<u>\$ 25,303,062</u>	<u>\$ 401,776</u>

**TOWN OF WESTBROOK, CONNECTICUT
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2012**

Grand List Year	Uncollected Taxes July 1, 2011	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2012
			Additions	Deductions			Taxes	Interest & Lien Fees	Total	
1995	\$ 5,576	\$ -	\$ -	\$ 5,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1996	5,441	-	-	-	-	5,441	-	-	-	5,441
1997	6,970	-	-	-	-	6,970	-	-	-	6,970
1998	6,196	-	-	-	-	6,196	-	-	-	6,196
1999	7,583	-	-	-	-	7,583	-	-	-	7,583
2000	6,271	-	-	-	-	6,271	(182)	-	(182)	6,453
2001	6,782	-	-	1,607	-	5,175	-	-	-	5,175
2002	2,075	-	-	-	-	2,075	-	-	-	2,075
2003	4,733	-	-	-	-	4,733	-	-	-	4,733
2004	27,762	-	-	1,714	-	26,048	224	409	633	25,824
2005	30,688	-	-	655	-	30,033	451	528	979	29,582
2006	17,081	-	-	-	-	17,081	1,217	942	2,159	15,864
2007	38,924	-	-	17	-	38,907	24,898	11,575	36,473	14,009
2008	71,606	-	-	15,334	-	56,272	31,985	20,294	52,279	24,287
2009	281,514	-	-	20,397	-	261,117	173,893	43,463	217,356	87,224
Total Prior Years	519,202	-	-	45,300	-	473,902	232,486	77,211	309,697	241,416
2010	-	22,723,329	-	73,239	-	22,650,090	22,361,075	60,575	22,421,650	289,015
Total	<u>\$ 519,202</u>	<u>\$ 22,723,329</u>	<u>\$ -</u>	<u>\$ 118,539</u>	<u>\$ -</u>	<u>\$ 23,123,992</u>	<u>\$ 22,593,561</u>	<u>\$ 137,786</u>	22,731,347	<u>\$ 530,431</u>

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

Property taxes considered available

June 30, 2011	(78,347)
June 30, 2012	<u>95,523</u>

Total Property Tax Revenues \$ 22,748,523

**TOWN OF WESTBROOK, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2012**

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2012:	\$ 22,731,347
Reimbursement for Revenue Loss: Tax relief for elderly	<u>-</u>
Base for Debt Limitation Computation	<u><u>\$ 22,731,347</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 \$159,119,429, 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	\$ 51,145,531	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	102,291,062	-	-	-
3 3/4 times base	-	-	85,242,551	-	-
3 1/4 times base	-	-	-	73,876,878	-
3 times base	-	-	-	-	68,194,041
Total Debt Limitation	<u>51,145,531</u>	<u>102,291,062</u>	<u>85,242,551</u>	<u>73,876,878</u>	<u>68,194,041</u>
Indebtedness:					
Bonds payable	6,222,000	15,573,000	-	-	-
Bond anticipation notes	-	195,000	-	-	-
Authorized and unissued bonds	-	347,697	-	-	-
Less school building grants	<u>-</u>	<u>(103,517)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Indebtedness	<u>6,222,000</u>	<u>16,012,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding Debt	<u><u>\$ 44,923,531</u></u>	<u><u>\$ 86,278,882</u></u>	<u><u>\$ 85,242,551</u></u>	<u><u>\$ 73,876,878</u></u>	<u><u>\$ 68,194,041</u></u>

(1) The total of the above net indebtedness amounts to: \$ 22,234,180

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.

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific 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.

Town improvement program - to account for donations for improvements to various town properties.

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.

DEP Conservation Fund - to account for funds used by the Department of Environmental Protection for the purpose of funding the environmental review teams program of the bureau of water management within said department, the council on soil and water conservation and the eight county soil and water conservation districts.

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

Weatherhead Medical Fund - to account for a bequeath of David P. Weatherhead Estate to be used for Municipal Medical Facilities Expenses.

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.

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

Evictions Fund - to account for personal property of residents who were evicted that was stored at a cost to the town. The residents who owned the property would get their money back after they paid for the storage costs to maintain that property.

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 provided 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 Capital Projects Fund - 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, 2012**

	Special Revenue Funds							
	School Cafeteria Fund	Special Education Grants	Dog Fund	Insurance Fund	Open Space Preservation Fund	Westbrook Library Fund	Detention Ponds Fund	
<u>ASSETS</u>								
Cash	\$ 2,698	\$ 7,959	\$ 10,242	\$ 42,730	\$ 54,129	\$ 109,542	\$ 53,047	\$ -
Investments	-	-	-	-	-	199,719	-	-
Receivables:								
Intergovernmental	9,908	1,797	-	-	-	-	-	-
Other	-	81	30	2,710	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	\$ 12,606	\$ 9,837	\$ 10,272	\$ 45,440	\$ 54,129	\$ 309,261	\$ 53,047	\$ -
<u>LIABILITIES AND FUND BALANCES</u>								
Liability:								
Accounts payable	\$ 7,324	\$ 490	\$ 2,531	\$ 2,226	\$ -	\$ 546	\$ -	\$ -
Deferred revenues	-	9,347	-	-	-	-	-	-
Total Liabilities	7,324	9,837	2,531	2,226	-	546	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	7,741	-	54,129	308,715	-	-
Committed	-	-	-	-	-	-	53,047	-
Assigned	5,282	-	-	43,214	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	5,282	-	7,741	43,214	54,129	308,715	53,047	-
Total liabilities and fund balances	\$ 12,606	\$ 9,837	\$ 10,272	\$ 45,440	\$ 54,129	\$ 309,261	\$ 53,047	\$ -

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012
...Continued...**

	Special Revenue Funds							
	Westbrook Nurses Fund	Small Cities Repayment Fund	DEP Conservation Fund	Recreation Concert Series	Weatherhead Medical Fund	Document Preservation Fund	Family Fun Day Fund	Land Use Professional Services
<u>ASSETS</u>								
Cash	\$ 11,310	\$ 92,513	\$ 7,801	\$ 1,357	\$ -	\$ 3,370	\$ 2,214	\$ 258,210
Investments	-	-	-	-	-	-	-	-
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	-
Other	-	101,715	-	-	-	-	-	-
Due from other funds	157	-	-	-	-	-	-	-
Total assets	<u>\$ 11,467</u>	<u>\$ 194,228</u>	<u>\$ 7,801</u>	<u>\$ 1,357</u>	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 2,214</u>	<u>\$ 258,210</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 7,801	\$ -	\$ -	\$ -	\$ 463	\$ 249,367
Deferred revenues	-	101,715	-	-	-	-	-	-
Total Liabilities	-	101,715	7,801	-	-	-	463	249,367
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	11,467	92,513	-	1,357	-	3,370	1,751	8,843
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>11,467</u>	<u>92,513</u>	<u>-</u>	<u>1,357</u>	<u>-</u>	<u>3,370</u>	<u>1,751</u>	<u>8,843</u>
Total liabilities and fund balances	<u>\$ 11,467</u>	<u>\$ 194,228</u>	<u>\$ 7,801</u>	<u>\$ 1,357</u>	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 2,214</u>	<u>\$ 258,210</u>

... Continued ...

**TOWN OF WESTBROOK, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012
...Continued...**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total
	West Beach Playground Fund	Evictions Fund	Senior Center Fund	Social Services Fund	Town Clerk Fund	Bonded Projects	Library Restricted Gift Fund	Non Major Governmental Funds
<u>ASSETS</u>								
Cash	\$ 8,587	\$ -	\$ 5,690	\$ 25,149	\$ 17,400	\$ 604,399	32,514	\$ 1,350,861
Investments	-	-	-	-	-	-	-	199,719
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	11,705
Other	-	-	-	-	-	-	-	104,536
Due from other funds	-	-	-	-	-	-	-	157
Total assets	\$ 8,587	\$ -	\$ 5,690	\$ 25,149	\$ 17,400	\$ 604,399	\$ 32,514	\$ 1,666,978
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,748
Deferred revenues	-	-	-	-	-	-	-	111,062
Total Liabilities	-	-	-	-	-	-	-	381,810
Fund Balances:								
Nonspendable	-	-	-	-	-	-	34,074	34,074
Restricted	8,587	-	5,690	25,149	17,400	604,399	-	1,151,111
Committed	-	-	-	-	-	-	-	53,047
Assigned	-	-	-	-	-	-	-	48,496
Unassigned	-	-	-	-	-	-	(1,560)	(1,560)
Total fund balances	8,587	-	5,690	25,149	17,400	604,399	32,514	1,285,168
Total liabilities and fund balances	\$ 8,587	\$ -	\$ 5,690	\$ 25,149	\$ 17,400	\$ 604,399	\$ 32,514	\$ 1,666,978

TOWN OF WESTBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds							Town Improvement Program
	School Cafeteria Fund	Special Education Grants	Dog Fund	Insurance Fund	Open Space Preservation Fund	Westbrook Library Fund	Detention Ponds Fund	
Revenues:								
Intergovernmental	\$ 94,043	\$ 259,093	\$ -	\$ -	\$ -	\$ 609	\$ -	\$ -
Charges for services	147,926	-	3,569	4,020	-	-	-	-
Contributions	-	-	25	-	-	6,118	-	-
Investment income	-	-	3	9	9	11,317	9	-
Total revenues	241,969	259,093	3,597	4,029	9	18,044	9	-
Expenditures:								
Current:								
General government	-	-	-	18,026	-	-	-	-
Public safety	-	-	24,992	-	-	-	-	-
Development and community affairs	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	11,680	-	-
Education	267,180	259,093	-	-	-	-	-	-
Capital outlay	-	-	5,094	-	-	-	-	-
Total expenditures	267,180	259,093	30,086	18,026	-	11,680	-	-
Excess (deficiency) of revenues over expenditures	(25,211)	-	(26,489)	(13,997)	9	6,364	9	-
Other financing sources (uses):								
Transfers in	-	-	20,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(35,529)
Total other financing sources (uses):	-	-	20,000	-	-	-	-	(35,529)
Net change in fund balances	(25,211)	-	(6,489)	(13,997)	9	6,364	9	(35,529)
Fund balances - July 1, 2011	30,493	-	14,230	57,211	54,120	302,351	53,038	35,529
Fund balances - June 30, 2012	\$ 5,282	\$ -	\$ 7,741	\$ 43,214	\$ 54,129	\$ 308,715	\$ 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, 2012
... Continued ...

	Special Revenue Funds							
	Westbrook Nurses Fund	Small Cities Repayment Fund	DEP Conservation Fund	Recreation Concert Series	Weatherhead Medical Fund	Document Preservation Fund	Family Fun Day Fund	Land Use Professional Services
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -
Charges for services	339,011	-	-	-	-	1,826	-	-
Contributions	603	-	-	-	-	-	2,434	-
Investment income	28	18	-	-	-	1	-	141
Total revenues	339,642	18	-	-	-	5,327	2,434	141
Expenditures:								
Current:								
General government	-	-	-	-	-	9,085	-	-
Public safety	-	-	-	-	-	-	-	-
Development and community affairs	-	-	9,541	-	-	-	-	-
Health and welfare	340,263	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	3,483	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	340,263	-	9,541	-	-	9,085	3,483	-
Excess (deficiency) of revenues over expenditures	(621)	18	(9,541)	-	-	(3,758)	(1,049)	141
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,509)	-	-	-
Total other financing sources (uses):	-	-	-	-	(2,509)	-	-	-
Net change in fund balances	(621)	18	(9,541)	-	(2,509)	(3,758)	(1,049)	141
Fund balances - July 1, 2011	12,088	92,495	9,541	1,357	2,509	7,128	2,800	8,702
Fund balances - June 30, 2012	<u>\$ 11,467</u>	<u>\$ 92,513</u>	<u>\$ -</u>	<u>\$ 1,357</u>	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 1,751</u>	<u>\$ 8,843</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, 2012
... Continued ...

	West Beach Playground Fund	Evictions Fund	Senior Center Fund	Social Services Fund	Town Clerk Fund	Capital Projects Fund Bonded Projects	Permanent Fund Library Restricted Gift Fund	Total Non Major Governmental Funds
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,245
Charges for services	-	-	-	-	25,190	-	-	521,542
Contributions	1,425	-	3,535	5,000	-	-	11	19,151
Investment income	1	-	-	-	-	196	-	11,732
Total revenues	1,426	-	3,535	5,000	25,190	196	11	909,670
Expenditures:								
Current:								
General government	-	-	-	-	7,790	-	-	34,901
Public safety	-	-	-	-	-	-	-	24,992
Development and community affairs	-	-	-	-	-	-	-	9,541
Health and welfare	-	-	-	3,376	-	-	-	343,639
Culture and recreation	-	-	-	-	-	-	-	15,163
Education	-	-	-	-	-	-	-	526,273
Capital outlay	-	-	-	-	-	-	-	5,094
Total expenditures	-	-	-	3,376	7,790	-	-	959,603
Excess (deficiency) of revenues over expenditures	1,426	-	3,535	1,624	17,400	196	11	(49,933)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	20,000
Transfers out	-	(1,173)	-	-	-	(540,399)	-	(579,610)
Total other financing sources (uses):	-	(1,173)	-	-	-	(540,399)	-	(559,610)
Net change in fund balances	1,426	(1,173)	3,535	1,624	17,400	(540,203)	11	(609,543)
Fund balances - July 1, 2011	7,161	1,173	2,155	23,525	-	1,144,602	32,503	1,894,711
Fund balances - June 30, 2012	\$ 8,587	\$ -	\$ 5,690	\$ 25,149	\$ 17,400	\$ 604,399	\$ 32,514	\$ 1,285,168

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, 2012**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<u>ASSETS</u>				
Cash:				
Student activities	\$ 91,424	\$ 361,786	\$ 323,543	\$ 129,667
Performance bonds	<u>255,543</u>	<u>166,420</u>	<u>82,197</u>	<u>339,766</u>
Total cash	<u>346,967</u>	<u>528,206</u>	<u>405,740</u>	<u>469,433</u>
Investments:				
Student activities	<u>45,948</u>	<u>22</u>	<u>45,970</u>	<u>-</u>
Total investments	<u>45,948</u>	<u>22</u>	<u>45,970</u>	<u>-</u>
Total Assets	<u><u>\$ 392,915</u></u>	<u><u>\$ 528,228</u></u>	<u><u>\$ 451,710</u></u>	<u><u>\$ 469,433</u></u>
<u>LIABILITIES</u>				
Accounts Payable:				
Student activities	\$ 137,372	\$ 361,808	\$ 369,513	\$ 129,667
Performance bonds	<u>255,543</u>	<u>166,420</u>	<u>82,197</u>	<u>339,766</u>
Total Liabilities	<u><u>\$ 392,915</u></u>	<u><u>\$ 528,228</u></u>	<u><u>\$ 451,710</u></u>	<u><u>\$ 469,433</u></u>

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STATISTICAL SECTION

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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.

Contents	Page
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>	75-78
Revenue Capacity <i>These schedules present information to help the reader assess the government's most significant local revenue source, the property tax.</i>	79-82
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>	83-84
Demographic and Economic Information <i>These schedules help the reader understand the environment within which the government's financial activities take place.</i>	85
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	86

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 4,856,021
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	-	-	-	-	-
Unrestricted	6,331,956	7,734,747	6,652,732	7,037,766	5,745,262	6,917,108	6,437,602	2,838,697	(807,729)	12,659,742
Total Net Assets	<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>	<u>\$ 17,515,763</u>

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
General government	\$ 3,168,589	\$ 2,652,059	\$ 2,596,749	\$ 2,166,037	\$ 2,062,110	\$ 1,769,310	\$ 1,747,589	\$ 1,511,043	\$ 1,995,202	\$ 2,139,146
Public safety	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	1,101,876
Public works	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	792,496
Development and community affairs	465,112	405,808	-	-	-	-	-	-	-	-
Health and welfare	689,382	651,167	754,837	638,421	557,242	645,645	642,175	629,105	496,847	576,352
Culture and recreation	876,824	832,379	846,270	807,707	740,027	728,258	628,710	717,494	633,494	551,314
Education	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	10,697,140
Interest expense	868,249	950,424	1,213,060	1,295,106	1,367,985	1,407,463	1,309,007	1,034,958	848,386	817,425
Total expenses	<u>26,231,149</u>	<u>24,265,540</u>	<u>24,109,091</u>	<u>22,933,953</u>	<u>25,496,008</u>	<u>20,424,611</u>	<u>19,061,490</u>	<u>17,531,299</u>	<u>17,437,313</u>	<u>16,675,749</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	479,453	431,768	523,407	353,356	876,834	525,715	555,726	495,314	635,195	398,357
Public safety	88,123	50,719	69,597	34,608	125,835	6,732	7,570	6,144	6,556	5,562
Public works	61,880	38,606	45,487	40,528	45,632	43,510	51,603	45,322	37,132	37,873
Health and welfare	402,691	489,478	414,741	335,964	362,383	346,992	402,162	426,971	380,895	384,893
Culture and recreation	219,525	200,174	233,799	216,471	214,187	213,928	177,414	176,055	168,619	118,729
Education	147,926	189,668	191,838	213,911	207,628	212,862	224,499	210,540	197,824	189,571
Operating grants and contributions	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	1,131,917
Capital grants and contributions	390,059	527,923	-	876,718	450,000	45,000	5,445,527	1,011,600	374,535	490,000
Total program revenues	<u>4,813,770</u>	<u>4,102,006</u>	<u>3,652,653</u>	<u>4,144,108</u>	<u>8,143,206</u>	<u>2,812,646</u>	<u>8,200,373</u>	<u>3,342,376</u>	<u>2,959,020</u>	<u>2,756,902</u>
Net Expenses:										
Governmental activities	<u>(21,417,379)</u>	<u>(20,163,534)</u>	<u>(20,456,438)</u>	<u>(18,789,845)</u>	<u>(17,352,802)</u>	<u>(17,611,965)</u>	<u>(10,861,117)</u>	<u>(14,188,923)</u>	<u>(14,478,293)</u>	<u>(13,918,847)</u>
General Revenues:										
Governmental activities:										
Property taxes	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	14,120,914
Grants and contributions not restricted to specific programs	402,673	480,546	815,002	595,026	466,731	646,795	608,357	531,525	517,360	714,169
Investment income	21,194	31,490	99,081	175,614	376,184	477,088	319,624	213,612	65,433	171,146
Total general revenues	<u>23,225,380</u>	<u>23,482,784</u>	<u>22,616,899</u>	<u>21,700,872</u>	<u>20,153,682</u>	<u>19,080,022</u>	<u>17,993,008</u>	<u>16,418,638</u>	<u>15,102,092</u>	<u>15,006,229</u>
Change in Net Assets	<u>\$ 1,808,001</u>	<u>\$ 3,319,250</u>	<u>\$ 2,160,461</u>	<u>\$ 2,911,027</u>	<u>\$ 2,800,880</u>	<u>\$ 1,468,057</u>	<u>\$ 7,131,891</u>	<u>\$ 2,229,715</u>	<u>\$ 623,799</u>	<u>\$ 1,087,382</u>

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ 173,643	\$ -	\$ -	\$ -	\$ -	\$ 485,000	\$ 500,000
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	1,530,348
Nonspendable	10,167	214,825	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	2,213	-	-	-	-	-	-	-	-
Unassigned	3,951,075	2,956,343	-	-	-	-	-	-	-	-
Total general fund	<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>	<u>\$ 2,030,348</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	(180,875)
Capital projects funds	-	-	2,332,969	1,402,598	1,134,125	1,636,016	1,216,735	(10,833,599)	(6,634,490)	(1,423,344)
Nonspendable	34,074	34,074	-	-	-	-	-	-	-	-
Restricted	1,151,111	1,687,392	-	-	-	-	-	-	-	-
Committed	904,215	1,011,371	-	-	-	-	-	-	-	-
Assigned	48,496	755,265	-	-	-	-	-	-	-	-
Unassigned	(1,560)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>(\$ 1,604,219)</u>

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Property taxes	\$ 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	\$ 14,082,815
Intergovernmental	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	2,939,192
Charges for services	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	1,134,985
Contributions	22,151	41,669	17,603	78,373	91,134	142,580	-	-	-	-
Investment income	21,183	31,554	99,081	175,614	376,184	441,131	310,321	211,656	64,988	165,948
Total revenues	<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>	<u>18,322,940</u>
Expenditures:										
Current:										
General government	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	1,688,189
Public safety	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	1,016,308
Public works	1,136,419	1,139,858	1,269,697	1,094,728	972,730	920,203	890,291	936,552	855,928	698,225
Development and community affairs	465,112	406,106	-	-	-	-	-	-	-	-
Health and welfare	1,028,393	651,167	754,837	638,421	557,242	522,248	525,448	525,614	496,847	576,352
Culture and recreation	870,798	829,627	840,244	827,177	742,649	674,020	579,294	559,332	572,752	549,039
Education	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	10,346,967
Capital outlay	1,611,915	983,048	417,223	1,525,276	4,089,835	882,937	3,356,881	17,101,978	5,401,402	7,468,893
Debt service	3,888,993	3,634,816	3,524,322	3,345,485	3,345,380	3,152,103	3,282,568	3,047,401	2,221,833	2,265,246
Total expenditures	<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>	<u>24,609,219</u>
Excess (deficiency) of revenues over expenditures	(717,599)	338,917	378,107	159,397	(2,364,606)	208,901	2,140,808	(16,012,248)	(4,756,120)	(6,286,279)
Other Financing Sources (Uses):										
Transfers in	962,610	886,802	1,474,494	757,491	1,254,974	480,235	342,398	356,462	658,189	722,836
Transfers out	(962,610)	(886,802)	(1,474,494)	(757,491)	(1,254,974)	(480,235)	(342,398)	(356,462)	(658,189)	(722,836)
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>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>	<u>-</u>
Net change in fund balance	<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>	<u>(\$ 6,286,279)</u>
Debt Service as Percentage of Noncapital Expenditures	16.2%	15.9%	16.0%	15.7%	14.1%	17.3%	18.8%	18.8%	14.2%	15.2%

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

Fiscal Year Ended June 30	Grand List Year	Residential	Commercial and Industrial	Total Real Estate	Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Value
2012	2 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	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	1 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%
2003	2001	671,484	143,698	815,182	42,394	43,151	(14,391)	886,336	18.96	1,266,194	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)**

<u>Fiscal Year</u>	<u>Total Direct Tax Rate</u>
2012	\$ 16.96
2011	17.25
2010	16.30
2009	15.78
2008	14.80
2007	22.22
2006	21.43
2005	20.18
2004	18.96
2003	18.96

Note: The Town has no overlapping property tax rates.

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Lee Company	\$ 48,311,820	1	4.31%	\$ 17,073,100	2	1.93%
COROC I	27,300,000	2	2.44%	23,100,000	1	2.61%
DGG Properties Company	18,676,940	3	1.67%	13,293,640	3	1.50%
Pilots Point Marina Inc.	13,317,520	4	1.19%	9,125,900	4	1.03%
Connecticut Light & Power Company	7,070,650	5	0.63%	-		
Jensens Inc.	5,737,950	6	0.51%	3,846,530	5	0.43%
Connecticut Water Company	4,131,100	7	0.37%	-		
Westbrook Properties	3,623,260	8	0.32%	-		
80 Flat Rock Place LLC	3,615,020	9	0.32%	-		
Tinty Donald TTEE & Beatrice	3,483,470	10	0.31%	1,725,100	9	0.19%
IPC Info	-			2,680,350	6	0.30%
COROC II	-			2,264,470	7	0.26%
Lorensen	-			2,170,610	8	0.24%
Ambleside	-			1,723,070	10	0.19%
	<u>\$ 135,267,730</u>		<u>12.07%</u>	<u>\$ 77,002,770</u>		<u>8.69%</u>

Source: Assessor's Office - Town of Westbrook

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

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
2012	2010	\$ 22,650,090	\$ 22,361,075	98.72%	\$ -	\$ 22,361,075	98.72%
2011	2009	22,892,909	22,596,679	98.71%	209,006	22,805,685	99.62%
2010	2008	21,550,048	21,343,627	99.04%	182,134	21,525,761	99.89%
2009	2007	20,726,781	20,494,764	98.88%	218,008	20,712,772	99.93%
2008	2006	19,242,513	18,996,111	98.72%	230,538	19,226,649	99.92%
2007	2005	17,804,376	17,601,854	98.86%	172,940	17,774,794	99.83%
2006	2004	16,887,242	16,639,806	98.53%	221,612	16,861,418	99.85%
2005	2003	15,503,530	15,318,649	98.81%	180,148	15,498,797	99.97%
2004	2002	14,334,731	14,274,550	99.58%	58,106	14,332,656	99.99%
2003	2001	14,048,733	13,908,643	99.00%	134,915	14,043,558	99.96%

Source: Tax Collector's Report; Annual Financial Report

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

Governmental Activities					
Fiscal Year	General Obligation Bonds (1)	Percentage of Personal Income (2)	Population	Debt per Capita	Percentage of Estimated Actual Taxable Value of Property (3)
2012	\$ 21,795,000	8.36%	6,938	\$ 3,141	1.36%
2011	24,310,000	9.56%	6,769	3,591	1.27%
2010	26,610,000	9.98%	6,685	3,981	1.40%
2009	28,890,000	15.82%	6,663	4,336	1.52%
2008	30,920,000	16.27%	6,626	4,666	1.63%
2007	32,875,000	17.38%	6,596	4,984	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%
2003	14,035,000	7.53%	6,501	2,159	1.11%

- Notes:
- (1) The Town has no debt other than general obligation bonds of the primary government unit. There is no overlapping debt.
 - (2) Personal income is disclosed on page 85.
 - (3) Estimated actual taxable value of property is disclosed on page 79.

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

Legal Debt Margin Calculation for Fiscal Year 2012:

Revenue Base	\$ 22,731
Debt limit (Revenue Base x 7)	\$ 159,119
Debt applicable to limit:	
General obligation bonds	21,795
Bond anticipation note	195
Bonds, authorized, unissued	348
Less, grant commitments	(104)
	22,234
Legal Debt Margin	\$ 136,885

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 159,119	\$ 159,835	\$ 151,432	\$ 145,706	\$ 134,835	\$ 126,372	\$ 117,907	\$ 108,958	\$ 100,492	\$ 98,349
Total net debt applicable to limit	22,234	24,823	26,973	34,652	36,273	30,921	28,542	29,684	22,777	10,434
Legal debt margin	\$ 136,885	\$ 135,012	\$ 124,459	\$ 111,054	\$ 98,562	\$ 95,451	\$ 89,365	\$ 79,274	\$ 77,715	\$ 87,915
Total net debt applicable to the limit as a percentage of debt limit	13.97%	15.53%	17.81%	23.78%	26.90%	24.47%	24.21%	27.24%	22.67%	10.61%

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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Median Age³</u>	<u>Per Capita Income²</u>	<u>Median Household Income³</u>	<u>Personal Income</u>	<u>School Enrollment⁴</u>	<u>Unemployment Rate³</u>	<u>Municipal Employees⁵</u>
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%	232
2007	6,596	45	28,680	64,181	189,173,280	995	3.5%	248
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
2003	6,501	43	28,680	54,965	186,448,680	1,070	4.3%	227

Source: ¹ U.S. Department of Commerce, Bureau of Census 1960-2010; <http://www.bestplaces.net/city/connecticut/westbrook>

² U.S. Census Bureau, Census 2000-2010 and 2005-2010 American Community Survey.

³ Connecticut Economic Resources Center

⁴ Westbrook Board of Education

⁵ Westbrook Department of Finance

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

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government	43	43	42	43	42	42	42	43	42	37
Public safety	6	6	5	5	6	6	6	5	5	5
Public works	9	9	9	9	9	9	9	9	9	9
Development and community affairs	8	8	7	7	8	8	8	7	7	7
Health and welfare	7	7	6	6	7	7	7	6	6	6
Culture and recreation	8	8	8	8	8	8	8	8	8	8
Education	182	175	175	174	174	152	152	162	161	155
	<u>263</u>	<u>256</u>	<u>252</u>	<u>252</u>	<u>254</u>	<u>232</u>	<u>232</u>	<u>240</u>	<u>238</u>	<u>227</u>

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