

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2026

NEW MONEY ISSUE: Book-Entry-Only

RATING: Moody's Investors Service: "Aaa"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)



Town of Westport, Connecticut
\$22,000,000
General Obligation Bonds, Issue of 2026

Dated: Date of Delivery

**Due: Serially on June 15, 2027 - 2046,
as detailed below:**

| Year | Principal | Coupon | Yield | CUSIP ¹ | Year | Principal | Coupon | Yield | CUSIP ¹ |
|------|--------------|--------|-------|--------------------|------|--------------|--------|-------|--------------------|
| 2027 | \$ 1,100,000 | . . % | . . % | 961301 | 2037 | \$ 1,100,000 | . . % | . . % | 961301 |
| 2028 | 1,100,000 | . . % | . . % | 961301 | 2038 | 1,100,000 | . . % | . . % | 961301 |
| 2029 | 1,100,000 | . . % | . . % | 961301 | 2039 | 1,100,000 | . . % | . . % | 961301 |
| 2030 | 1,100,000 | . . % | . . % | 961301 | 2040 | 1,100,000 | . . % | . . % | 961301 |
| 2031 | 1,100,000 | . . % | . . % | 961301 | 2041 | 1,100,000 | . . % | . . % | 961301 |
| 2032 | 1,100,000 | . . % | . . % | 961301 | 2042 | 1,100,000 | . . % | . . % | 961301 |
| 2033 | 1,100,000 | . . % | . . % | 961301 | 2043 | 1,100,000 | . . % | . . % | 961301 |
| 2034 | 1,100,000 | . . % | . . % | 961301 | 2044 | 1,100,000 | . . % | . . % | 961301 |
| 2035 | 1,100,000 | . . % | . . % | 961301 | 2045 | 1,100,000 | . . % | . . % | 961301 |
| 2036 | 1,100,000 | . . % | . . % | 961301 | 2046 | 1,100,000 | . . % | . . % | 961301 |

The \$22,000,000 General Obligation Bonds, Issue of 2026 (the "Bonds") will be general obligations of the Town of Westport, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due (see "Security and Remedies" herein).

Interest on the Bonds will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15 in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company, New York, New York ("DTC"), or its nominee, as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

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

Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (Eastern Time) on Thursday, June 4, 2026, at the Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880, as described in the Notice of Sale. (See Appendix D attached hereto.)

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

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about June 18, 2026.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

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

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

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

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; (xi) disruptions to the Town's technology network and systems, including computer systems and software; and (xii) other factors contained in this Official Statement.

(Remainder of page intentionally left blank)

Table of Contents

| | <u>Page</u> | | <u>Page</u> |
|---|-------------|---|-------------|
| Bond Issue Summary | 1 | IV. Tax Base Data | 21 |
| I. Bond Information | 2 | Property Tax - Assessments..... | 21 |
| Introduction..... | 2 | Property Tax - Levy..... | 21 |
| Public Health Considerations..... | 2 | Comparative Assessed Valuations..... | 22 |
| Climate Change..... | 3 | Exempt Property..... | 22 |
| Cybersecurity..... | 3 | Property Tax Levies and Collections..... | 23 |
| Municipal Advisor..... | 3 | Ten Largest Taxpayers..... | 23 |
| The Bonds..... | 4 | V. Debt Summary | 24 |
| Redemption Provisions..... | 4 | Principal Amount of Bonded Indebtedness..... | 24 |
| Authorization and Purpose..... | 4 | Short Term Debt..... | 25 |
| Uses of Bond Proceeds..... | 5 | Annual Bonded Debt Maturity Schedule..... | 25 |
| Book-Entry-Only Transfer System..... | 5 | Overlapping/Underlying Debt..... | 25 |
| DTC Practices..... | 6 | Debt Statement..... | 26 |
| Replacement Bonds..... | 6 | Current Debt Ratios..... | 26 |
| Security and Remedies..... | 7 | Bond Authorization..... | 27 |
| Qualification for Financial Institutions..... | 7 | Maturities..... | 27 |
| Availability of Continuing Disclosure Information.... | 8 | Temporary Financing..... | 27 |
| Ratings..... | 8 | Clean Water Fund Program..... | 28 |
| Tax Matters..... | 8 | Limitation of Indebtedness..... | 28 |
| Legal Opinion..... | 10 | Statement of Debt Limitation..... | 29 |
| Registrar, Transfer Agent, Paying Agent, and Certifying Agent..... | 10 | Authorized But Unissued Debt..... | 30 |
| II. The Issuer | 11 | Principal Amount of Outstanding Debt..... | 31 |
| Description of the Municipality..... | 12 | Ratios of Net Long-Term Debt to Valuation | |
| Form of Government..... | 12 | Population and Income..... | 31 |
| Principal Municipal Officials..... | 12 | Ratio of Total Debt Service Expenditures To Total | |
| Municipal Services..... | 12 | General Fund Expenditures..... | 31 |
| Educational Services..... | 14 | VI. Financial Administration | 32 |
| School Enrollment..... | 14 | Fiscal Year..... | 32 |
| School Facilities..... | 14 | Basis of Accounting..... | 32 |
| Employee Relations and Collective Bargaining..... | 15 | Budget Procedure..... | 32 |
| Municipal Employees..... | 15 | Audit..... | 32 |
| Employee Relations..... | 15 | Liability Insurance..... | 33 |
| III. Economic and Demographic Information | 16 | Capital Improvement Plan..... | 33 |
| Population and Density..... | 16 | Pensions..... | 33 |
| Age Distribution of the Population..... | 16 | Other Post Employment Benefits..... | 36 |
| Income Distribution..... | 16 | Investment Policy..... | 37 |
| Income Levels..... | 17 | General Fund Revenues and Expenditures..... | 38 |
| Educational Attainment..... | 17 | Analysis of General Fund Equity..... | 39 |
| Major Employers..... | 17 | VII. Legal and Other Information | 40 |
| Employment by Industry..... | 18 | Legal Matters..... | 40 |
| Employment Data..... | 18 | Litigation..... | 40 |
| Age Distribution of Housing..... | 19 | Documents Furnished At Delivery..... | 40 |
| Housing Inventory..... | 19 | Concluding Statement..... | 41 |
| Owner Occupied Housing Values..... | 19 | Appendix A - 2025 General Purpose Financial Statements | |
| Building Permits..... | 20 | Appendix B - Form of Opinion of Bond Counsel | |
| Land Use Summary..... | 20 | Appendix C - Form of Continuing Disclosure Agreement | |
| | | Appendix D - Notice of Sale | |

Bond Issue Summary

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

| | |
|--|--|
| Date of Sale: | Thursday, June 4, 2026 at 11:30 A.M. (Eastern Time). |
| Location of Sale: | Office of the First Selectman, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. |
| Issuer: | Town of Westport, Connecticut (the "Town"). |
| Issue: | \$22,000,000 General Obligation Bonds, Issue of 2026 (the "Bonds"). |
| Dated Date: | Date of Delivery. |
| Principal and Interest Due: | Principal is due serially June 15, 2027 through June 15, 2046. Interest is due June 15 and December 15 in each year until maturity, commencing December 15, 2026. |
| Authorization and Purpose: | The Bond proceeds will be used to fund various capital projects. (See "Authorization and Purpose" and "Use of Bond Proceeds" herein) |
| Redemption: | The Bonds are subject to redemption prior to maturity, as more fully described herein. (See "Redemption Provisions" herein) |
| Security: | The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. (See "Securities and Remedies" herein) |
| Credit Rating: | The Town has received a "Aaa" rating from Moody's Investors Service ("Moody's") on the Bonds. |
| Bond Insurance: | The Town has not purchased a credit enhancement facility. |
| Basis of Award: | Lowest True Interest Cost (TIC). |
| Tax Matters: | See "Tax Matters" herein. |
| Bank Qualification: | The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds. |
| Continuing Disclosure: | In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such event, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds to be executed by the Town substantially in the form attached as Appendix C to this Official Statement. |
| Registrar, Transfer Agent, Certifying Agent & Paying Agent: | U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103. |
| Municipal Advisor: | Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Phone: (203) 878-4945. |
| Legal Opinion: | Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel. |
| Delivery and Payment: | It is expected that delivery of the Bonds in book-entry-only form will be made on or about June 18, 2026 against payment in Federal Funds. |
| Issuer Official: | Questions concerning the Official Statement should be addressed to Mr. Gary Conrad, Finance Director, Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. Telephone (203) 341-1080. |

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Westport, Connecticut (the “Town”) in connection with the issuance and sale of the Town’s \$22,000,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).

The Bonds are being offered for sale at public bidding. A Notice of Sale dated May 28, 2026 has been furnished to prospective bidders. Reference is made to the Notice of Sale, attached hereto as Appendix D, for the terms and conditions of the bidding.

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

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

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

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

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

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

Public Health Considerations

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the Town and its financial and operational performance.

The Town received \$8.4 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town has been addressing climate change since 2016 and oversight is from multiple committees, including the “Long Range Planning Committee” working with the “Westport Green Task Force”, the “Engineering and Flood Board” and the “Conservation Commission”. Recommendations have resulted in all new Town buildings in the FEMA Flood Zones, as the Town must meet FEMA requirements applicable to the flood zones. We have worked closely with our insurance consultants and all Town facilities affected by climate change are insured for flood and weather damage.

The impact of Climate Change has been addressed in the Downtown business district which abuts the Saugatuck River and flows to Long Island Sound. Commercial property owners have temporary steel flood walls that are installed prior to threatening storms.

The Town’s 10-year Capital Forecast includes bridge and river modifications that will alleviate some of the river flooding and overflow issues, but some are designed to overflow into areas that currently wetlands and retention ponds. The Town has also undertaken a \$5.6 million project for the Old Mill Walkway and Tide Gate Structure which contains the flooding and flow from Long Island Sound. This project will be completed by late summer of 2026.

In late 2025, the Town approved the Longshore bulkhead rehabilitation project for the Design, Permitting and Construction Administration. The total cost of this project is approximately \$500,000. The Town also approved the replacement of the Compo North Marina Seawall for \$1,150,000. Both projects will prevent the collapse of the surrounding walkways and property abutting the marinas.

However, the Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances. The Town holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses including the increasing frequency of severe weather so that the Town can quickly respond and recover from any such events that would exceed its annual operating budget. In addition, the Town carries flood insurance of \$10 million per occurrence. Buildings and pump stations in flood zones are insured individually on a separate policy.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat, the Town has invested in robust network security protection software and monitoring services. The Town’s security protection systems are evaluated throughout the year for upgrade or replacement in the face of evolving cyber threats and industry best practices.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident, recovery from an earlier state for any enterprise application system is possible. The Town currently has a cybersecurity insurance policy. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact financial operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

Municipal Advisor

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the Town in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

The Bonds will be dated the date of delivery and mature on June 15 in each of the years as set forth on the cover page of this Official Statement. Interest on the Bonds will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15 in each year until maturity or earlier redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of May and November in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Redemption Provisions

The Bonds maturing on or before June 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2033 either in whole or in part, at any time, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, in the years and at the redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

| <u>Period During Which Redeemed</u> | <u>Redemption Prices</u> |
|-------------------------------------|--------------------------|
| June 15, 2033 and thereafter..... | 100% |

Notice of redemption for any Bond shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to redemption date to the registered owner of any Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

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

Uses of Bond Proceeds

| Project | Authorized | This Issue: The Bonds |
|---|-----------------------|----------------------------------|
| P&R-Ned Dimes Marina - Design, Fabrication & Delivery of Fuel Dock & Electrical Pedestals | \$ 170,000 | \$ 125,000 |
| Construction Documents for Traffic signal and Pedestrian Crossing in Saugatuck Center..... | 110,000 | 70,000 |
| Replace Cross Highway Culvert Over Deadmans Brook..... | 2,750,000 | 200,000 |
| Rehabilitation of Compo Marina Piers, Fuel Dock and Electrical Switchgear..... | 2,429,000 | 250,000 |
| Long Lots Elementary School & Stepping Stones Pre-school Construction..... | 103,190,124 | 15,655,000 |
| Leveling of 7 Teeboxes at Longshore Golf Course..... | 250,000 | 200,000 |
| Gas Fired rooftop units, Evall HVAC & AHU, Waterside Balancing..... | 217,555 | 100,000 |
| Compo Marina North Seawall..... | 500,000 | 200,000 |
| Design of Easton Road Sidewalk..... | 440,000 | 300,000 |
| Girls Locker Room, Roof Replacement & Repair, Motorized Folding Partiiion..... | 3,376,290 | 3,000,000 |
| Town Hall ADA Improvements Phase 1..... | 815,000 | 500,000 |
| Crosswalk signal & Sidewalk Improvements Wisteria Lane & Easton Road..... | 495,000 | 400,000 |
| Design and Construction for the upgrades to Pump Station #10 and its Force Main..... | 1,870,000 | 1,000,000 |
| Total | \$ 116,612,969 | \$ 22,000,000 |

Book-Entry-Only Transfer System

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

DTC Practices

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

Replacement Bonds

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

Security and Remedies

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

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

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

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

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

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title II of the United States Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.

(Remainder of page intentionally left blank)

Availability of Continuing Disclosure Information

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

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

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

Ratings

The Town has received a "Aaa" rating from Moody's Investors Service ("Moody's") on the Bonds. The Town furnished to Moody's certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of Moody's and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's should be contacted directly for its rating on the Bonds and an explanation of such rating. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the Town.

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

Tax Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

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

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

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

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

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

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

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

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

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

Accrued original issue discount on an OID Bond is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

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

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

Legal Opinion

The legal opinion for the Bonds will be rendered by Pullman & Comley, LLC in substantially the form set forth in Appendix B to this Official Statement.

Registrar, Transfer Agent, Paying Agent and Certifying Agent

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank Trust Company, National Association ("U.S. Bank"), City Place I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.

(Remainder of page intentionally left blank)

II. The Issuer



Description of the Municipality

The Town is a historic town, with an approximate population of 27,282 people, located in Fairfield County. It was incorporated in 1835. The approximately 20 square mile community was created from Fairfield on the east, Weston on the north, and Norwalk on the west. It is a shore-front town that stretches north into wooded hills and south on the Long Island Sound, with abundant recreational opportunities.

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

Although the Town is a community with almost no industry, there are several corporate headquarters, many consulting, marketing, promotion, investment firms, commercial designers, and graphic artists. While the Town is often thought of as a commuter community, increasingly its residents work in the area, as corporations move to Fairfield County. The 2024 median family income was over \$250,000.

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

Form of Government

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

Principal Municipal Officials

| <i>Position</i> | <i>Name</i> | <i>Manner of Selection</i> | <i>Term of Office</i> | <i>Length of Service</i> | <i>Principal Employment Last Five Years</i> |
|--------------------------------|---------------------|----------------------------|----------------------------------|--------------------------|---|
| First Selectman..... | Kevin Christie | Elected | 4 years | < 1 Year | Retired |
| Second Selectwoman..... | Amy Wistreich | Elected | 4 years | < 1 Year | Self Employed |
| Third Selectman..... | Donald O'Day | Elected | 4 years | < 1 Year | Retired |
| Chairman, Board of Finance.... | Lee Caney | Elected | 4 years | 3 Years | Law firm partner (tax law) |
| Finance Director..... | Gary G. Conrad | Appointed | Indefinite | 14 Years | Finance Director, Town of Westport |
| Superintendent of Schools..... | Thomas Scarice | Appointed | Indefinite | 6 Years | Madison Public Schools |
| Dir. of Public Works..... | Peter A. Ratkiewich | Appointed | Indefinite | 9 Years | Town Engineer, Town of Westport |
| Town Attorney..... | Ira W. Bloom | Appointed | Coterminous with First Selectman | 27 Years | Attorney, Bercham, Moses & Devlin |

Municipal Services

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

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

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

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

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

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

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

The Town is one of ten municipalities that has entered into a Municipal Service Agreement (“MSA”) with the Bridgeport Resco Company, L.P. for the disposal of solid waste. Each municipality which has signed such MSA (a “Participating Municipality”) has agreed to deliver or cause to be delivered to the system all “Acceptable Waste,” as defined therein, generated within its boundaries. The facility for the system (the “Facility”) is located in the City of Bridgeport, Connecticut. The Facility began commercial operation in July 1988 and is designed to process up to 2,250 tons of solid waste per day.

For Fiscal Year 2025, each Participating Municipality was billed a fixed charge of \$85.25 per ton of Municipal Solid Waste (MSW) actually delivered by or on behalf of each Participating Municipality. For Fiscal Year 2026, the fixed charge is \$88.66. For Fiscal Year 2027, it is anticipated that the charge will be \$92.21.

The Town is also part of an Inter-Community Agreement dated September 15, 1989 establishing a regional recycling program. The Greater Bridgeport Regional Recycling Interlocal Committee, (GBRRIC) was established in late 2018 to succeed the former Southwest Connecticut Regional Recycling Operating Committee, (SWEROC), to continue implementation of the regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241-22a-241i of the Connecticut General Statutes. The Town is one of fourteen “Contracting Communities” participating in the GBRRIC recycling program. The Town is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers, magazines, junk mail and cardboard. Other defined residential recyclables are electronics, waste oil, storage batteries, scrap metal and yard waste. The Town has flow-control responsibilities for recyclables from the residential sector, and its role is to receive recyclables from residential sources and transfer it to a regional recycling processing facility, Oak Ridge, located in Shelton, Connecticut. Non-residential generators can deliver recyclables to independent processing facilities other than Oak Ridge but must report to the Town the types and amounts of recyclable materials delivered to non-Oak Ridge processing facilities. A municipal ordinance has been adopted by the Town to comply with the requirements of the State of Connecticut legislation. From July 1, 2024 through June 30, 2025 the Town’s recycling program retrieved approximately 3142 tons of recyclables to the Shelton processing facility.

(Remainder of page intentionally left blank)

Educational Services

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

School Enrollment

| <u>Historical</u> | | | | |
|-------------------|---------------|------------|-------------|--------------|
| School | | | | |
| Year | PreK-5 | 6-8 | 9-12 | Total |
| 2016-2017 | 2,380 | 1,370 | 1,854 | 5,604 |
| 2017-2018 | 2,400 | 1,338 | 1,890 | 5,628 |
| 2018-2019 | 2,367 | 1,316 | 1,858 | 5,541 |
| 2019-2020 | 2,268 | 1,260 | 1,830 | 5,358 |
| 2020-2021 | 2,321 | 1,209 | 1,803 | 5,333 |
| 2021-2022 | 2,400 | 1,189 | 1,715 | 5,304 |
| 2022-2023 | 2,478 | 1,195 | 1,689 | 5,362 |
| 2023-2024 | 2,431 | 1,233 | 1,625 | 5,289 |
| 2024-2025 | 2,423 | 1,194 | 1,631 | 5,248 |
| 2025-2026 | 2,421 | 1,195 | 1,625 | 5,241 |

| <u>Projected</u> | | | | |
|------------------|----------------|------------|-------------|--------------|
| School | | | | |
| Year | Pre K-5 | 6-8 | 9-12 | Total |
| 2026-2027 | 2,566 | 1,228 | 1,630 | 5,424 |
| 2027-2028 | 2,555 | 1,342 | 1,687 | 5,584 |
| 2028-2029 | 2,573 | 1,344 | 1,617 | 5,534 |

Source: Town of Westport, Superintendent's Office.

School Facilities

| School | Grades | Date Occupied | Additions & Major Renovations | 10/1/2025 Enrollment ¹ | Capacity ¹ |
|----------------------------|---------------|----------------------|--|--|------------------------------|
| Staples | 9-12 | 1958/59 | 1973, 1979, 1985, 2006 | 1,625 | 1,800 |
| Coleytown Middle | 6-8 | 1965 | 1964, 1998, 1999, 2021 | 474 | 600 |
| Bedford Middle School | 6-8 | 2001 | 2000 | 721 | 800 |
| Long Lots | K-5 | 1954 | 1957, 1962, 1971, 1979 | 545 | 667 |
| Coleytown Elementary | PreK-5 | 1953 | 1960, 1973/74, 1994, 1997 | 522 | 600 |
| Kings Highway | K-5 | 1926 | 1966/67, 1993/94 | 452 | 600 |
| Greens Farms | K-5 | 1927, 1999 | 1950, 1998/99 | 452 | 550 |
| Saugatuck Elementary | K-5 | 1937 | 1966/67, 2002 | 450 | 575 |
| Total | | | | 5,241 | 6,192 |

¹ Updated according to School Facilities Study Committee.

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

Source: Town of Westport, Superintendent's Office.

(Remainder of page intentionally left blank)

Employee Relations and Collective Bargaining

Municipal Employees ¹

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---------------------------------------|-------|-------|-------|-------|-------|
| General Government ² | 294 | 287 | 290 | 292 | 292 |
| Board of Education | 967 | 966 | 958 | 938 | 917 |
| Total | 1,261 | 1,253 | 1,248 | 1,230 | 1,209 |

¹ Excludes part-time.

² Excludes Library.

Employee Relations

| | Positions Covered | Current Contract Expiration Date |
|---|-------------------|----------------------------------|
| Board of Education Groups | | |
| The Westport Education Association (Teachers) | 586 | 6/30/2028 |
| Westport School Custodians | 45 | 6/30/2028 |
| Westport Association of Educational Secretaries | 41 | 6/30/2026 ¹ |
| Westport Paraprofessional Association (Teachers' Aides) | 168 | 6/30/2028 |
| Westport Intermediate Administrators Association | 42 | 6/30/2026 ¹ |
| AFSCME 1303-225 Maintenance | 8 | 6/30/2028 |
| AFSCME 1303-153 Nurses | 21 | 6/30/2028 |
| Non-Bargaining Employees | 56 | N/A |
| Total Board of Education Employees | 967 | |
| Town Groups | | |
| Westport Police Association | 54 | 6/30/2028 |
| AFSCME 1303-385 (DPW) | 28 | 6/30/2026 |
| International Association of Firefighters AFL-CIO | 64 | 6/30/2025 ¹ |
| Westport Municipal Employees Association | 39 | 6/30/2028 |
| AFSCME Local #1303-157 Council #4 (Prof. Library Employees) ... | 25 | 6/30/2028 |
| AFSCME Local #1303-194 Council #4 | 21 | 6/30/2027 |
| Total General Government Employees | 231 | |

¹ In negotiation.

Source: Town of Westport, Finance Department

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

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

III. Economic and Demographic Information

Population and Density

| Year | Actual | | Density ² |
|-------------------|-------------------------|------------|----------------------|
| | Population ¹ | % Increase | |
| 2024 ³ | 27,528 | 1.4% | 1,228.9 |
| 2020 | 27,141 | 2.8% | 1,211.7 |
| 2010 | 26,391 | 3.9% | 1,178.2 |
| 2000 | 25,391 | 4.0% | 1,133.5 |
| 1990 | 24,410 | -3.5% | 1,089.7 |
| 1980 | 25,290 | -7.4% | 1,129.0 |

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

² Per square mile: 22.4 square miles.

³ American Community Survey 2020-2024.

Age Distribution of the Population

| Age | Town of Westport | | State of Connecticut | |
|-------------------------|------------------|---------------|----------------------|---------------|
| | Number | Percent | Number | Percent |
| Under 5 years | 1,631 | 5.9% | 181,691 | 5.0% |
| 5 to 9 years | 2,234 | 8.1 | 195,164 | 5.4 |
| 10 to 14 years | 2,474 | 9.0 | 214,972 | 5.9 |
| 15 to 19 years | 1,811 | 6.6 | 239,710 | 6.6 |
| 20 to 24 years | 1,163 | 4.2 | 238,387 | 6.6 |
| 25 to 34 years | 1,355 | 4.9 | 454,892 | 12.6 |
| 35 to 44 years | 2,892 | 10.5 | 460,916 | 12.7 |
| 45 to 54 years | 4,336 | 15.8 | 453,917 | 12.5 |
| 55 to 59 years | 2,369 | 8.6 | 256,068 | 7.1 |
| 60 to 64 years | 2,177 | 7.9 | 258,234 | 7.1 |
| 65 to 74 years | 2,977 | 10.8 | 386,232 | 10.7 |
| 75 to 84 years | 1,448 | 5.3 | 196,373 | 5.4 |
| 85 years and over | 661 | 2.4 | 87,952 | 2.4 |
| Total..... | 27,528 | 100.0% | 3,624,508 | 100.0% |
| Median Age (Years)..... | 45.4 | | 41.1 | |

Source: American Community Survey 2020-2024.

Income Distribution

| Income | Town of Westport | | State of Connecticut | |
|------------------------|------------------|---------------|----------------------|---------------|
| | Families | Percent | Families | Percent |
| \$ 0 - \$ 9,999..... | 137 | 1.8% | 24,004 | 2.6% |
| 10,000 - 14,999..... | 49 | 0.7 | 12,584 | 1.4 |
| 15,000 - 24,999..... | - | 0.0 | 27,285 | 3.0 |
| 25,000 - 34,999..... | 71 | 1.0 | 33,429 | 3.6 |
| 35,000 - 49,999..... | 172 | 2.3 | 59,826 | 6.5 |
| 50,000 - 74,999..... | 427 | 5.7 | 106,611 | 11.6 |
| 75,000 - 99,999..... | 208 | 2.8 | 106,893 | 11.6 |
| 100,000 - 149,999..... | 638 | 8.5 | 182,785 | 19.8 |
| 150,000 - 199,999..... | 545 | 7.3 | 131,310 | 14.3 |
| 200,000 and over..... | 5,220 | 69.9 | 236,661 | 25.7 |
| Total..... | 7,467 | 100.0% | 921,388 | 100.0% |

Source: American Community Survey 2020-2024.

Income Levels

| | Town of Westport | State of Connecticut |
|---|-----------------------------|---------------------------------|
| Per Capita Income, 2024..... | \$ 134,276 | \$ 55,915 |
| Per Capita Income, 2010..... | \$ 86,590 | \$ 36,412 |
| Median Family Income, 2024..... | \$ 250,000+ | \$ 122,706 |
| Percent Below Poverty (Families), 2024..... | 2.70% | 6.90% |

Source: American Community Survey 2020-2024.

Educational Attainment Persons 25 Years and Older

| | Town of Westport | | State of Connecticut | |
|--|-------------------------|----------------|-----------------------------|----------------|
| | Number | Percent | Number | Percent |
| Less than 9th grade..... | 152 | 0.8% | 101,458 | 4.0% |
| 9th to 12th grade..... | 225 | 1.2 | 114,887 | 4.5 |
| High School graduate..... | 1,444 | 7.9 | 647,192 | 25.3 |
| Some college, no degree..... | 1,168 | 6.4 | 410,903 | 16.1 |
| Associate's degree | 677 | 3.7 | 195,081 | 7.6 |
| Bachelor's degree..... | 6,989 | 38.4 | 595,631 | 23.3 |
| Graduate or professional degree..... | 7,560 | 41.5 | 489,432 | 19.2 |
| Total | 18,215 | 100.0% | 2,554,584 | 100.0% |
| Total high school graduate or higher (%)...... | | 97.9% | | 91.5% |
| Total bachelor's degree or higher (%)...... | | 79.9% | | 42.5% |

Source: American Community Survey 2020-2024.

Major Employers As of May 2026

| Employer | Type of Business | Number of Employees |
|--|--------------------------------------|--------------------------------|
| Bridgewater Associates | Financial Services | 1,300 |
| Town of Westport Board of Education.... | Municipal School System | 967 |
| Greens Farm Academy | Prep School | 356 |
| Town of Westport..... | Municipal Government | 294 |
| Westport/Weston YMCA..... | Health Club | 230 |
| St Vincent's Behavioral Health Services... | Medical Center | 210 |
| Ed Mitchell, Inc..... | Retail Apparel | 110 |
| Gault Inc..... | Energy Distribution/Masonry Supplies | 85 |
| Balduccis Inc..... | Retail Grocery | 75 |
| Fresh Market Inc Inc..... | Retail Grocery | 72 |

Source: Town of Westport Finance Department.

Employment by Industry

| Sector | Town of Westport | | State of Connecticut | |
|--|-------------------------|----------------|-----------------------------|----------------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing and hunting, and mining..... | 23 | 0.2% | 7,132 | 0.4% |
| Construction..... | 307 | 2.5 | 113,006 | 6.1 |
| Manufacturing..... | 797 | 6.5 | 198,526 | 10.7 |
| Wholesale trade..... | 489 | 4.0 | 35,592 | 1.9 |
| Retail trade..... | 754 | 6.2 | 192,698 | 10.4 |
| Transportation warehousing, and utilities..... | 180 | 1.5 | 87,076 | 4.7 |
| Information..... | 677 | 5.5 | 37,488 | 2.0 |
| Finance, insurance, real estate, and leasing.... | 2886 | 23.6 | 161,226 | 8.7 |
| Professional, scientific, management, administrative, and waste management..... | 2602 | 21.3 | 228,229 | 12.3 |
| Education, health and social services..... | 2,026 | 16.6 | 496,559 | 26.8 |
| Arts, entertainment, recreation, accommodation and food services..... | 907 | 7.4 | 143,851 | 7.8 |
| Other services (except public admin.)..... | 495 | 4.1 | 80,617 | 4.4 |
| Public Administration..... | 78 | 0.6 | 67,864 | 3.7 |
| Total Labor Force, Employed..... | 12,221 | 100% | 1,849,864 | 100.0% |

Source: American Community Survey 2020-2024.

Employment Data

| Period | Percentage Unemployed | | | | |
|-----------------------|------------------------------|-------------------|-------------------------|---|-----------------------------|
| | Town of Westport | | Town of Westport | Bridgeport-Stamford Labor Market | State of Connecticut |
| | Employed | Unemployed | | | |
| March 2026..... | 11,901 | 457 | 3.7 | 4.9 | 5.1 |
| Annual Average | | | | | |
| 2025..... | 12,547 | 419 | 3.2 | 3.8 | 3.9 |
| 2024..... | 12,690 | 390 | 3.0 | 3.7 | 3.5 |
| 2023..... | 12,579 | 442 | 3.4 | 3.9 | 3.7 |
| 2022..... | 12,480 | 404 | 3.1 | 4.2 | 4.1 |
| 2021..... | 11,394 | 525 | 4.4 | 6.7 | 6.6 |
| 2020..... | 11,575 | 624 | 5.1 | 7.5 | 7.3 |
| 2019..... | 12,442 | 373 | 2.9 | 3.7 | 3.7 |
| 2018..... | 12,317 | 393 | 3.1 | 4.1 | 4.1 |
| 2017..... | 12,323 | 474 | 3.7 | 4.7 | 4.7 |
| 2016..... | 12,138 | 485 | 3.8 | 5.2 | 5.3 |

Source: State of Connecticut, Department of Labor.

(The remainder of this page intentionally left blank)

Age Distribution of Housing

| Year Built | Town of Westport | | State of Connecticut | |
|---------------------------------|-------------------------|----------------|-----------------------------|----------------|
| | Units | Percent | Units | Percent |
| 1939 or earlier..... | 1,970 | 19.0% | 311,584 | 20.2% |
| 1940 to 1969..... | 3,612 | 34.9 | 514,365 | 33.4 |
| 1970 to 1979..... | 853 | 8.2 | 210,797 | 13.7 |
| 1980 to 1989..... | 1,060 | 10.2 | 199,083 | 12.9 |
| 1990 to 1999..... | 523 | 5.0 | 115,803 | 7.5 |
| 2000 or 2009..... | 1,007 | 9.7 | 109,783 | 7.1 |
| 2010 or later..... | 1,338 | 12.9 | 80,407 | 5.2 |
| Total Housing Units..... | 10,363 | 100.0% | 1,541,822 | 100.0% |

Source: American Community Survey 2020-2024.

Housing Inventory

| Housing Units | Town of Westport | | State of Connecticut | |
|-----------------------------|-------------------------|----------------|-----------------------------|----------------|
| | Units | Percent | Units | Percent |
| 1-unit, detached..... | 9,091 | 87.7% | 902,771 | 58.6% |
| 1-unit, attached..... | 472 | 4.6 | 99,493 | 6.5 |
| 2 units..... | 190 | 1.8 | 115,211 | 7.5 |
| 3 or 4 units..... | 204 | 2.0 | 125,486 | 8.1 |
| 5 to 9 units..... | 165 | 1.6 | 76,014 | 4.9 |
| 10 to 19 units..... | 44 | 0.4 | 54,675 | 3.5 |
| 20 or more units..... | 197 | 1.9 | 156,730 | 10.2 |
| Mobile home..... | - | - | 10,890 | 0.7 |
| Boat, RV, van, etc..... | - | - | 552 | 0.0 |
| Total Inventory..... | 10,363 | 100.0% | 1,541,822 | 100.0% |

Source: American Community Survey 2020-2024.

Owner Occupied Housing Values

| Specified Owner-Occupied Units | Town of Westport | | State of Connecticut | |
|---------------------------------------|-------------------------|----------------|-----------------------------|----------------|
| | Number | Percent | Number | Percent |
| Less than \$50,000..... | 7 | 0.1% | 23,262 | 2.4% |
| \$50,000 to \$99,000..... | 15 | 0.2 | 14,209 | 1.5 |
| \$100,000 to \$149,999..... | 61 | 0.7 | 31,134 | 3.3 |
| \$150,000 to \$199,000..... | 60 | 0.7 | 65,851 | 6.9 |
| \$200,000 to \$299,999..... | 119 | 1.4 | 205,349 | 21.5 |
| \$300,000 to \$499,999..... | 282 | 3.2 | 350,277 | 36.8 |
| \$500,000 to \$999,999..... | 1,787 | 20.6 | 197,853 | 20.8 |
| \$1,000,000 or more..... | 6,350 | 73.1 | 65,054 | 6.8 |
| Total..... | 8,681 | 100.0% | 952,989 | 100.0% |
| Median Value..... | \$1,405,200 | | \$366,900 | |

Source: American Community Survey 2020-2024.

Building Permits

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

| Fiscal Year Ending 6/30 | Number of Residential | Number of Commercial ² | Number of Miscellaneous ¹ | Total | |
|------------------------------------|----------------------------------|--|---|---------------|----------------|
| | | | | Number | Value |
| 2026 | 48 | 5 | 2,127 | 2,180 | \$ 164,040,113 |
| 2025 | 73 | - | 3,074 | 3,147 | 198,388,748 |
| 2024 | 66 | 2 | 3,171 | 3,239 | 238,002,506 |
| 2023 | 57 | 3 | 3,284 | 3,344 | 227,122,901 |
| 2022 | 71 | 3 | 3,713 | 3,787 | 251,275,208 |
| 2021 | 80 | 5 | 4,469 | 4,554 | 188,355,250 |
| 2020 | 39 | 1 | 3,078 | 3,118 | 133,571,000 |
| 2019 | 61 | 2 | 3,724 | 3,787 | 145,075,000 |
| 2018 | 73 | 4 | 3,656 | 3,733 | 149,060,000 |
| 2017 | 54 | 1 | 3,467 | 3,522 | 112,160,000 |

¹ Includes additions, alterations, swimming pools, etc.

² As of FY 2025, ADU housing is included in the residential permit count.

Source: Town of Westport, Building Department.

Land Use Summary

| Type of Land Use | 2023 | |
|--|-------------------------------------|---------------------------------|
| | Land Area in Use (Acres) | % of Total Town Area |
| Total Residential | 8,627 | 65.8% |
| Total Business & Commercial | 417 | 3.2% |
| Roads | 1,844 | 14.1% |
| Total Developed Land | 10,888 | 83.0% |
| Open Space and Recreation | 1,889 | 14.4% |
| Total Undeveloped Land | 342 | 2.6% |
| Estimated Total Land in Use | 13,119 | 100.0% |

Source: Planning and Zoning Staff, 2023 Estimates.

(The remainder of this page intentionally left blank)

IV. Tax Base Data

Property Tax - Assessments

The maintenance of an equitable tax base and the location and assessment of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether an adjustment to the Assessor's list on assessments under appeal is warranted. Real estate assessments are computed at seventy percent (70%) of the market value at the time of the last revaluation. The Town's last physical revaluation was October 1, 2025. Pursuant to Section 12-62 of the Connecticut General Statutes, as amended, the Town must next revalue all real estate in 2025 and every fifth year thereafter. In addition, Section 12-62 of the Connecticut General Statutes, requires towns to implement a revaluation by physical observation not later than ten years following the date of the last revaluation by physical inspection. The Town's next statistical observation revaluation is October 1, 2030.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical inspection is then completed and the structure is valued from a schedule developed as of the date of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value. The Assessor's office has the ability to download permit data from the building department and to concisely track and assess the improvements associated with these permits.

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

Motor vehicles are assessed annually and based on the National Automobile Dealers Association pricing schedules.

Property Tax - Levy

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

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management ("OPM"). Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle has been included on the October 1 Grant List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicles replaces a motor vehicle that was taxed on the October Grant List, the taxpayer is entitled to certain credits.

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 18.86 mills.

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

| Grand List as of 10/1 | Residential Real Property (%) | Commercial & Industrial Real Property (%) | Personal Property (%) | Motor Vehicles (%) | Gross Taxable Grand List | Exemptions | Net Taxable Grand List |
|----------------------------------|--|--|----------------------------------|-------------------------------|---|--|-----------------------------------|
| | | | | | | Veterans Relief and Elderly | |
| 2025 ¹ | 86.2 | 8.9 | 2.3 | 2.6 | \$ 17,514,454,830 | \$ 17,293,260 | \$ 17,497,161,570 |
| 2024 | 81.3 | 11.5 | 3.5 | 3.7 | 11,627,991,075 | 11,519,880 | 11,616,471,195 |
| 2023 | 80.7 | 11.7 | 3.4 | 4.2 | 11,478,000,666 | 9,543,901 | 11,468,456,765 |
| 2022 | 80.6 | 11.8 | 3.3 | 4.3 | 11,312,004,303 | 6,205,706 | 11,305,798,597 |
| 2021 | 80.9 | 11.9 | 3.0 | 4.2 | 11,106,672,545 | 6,651,881 | 11,100,020,664 |
| 2020 ¹ | 81.6 | 12.2 | 2.9 | 3.3 | 10,837,417,745 | 7,047,031 | 10,830,370,714 |
| 2019 | 81.8 | 12.4 | 2.8 | 3.0 | 11,452,772,970 | 7,499,390 | 11,445,273,580 |
| 2018 | 81.7 | 12.5 | 2.8 | 3.0 | 11,320,054,855 | 8,224,211 | 11,311,830,644 |
| 2017 | 81.9 | 12.4 | 2.7 | 3.0 | 11,200,588,967 | 8,599,860 | 11,191,989,107 |
| 2016 | 82.0 | 12.3 | 2.7 | 3.0 | 11,032,756,167 | 8,237,683 | 11,024,518,484 |

¹ Revaluation.

Source: Town of Westport Assessor’s Office.

Exempt Property

| Public | As of 10/1/25¹ |
|--|----------------------------------|
| Town of Westport | \$ 697,011,600 |
| State of Connecticut | 153,224,100 |
| Other Governments | 1,054,800 |
| Sub-Total Public | \$ 851,290,500 |
| Private | |
| Scientific, Educational, Historical & Charitable | \$ 236,523,700 |
| Cemeteries | 48,490,700 |
| Churches | 95,746,600 |
| Veteran's Organizations & other | 49,460,700 |
| Sub-Total Private | \$ 430,221,700 |
| Total Exempt Property | \$ 1,281,512,200 |
| Percent Net Taxable Grand List | 7.32% |

¹ Based on Net Taxable Grand List of October 1, 2024 of \$17,497,161,570.

Source: Town of Westport, Assessor’s Office.

Property Tax Levies and Collections

| Fiscal Year Ended 6/30 | Net Taxable Grand List | Tax Rate (Mills) | Adjusted Tax Levy | Amount of Annual Levy Uncollected at End of Fiscal Year | Percent Annual Levy Collected at End of Fiscal Year | Uncollected | |
|------------------------|------------------------|------------------|-------------------|---|---|---|--|
| | | | | | | Percent Annual Levy Uncollected at End of Fiscal Year | Percent of Annual Levy Uncollected As of 6/30/25 |
| 2026 ¹ | \$ 11,616,471,195 | 18.86 | \$ 219,440,916 | n/a | | In Collection | |
| 2025 | 11,468,456,765 | 18.62 | 214,560,842 | \$ 1,669,507 | 99.22% | 0.78% | 0.01 |
| 2024 | 11,305,798,597 | 18.35 | 207,989,651 | 1,701,434 | 99.18 | 0.82 | 0.25 |
| 2023 | 11,100,020,664 | 18.07 | 200,768,698 | 2,555,936 | 98.85 | 1.15 | 0.17 |
| 2022 | 10,830,370,714 | 18.07 | 195,998,239 | 2,054,787 | 99.04 | 0.96 | 0.13 |
| 2021 | 11,445,273,580 | 16.71 | 191,323,782 | 2,526,091 | 98.68 | 1.32 | 0.11 |
| 2020 | 11,311,830,644 | 16.86 | 190,864,472 | 3,961,818 | 97.92 | 2.08 | 0.09 |
| 2019 | 11,191,989,107 | 16.86 | 188,674,229 | 2,257,046 | 98.80 | 1.20 | 0.10 |
| 2018 | 11,024,518,484 | 16.86 | 186,200,623 | 2,220,383 | 99.18 | 0.82 | 0.10 |
| 2017 | 10,893,047,677 | 16.86 | 183,614,216 | 1,481,001 | 99.20 | 0.80 | 0.09 |

¹ Subject to audit.

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

Ten Largest Taxpayers

| Name of Taxpayer | Nature of Business | Taxable Valuation | Percent of Net Taxable Grand List ¹ |
|--------------------------------------|------------------------|-----------------------|--|
| Eversource..... | Utility | \$ 143,778,100 | 0.82% |
| 60 Nyala Farms..... | Commercial Real Estate | 95,954,500 | 0.55% |
| Bedford Square Assoc LLC..... | Commercial Real Estate | 51,583,400 | 0.29% |
| Aquarion..... | Utility | 43,204,450 | 0.25% |
| Equity One Westport Vill. Center.... | Commercial Real Estate | 36,294,500 | 0.21% |
| Compo Regency LLC..... | Commercial Real Estate | 28,372,700 | 0.16% |
| Heyman Ronnie F Trustee..... | Real Estate | 26,880,700 | 0.15% |
| Byelas LLC..... | Commercial Real Estate | 26,504,400 | 0.15% |
| Westport Riverside Assoc LLC..... | Commercial Real Estate | 25,763,900 | 0.15% |
| Bridgewater Associates LP..... | Personal Property | 25,503,850 | 0.15% |
| Total | | \$ 503,840,500 | 2.88% |

¹ Based on Net Taxable Grand List of October 1, 2025 of \$17,497,161,570.

Source: Town of Westport, Assessor's Office.

(The remainder of this page intentionally left blank)

V. Debt Summary

Principal Amount of Bonded Indebtedness As of June 18, 2026 (Pro Forma)

Long-Term Debt

| Date | Purpose | Interest Rate % | Original Issue | Outstanding ² | Fiscal Year of Maturity |
|-------------------------------|---|--------------------|-----------------------|--------------------------|----------------------------|
| 12/03/15 | Refunding of School Bonds | 2.00 - 4.00 | \$ 4,360,000 | \$ 1,120,000 | 2030 |
| 12/03/15 | Refunding of Sewers ¹ | 2.00 - 4.00 | 3,590,000 | 1,000,000 | 2030 |
| 03/03/16 | Public Improvement | 2.00 - 2.80 | 2,061,000 | 660,000 | 2036 |
| 03/03/16 | School | 2.00 - 2.80 | 954,000 | 466,000 | 2036 |
| 03/03/16 | Sewers ¹ | 2.00 - 2.80 | 2,205,000 | 1,094,000 | 2036 |
| 05/19/17 | Public Improvement | 2.00 - 5.00 | 5,699,500 | 1,950,000 | 2037 |
| 05/19/17 | School | 2.00 - 5.00 | 1,014,500 | 550,000 | 2037 |
| 05/19/17 | Sewers ¹ | 2.00 - 5.00 | 186,000 | 105,000 | 2037 |
| 06/21/18 | Public Improvement | 2.00 - 5.00 | 10,941,000 | 6,564,000 | 2038 |
| 06/21/18 | School | 2.00 - 5.00 | 60,000 | 36,000 | 2038 |
| 06/21/18 | Sewers ¹ | 2.00 - 5.00 | 5,134,000 | 3,135,000 | 2038 |
| 05/15/19 | Public Improvement (Series A)..... | 2.00 - 5.00 | 7,600,000 | 4,065,000 | 2039 |
| 05/27/20 | Public Improvement | 2.00 - 5.00 | 3,007,200 | 2,220,000 | 2040 |
| 05/27/20 | School | 2.00 - 5.00 | 30,823,800 | 22,275,000 | 2040 |
| 05/27/20 | Sewers ¹ | 2.00 - 5.00 | 169,000 | 126,000 | 2040 |
| 05/27/20 | Water ¹ | 2.00 - 5.00 | 400,000 | 294,000 | 2040 |
| 12/01/20 | Refunding of CWF 550-DC - Sewers ¹ | 5.00 | 10,480,000 | 3,400,000 | 2029 |
| 05/05/21 | Public Improvement (Series A)..... | 2.00 - 5.00 | 7,910,000 | 5,930,000 | 2041 |
| 05/05/21 | School (Series A)..... | 2.00 - 5.00 | 2,573,000 | 1,863,000 | 2041 |
| 05/05/21 | Sewers (Series A) ¹ | 2.00 - 5.00 | 327,000 | 247,000 | 2041 |
| 05/05/21 | Water (Series A) ¹ | 2.00 - 5.00 | 20,000 | 15,000 | 2041 |
| 05/05/21 | Refunding of Public Improvement (Series B).... | 2.00 - 5.00 | 2,868,000 | 673,000 | 2033 |
| 05/05/21 | Refunding of School (Series B)..... | 2.00 - 5.00 | 8,155,000 | 957,000 | 2033 |
| 05/17/22 | Public Improvement | 3.00 - 5.00 | 3,463,000 | 2,768,000 | 2042 |
| 05/17/22 | School | 3.00 - 5.00 | 7,196,000 | 5,760,000 | 2042 |
| 05/17/22 | Sewers ¹ | 3.00 - 5.00 | 421,000 | 336,000 | 2042 |
| 05/17/22 | Water ¹ | 3.00 - 5.00 | 20,000 | 16,000 | 2042 |
| 05/17/23 | Public Improvement | 3.25 - 5.00 | 3,465,000 | 2,941,000 | 2043 |
| 05/17/23 | School | 3.25 - 5.00 | 1,235,000 | 1,054,000 | 2043 |
| 05/17/23 | Sewers ¹ | 3.25 - 5.00 | 5,400,000 | 4,590,000 | 2043 |
| 05/23/24 | Public Improvement | 3.25 - 5.00 | 355,000 | 319,000 | 2044 |
| 05/23/24 | School | 3.25 - 5.00 | 7,180,000 | 6,462,000 | 2044 |
| 05/23/24 | Sewers ¹ | 3.25 - 5.00 | 2,465,000 | 2,219,000 | 2044 |
| 10/23/25 | Public Improvement | 4.00 - 5.00 | 5,525,000 | 5,460,000 | 2046 |
| 10/23/25 | School | 4.00 - 5.00 | 5,460,000 | 5,520,000 | 2046 |
| 10/23/25 | Sewers ¹ | 4.00 - 5.00 | 1,015,000 | 1,020,000 | 2046 |
| Sub-Total | | | \$ 153,738,000 | \$ 97,210,000 | |
| <u>This Issue</u> | | | | | |
| 06/18/26 | Public Improvement | <i>tbd</i> | \$ 2,245,000 | \$ 2,245,000 | 2046 |
| 06/18/26 | School | <i>tbd</i> | 18,755,000 | 18,755,000 | 2046 |
| 06/18/26 | Sewers ¹ | <i>tbd</i> | 1,000,000 | 1,000,000 | 2046 |
| Total This Issue | | | \$ 22,000,000 | \$ 22,000,000 | |
| Grand Total | | | \$ 175,738,000 | \$ 119,210,000 | |

¹ Paritally supported by assessments levied against benefited property owners.

² Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 in the amount of \$6,715,000, of which \$915,000 is outstanding as of June 18, 2026.

**Short-Term Debt
As of June 18, 2026
(Pro Forma)**

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

**Annual Bonded Debt Maturity Schedule ¹
As of June 18, 2026
(Pro Forma)**

| Fiscal Year | Existing Debt ¹ | | | Pro-forma This Issue: | | | | Total | Cumulative Principal Retired (%) |
|--------------------|----------------------------|----------------------|----------------------|--------------------------|---------------------|---------------------|----------------------|-----------------------|--|
| | Principal | Interest | Total | School | Gen. Purp. | Sewer | Total | Principal | |
| 2027 | \$ 8,710,000 | \$ 3,177,679 | \$ 11,887,679 | \$ 933,000 | \$ 117,000 | \$ 50,000 | \$ 1,100,000 | \$ 9,810,000 | 8.2 |
| 2028 | 8,705,000 | 2,801,023 | 11,506,023 | 938,000 | 112,000 | 50,000 | 1,100,000 | 9,805,000 | 16.5 |
| 2029 | 7,465,000 | 2,484,423 | 9,949,423 | 938,000 | 112,000 | 50,000 | 1,100,000 | 8,565,000 | 23.6 |
| 2030 | 6,885,000 | 2,236,323 | 9,121,323 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,985,000 | 30.3 |
| 2031 | 6,205,000 | 2,015,973 | 8,220,973 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,305,000 | 36.5 |
| 2032 | 6,180,000 | 1,834,015 | 8,014,015 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,280,000 | 42.6 |
| 2033 | 6,180,000 | 1,652,081 | 7,832,081 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,280,000 | 48.7 |
| 2034 | 5,945,000 | 1,470,065 | 7,415,065 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,045,000 | 54.6 |
| 2035 | 5,945,000 | 1,294,835 | 7,239,835 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,045,000 | 60.5 |
| 2036 | 5,945,000 | 1,116,198 | 7,061,198 | 938,000 | 112,000 | 50,000 | 1,100,000 | 7,045,000 | 66.4 |
| 2037 | 5,725,000 | 936,181 | 6,661,181 | 938,000 | 112,000 | 50,000 | 1,100,000 | 6,825,000 | 72.1 |
| 2038 | 5,490,000 | 761,306 | 6,251,306 | 938,000 | 112,000 | 50,000 | 1,100,000 | 6,590,000 | 77.7 |
| 2039 | 4,670,000 | 594,950 | 5,264,950 | 938,000 | 112,000 | 50,000 | 1,100,000 | 5,770,000 | 82.5 |
| 2040 | 4,415,000 | 457,669 | 4,872,669 | 938,000 | 112,000 | 50,000 | 1,100,000 | 5,515,000 | 87.1 |
| 2041 | 2,680,000 | 324,625 | 3,004,625 | 938,000 | 112,000 | 50,000 | 1,100,000 | 3,780,000 | 90.3 |
| 2042 | 2,160,000 | 229,213 | 2,389,213 | 938,000 | 112,000 | 50,000 | 1,100,000 | 3,260,000 | 93.0 |
| 2043 | 1,605,000 | 144,200 | 1,749,200 | 938,000 | 112,000 | 50,000 | 1,100,000 | 2,705,000 | 95.3 |
| 2044 | 1,100,000 | 80,000 | 1,180,000 | 938,000 | 112,000 | 50,000 | 1,100,000 | 2,200,000 | 97.1 |
| 2045 | 600,000 | 36,000 | 636,000 | 938,000 | 112,000 | 50,000 | 1,100,000 | 1,700,000 | 98.6 |
| 2046 | 600,000 | 12,000 | 612,000 | 938,000 | 112,000 | 50,000 | 1,100,000 | 1,700,000 | 100.0 |
| Total | \$ 97,210,000 | \$ 23,658,759 | \$120,868,759 | \$ 18,755,000 | \$ 2,245,000 | \$ 1,000,000 | \$ 22,000,000 | \$ 119,210,000 | |

¹ Excludes refunded bonds and all leases.

Overlapping/Underlying Debt

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

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

**Debt Statement
As of June 18, 2026
(Pro Forma)**

| | |
|--|-----------------------|
| Long-Term Debt Outstanding: ¹ | |
| Public Improvement (Includes this issue) | \$ 35,795,000 |
| Schools (Includes this issue) | 64,818,000 |
| Sewers (Includes this issue) | 18,272,000 |
| Water | 325,000 |
| Total Long-Term Debt | <u>119,210,000</u> |
| Short-Term Debt | - |
| Total Direct Debt | 119,210,000 |
| Underlying Debt | - |
| Total Overall Debt | 119,210,000 |
| Less: Sewer Assessment Receivable (as of 6/30/2025) ² | <u>(6,973,357)</u> |
| Total Overall Net Debt | <u>\$ 112,236,643</u> |

¹ Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 in the amount of \$6,715,000, of which \$915,000 is outstanding as of June 18, 2026.

² Sewer debt paid by assessments levied against benefited property owners.

**Current Debt Ratios
As of June 18, 2026
(Pro Forma)**

| | |
|---|------------------|
| Population ³ | 27,528 |
| Net Taxable Grand List (10/1/25) | \$17,497,161,570 |
| Estimated Full Value (70%) | \$24,995,945,100 |
| Equalized Net Taxable Grand List (10/1/23) ² | \$24,601,750,524 |
| Income per Capita (2020) ³ | \$115,558 |
| Income per Capita (2024) ¹ | \$134,276 |

| | Total Overall Debt | Total Overall Net Debt |
|---|-------------------------------|-----------------------------------|
| | \$119,210,000 | \$112,236,643 |
| Per Capita | \$4,330.50 | \$4,077.18 |
| Ratio to Net Taxable Grand List | 0.68% | 0.64% |
| Ratio to Estimated Full Value | 0.48% | 0.45% |
| Ratio to Equalized Grand List | 0.48% | 0.46% |
| Debt per Capita to Income per Capita 2020 | 3.75% | 3.53% |
| Debt per Capita to Income per Capita 2024 | 3.23% | 3.04% |

¹ U.S. Census Bureau, American Community Survey, 2020-2024.

² Office of Policy and Management, State of Connecticut.

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

Bond Authorization

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

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

Maturities

General obligation bonds (serial and term) are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. Pursuant to state law, all bonds issued on or after July 1, 2017, including sewer and school bonds, shall be due not later than thirty years from the date of their issuance.

Temporary Financing

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

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

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

Clean Water Fund Program

The Town has periodically participated in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum.

Grants and loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. For loans, each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO").

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Municipalities may elect to make level debt service payments or level principal payments. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Presently, the Town has no outstanding clean water fund loans.

Limitation of Indebtedness

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

| | |
|---------------------------------|--|
| General Purposes: | 2.25 times annual receipts from taxation |
| School Purposes: | 4.50 times annual receipts from taxation |
| Sewer Purposes: | 3.75 times annual receipts from taxation |
| Urban Renewal Purposes: | 3.25 times annual receipts from taxation |
| Unfunded Past Pension Purposes: | 3.00 times annual receipts from taxation |

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

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limitation calculation debt: (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grant for which the town or municipality has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects in order to meet the requirements of an abatement order of the Commissioner of the Department of Energy and Environmental Protection, provided the municipality files a certificate signed by its chief fiscal officer with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness.

Statement of Debt Limitation
As of June 18, 2026
(Pro Forma)

| | |
|--|-----------------------|
| Total Tax Collections (including interest and lien fees) for the year ended June 30, 2025 | \$ 216,111,199 |
| Reimbursement for Revenue Loss On: | |
| Tax relief for elderly freeze | - |
| Base for Debt Limitation Computation | <u>\$ 216,111,199</u> |

| Debt Limitation: | General Purposes | Schools | Sewers | Urban Renewal | Past Pension |
|---|-----------------------------|-----------------------|--------------------------------|--------------------------|-----------------------|
| 2 ¹ / ₄ times base | \$ 486,250,198 | - | - | - | - |
| 4 ¹ / ₂ times base | - | \$ 972,500,396 | - | - | - |
| 3 ³ / ₄ times base | - | - | \$ 810,416,996 | - | - |
| 3 ¹ / ₄ times base | - | - | - | \$ 702,361,397 | - |
| 3 times base | - | - | - | - | \$ 648,333,597 |
| Total Debt Limitation | <u>486,250,198</u> | <u>972,500,396</u> | <u>810,416,996</u> | <u>702,361,397</u> | <u>648,333,597</u> |
| Less Indebtedness: ^{1,2} | | | | | |
| Outstanding Bonds | 33,550,000 | 46,063,000 | 17,272,000 | - | - |
| Bonds: This Issue | 2,245,000 | 18,755,000 | 1,000,000 | - | - |
| Authorized But Unissued Debt | 7,160,359 | 85,716,426 | 2,381,000 | - | - |
| Total Indebtedness | <u>42,955,359</u> | <u>150,534,426</u> | <u>20,653,000</u> | - | - |
| Less: School Grants Receivable | - | - | - | - | - |
| Net Debt for Calculation of Debt Limitation.... | <u>42,955,359</u> | <u>150,534,426</u> | <u>20,653,000</u> ³ | - | - |
| Debt Limitation in Excess of | | | | | |
| Outstanding And Authorized Debt | <u>\$ 443,294,839</u> | <u>\$ 821,965,970</u> | <u>\$ 789,763,996</u> | <u>\$ 702,361,397</u> | <u>\$ 648,333,597</u> |

¹ Excludes refunded bonds and Energy Savings Improvement Program lease entered into on October 18, 2017 in the amount of \$6,715,000, of which \$915,000 is outstanding as of June 18, 2026.

² Water assessment debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$325,000 of outstanding water bonds.

³ Some of the sewer debt that is paid by assessments is excluded from the debt limitation calculation pursuant to the Connecticut General Statutes.

Note: In no case shall total indebtedness exceed seven times the annual receipts from taxation or \$1,512,778,393.

(The remainder of this page intentionally left blank)

**Authorized but Unissued Debt
As of June 18, 2026
(Pro Forma)**

| Project | Previously Bonded, Paid- down, or Funded | | This Issue: The Bonds | Authorized But Unissued Debt |
|---|---|-------------------------|----------------------------------|---|
| | Amount Authorized | by Other Sources | | |
| Reconstruction of the Baldwin Lot ³ | \$ 1,492,000 | \$ 1,367,000 | \$ - | \$ 125,000 |
| Construction and Engineering- Bayberry Lane Bridge ³ | 479,000 | 470,000 | - | 9,000 |
| Fire Police Radio System ³ | 4,635,400 | 4,388,500 | - | 246,900 |
| Construction of Sanitary Sewer Extension Contract#73 ³ | 1,847,000 | 1,801,100 | - | 45,900 ² |
| Construction of Sanitary Sewer Extension Contract#75 ³ | 3,890,000 | 3,578,900 | - | 311,100 ² |
| Design & permitting of replacement of Hillandale Rd Bridge over Muddy Brook | 232,000 | 200,000 | - | 32,000 |
| Replacement of the Weigh Scale located at the Westport Transfer Station ³ | 285,000 | 151,600 | - | 133,400 |
| Initial assessment and feasibility study for the Long Lots Elementary School Project | 482,000 | 400,000 | - | 82,000 |
| Replacement of sidewalks - Bedford MS, Coleytown MS, and sections on Riverside Ave | 350,000 | 300,000 | - | 50,000 |
| Replacement of Pump Station #3 Force Main Sewer Line and Pump Station Upgrades ³ | 1,900,000 | 1,432,300 | - | 467,700 |
| Sewer Pump Station #8 Upgrades ³ | 1,000,000 | 723,100 | - | 276,900 ² |
| Long Lots Elementary School & Stepping Stones Pre-school Design | 6,800,000 | 6,215,000 | - | 585,000 |
| Ned Dimes Marina Design | 80,000 | 80,000 | - | - |
| Staples HS Parking Lot Paving, Curbing & Sidewalk Improvements | 1,295,000 | 1,056,000 | - | 239,000 |
| DPW-Final Design & Construction Documents for Cross Highway Culvert Over Deadman Brook | 121,000 | 111,500 | - | 9,500 |
| DPW-Phase I Cross Highway School Zone Corridor Improvements | 990,000 | 500,000 | - | 490,000 |
| P&R-Ned Dimes Marina - Design, Fabrication & Delivery of Fuel Dock & Electrical Pedestals | 170,000 | 40,000 | 125,000 | 5,000 |
| P&R Replacement of Doubleday Tennis Courts | 554,000 | 543,850 | - | 10,150 |
| Rehabilitation of the Old Mill Walkway and Tidal Gates | 5,580,000 | 4,862,495 | - | 717,505 |
| Design & Construction for Upgrades to Pump Station #9 and Force Main | 1,754,000 | 1,344,600 | - | 409,400 |
| Construction Documents for Traffic signal and Pedestrian Crossing in Saugatuck Center | 110,000 | 29,000 | 70,000 | 11,000 |
| Design, Permitting & Preparation of Construction Documents to Replace Compo Marina Seawall | 75,000 | 50,000 | - | 25,000 |
| Old Road Bridge Bridge over Sasco Creek | 5,570,000 | 5,570,000 | - | - |
| Replace Cross Highway Culvert Over Deadmans Brook | 2,750,000 | 1,600,000 | 200,000 | 950,000 |
| Staples Sports Flooring Replacement | 1,502,733 | 522,847 | - | 979,886 |
| Rehabilitation of Compo Marina Piers, Fuel Dock and Electrical Switchgear | 2,429,000 | 2,000,000 | 250,000 | 179,000 |
| Continued Replacement of Existing Sidewalk Network | 400,000 | 350,000 | - | 50,000 |
| Design Parks Maintenance Facility | 238,000 | 200,000 | - | 38,000 |
| Various School Improvement Projects | 122,446 | - | - | 122,446 |
| Long Lots Elementary School & Stepping Stones Pre-school Construction | 103,190,124 | 5,340,000 | 15,655,000 | 82,195,124 |
| Leveling of 7 Teeboxes at Longshore Golf Course | 250,000 | - | 200,000 | 50,000 |
| Design and Permitting Longshore Marina Bulkhead Rehabilitation | 104,420 | - | - | 104,420 |
| Design of Irrigation System at Longshore Golf Course | 95,000 | - | - | 95,000 |
| FY25 BOE Building Projects - SHS-008 (Hot water pumps/valves) | 24,125 | - | - | 24,125 |
| FY 26 BOE Building Projects; Cooling Towers, Air Handling Units Fieldhouse & Gym, Gas Fired rooftop units, Evall HVAC & AHU, Waterside Balancing | 217,555 | - | 100,000 | 117,555 |
| New LTC 93 Mid-Mount Platform Tower Ladder Truck | 2,484,484 | - | - | 2,484,484 |
| Compo Marina North Seawall | 500,000 | - | 200,000 | 300,000 |
| Design of Longshore Water Supply System | 220,000 | - | - | 220,000 |
| Design of Easton Road Sidewalk | 440,000 | - | 300,000 | 140,000 |
| BOE Building Projects FY26; Auditorium Stage, Science Labs, Concession Stand, Girls Locker Room, Roof Replacement & Repair, Motorized Folding Partiion | 3,376,290 | - | 3,000,000 | 376,290 |
| ADA Accessible Ramp between Imperial Lot & Levitt Pavillion Lot | 275,000 | - | - | 275,000 |
| Town Hall ADA Improvements Phase 1 | 815,000 | - | 500,000 | 315,000 |
| Crosswalk signal & Sidewalk Improvements Wisteria Lane & Easton Road | 495,000 | - | 400,000 | 95,000 |
| Design and Construction for the upgrades to Pump Station #10 and its Force Main | 1,870,000 | - | 1,000,000 | 870,000 |
| Parking lot repaving, curbing and sidewalk improvements at SES & KHE | 995,000 | - | - | 995,000 |
| Total | \$ 162,485,577 | \$ 45,227,792 | \$ 22,000,000 | \$ 95,257,785 |

¹ The Town expects grant reimbursement and the remaining authorized but unissued will not be bonded.

² Debt service incurred by Town for this project will be funded by property owners that benefit.

³ The project is complete. The Town does not anticipate any further borrowing for this project. The Town will deauthorize any authorized but unused amounts.

(The remainder of this page intentionally left blank)

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

| Long-Term Debt | 2025 | 2024 | 2023 | 2022 | 2021 |
|-----------------------------|---------------|----------------|----------------|----------------|----------------|
| Bonds..... | \$ 93,935,000 | \$ 104,650,000 | \$ 104,785,000 | \$ 105,800,000 | \$ 106,705,000 |
| Short-Term Debt | | | | | |
| Bond Anticipation Notes.... | - | - | - | - | - |
| Totals | \$ 93,935,000 | \$ 104,650,000 | \$ 104,785,000 | \$ 105,800,000 | \$ 106,705,000 |

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

| Fiscal Year Ended | Grand List | Net Assessed Value (000's Omitted) | Estimated Full Value (000's Omitted) | Net Long-Term Debt ¹ | Ratio of Net Long-Term Debt to Estimated Actual Value | | Population ² | Net Long-Term Debt Per Capita | Ratio of Net Long-Term Debt Per Capita to Income (%) ³ |
|--------------------------|-------------------|---|---|--|--|---------------------------------|--------------------------------|--------------------------------------|--|
| | | | | | Debt to Assessed Value (%) | Debt to Actual Value (%) | | | |
| 2025 | 2023 | \$ 11,468,457 | \$ 16,383,510 | \$ 93,935,000 | 0.82 | 0.57 | 27,528 | 3,412 | 2.54 |
| 2024 | 2022 | 11,305,799 | 16,151,141 | 104,650,000 | 0.93 | 0.65 | 27,528 | 3,802 | 2.83 |
| 2023 | 2021 | 11,100,021 | 15,857,172 | 104,785,000 | 0.94 | 0.66 | 27,528 | 3,806 | 2.83 |
| 2022 | 2020 | 10,830,371 | 15,471,958 | 105,800,000 | 0.98 | 0.68 | 27,528 | 3,843 | 2.86 |
| 2021 | 2019 | 11,445,274 | 16,350,391 | 106,705,000 | 0.93 | 0.65 | 27,528 | 3,876 | 2.89 |

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

² U.S. Census Bureau, American Community Survey, 2020-2024.

³ U.S. Census Bureau, American Community Survey, 2020-2024: Income Per Capita \$135,349.

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

| Fiscal Year Ended 6/30 | Total Debt Service | Total General Fund Expenditures ¹ | Ratio of Total Debt Service Expenditures To Total General Fund Expenditures |
|-------------------------------|---------------------------|---|--|
| 2026 ² | \$ 11,028,606 | \$ 273,818,519 | 4.03% |
| 2025 | 11,270,632 | 265,829,746 | 4.24% |
| 2024 | 10,892,559 | 253,601,377 | 4.30% |
| 2023 | 12,456,030 | 242,961,205 | 5.13% |
| 2022 | 13,063,038 | 236,495,320 | 5.52% |
| 2021 | 12,178,612 | 227,386,368 | 5.36% |
| 2020 | 13,308,084 | 222,167,570 | 5.99% |
| 2019 | 14,876,729 | 218,086,923 | 6.82% |
| 2018 | 14,345,561 | 233,342,486 | 6.15% |
| 2017 | 14,278,330 | 228,245,399 | 6.26% |

¹ Includes transfers out.

² Subject to audit.

Source: Town of Westport, Finance Office.

VI. Financial Administration

Fiscal Year

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

Basis of Accounting

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

Budget Procedure

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

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

The Town’s finances are under the direction of a full-time Finance Director who also serves as the Purchasing Authority/Treasurer. The Town utilizes in-house computer capabilities, line-item budgeting and double-entry bookkeeping.

Audit

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Board of Finance, is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2025, the financial statements of the various funds of the Town were audited by CliftonLarsonAllen LLP (“CLA”). Included in this Official Statement and made a part hereof as Appendix A are the “2025 General Purpose Financial Statements” as of June 30, 2025, together with the opinion thereon rendered by CLA. CLA has not been engaged to perform and has not performed, since the state of its report included herein, any procedures on the financial statements addressed in that report. CLA also has not performed any procedures relating to this official statement. CLA has not been asked nor have they given their permission to include their audit report in the Official Statement.

Liability Insurance

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

Capital Improvement Plan

| Uses | Fiscal Year | | | | | Total |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2026 | 2027 | 2028 | 2029 | 2030 | |
| Town Facilities..... | \$ 600,000 | \$ - | \$ 400,000 | \$ 250,000 | \$ 450,000 | \$ 1,700,000 |
| Library..... | - | 1,200,000 | - | - | - | 1,200,000 |
| Police..... | - | 5,700,000 | 50,000,000 | 37,500,000 | - | 93,200,000 |
| Fire..... | 1,200,000 | - | 775,000 | 300,000 | 5,200,000 | 7,475,000 |
| Public Works..... | 4,070,000 | 9,175,000 | 5,650,000 | 5,685,000 | 3,880,000 | 28,460,000 |
| Parks and Recreation..... | 3,603,667 | 17,405,667 | 11,915,000 | 6,690,000 | 5,708,000 | 45,322,334 |
| Board of Education..... | 62,995,020 | 20,305,810 | 7,469,720 | 7,515,507 | 8,906,736 | 107,192,793 |
| Total..... | \$ 72,468,687 | \$ 53,786,477 | \$ 76,209,720 | \$ 57,940,507 | \$ 24,144,736 | \$ 284,550,127 |
| Sources | | | | | | |
| Bonds..... | \$ 69,550,303 | \$ 46,551,973 | \$ 68,135,341 | \$ 51,046,427 | \$ 20,279,736 | \$ 255,563,780 |
| Capital & Non-Recurring.... | 1,392,164 | 2,086,886 | 1,580,329 | 1,227,078 | 2,090,000 | 8,376,457 |
| Operating Capital - Town.... | 176,220 | 47,618 | 69,050 | 47,002 | - | 339,890 |
| Sewer Reserve..... | - | 100,000 | - | 120,000 | 125,000 | 345,000 |
| Grant (Including ARPA)..... | 1,350,000 | - | - | - | - | 1,350,000 |
| Private, State and Town..... | - | 5,000,000 | 6,425,000 | 5,500,000 | 1,650,000 | 18,575,000 |
| Total..... | \$ 72,468,687 | \$ 53,786,477 | \$ 76,209,720 | \$ 57,940,507 | \$ 24,144,736 | \$ 284,550,127 |

Pensions

The Town maintains seven contributory pension plans covering substantially all full-time employees and noncertified Board of Education employees. Five pension plans are single-employer contributory defined benefit plans and two plans are contributory defined contribution plans which are part of the Town's financial reporting entity and are accounted for in seven pension trust funds: police, fire, public works, municipal interim, non-union defined benefit plans and two defined contribution trust funds: Town of Westport Defined Contribution Retirement Plan and Town of Westport 401(k) Plan. The defined contribution plan covers all new non-bargaining employees of the Town, Library and Board of Education that were hired after December 31, 2011, all new Department of Public Works union employees hired after April 1, 2012, all new municipal employees hired after July 14, 2017, with all new firefighters hired after July 1, 2017 and all new police officers hired after December 18, 2017 in a hybrid plan.

The total pension payments from the five defined benefit plans to retirees, widows and beneficiaries for Fiscal Year 2025 were \$31,239,907.

As of June 30, 2025, the fair market value of the assets held in trust in these five (5) pension plans was \$436,766,991.

The Town has actuarial reports prepared every year. The most recent actuarial report was prepared as of July 1, 2024. Based upon that report, the actuarial value of assets and actuarial accrued liabilities (in thousands) are shown on the following page.

Teacher's Retirement

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

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

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

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

| | Police | Fire | Public Works | Municipal | Non-Union |
|---|-----------------------|------------------------|-----------------------|------------------------|----------------------|
| Total Pension Liability | \$ 126,155,982 | \$ 105,950,515 | \$ 19,364,136 | \$ 82,820,000 | \$ 93,458,325 |
| Plan Fiduciary Net Position | 132,733,753 | 116,347,819 | 26,936,152 | 101,847,414 | 58,901,853 |
| Total Net Pension Liability | <u>\$ (6,577,771)</u> | <u>\$ (10,397,304)</u> | <u>\$ (7,572,016)</u> | <u>\$ (19,027,414)</u> | <u>\$ 34,556,472</u> |
| Plan Fiduciary Net Position as a % of the Total Pension Liability... | 105.21% | 109.81% | 139.10% | 122.97% | 63.02% |

For Fiscal Year 2025, the Town made the Actuarially Determined Contribution ("ADC") to the Plan. For Fiscal Year 2026, the Town has budgeted an estimate of the Actuarially Determined Contribution to the Plan at the time of budgeting and has since made the payment to the Plan. The Town expects to make the Actuarially Determined Contribution to the Plan in future years. The Town negotiated pension contracts in 2017, which reduced the benefits for all unions and non-bargaining groups. The combined pension and OPEB savings of over \$90 million are now being realized over 20 years, which explains the decrease in ADC starting in Fiscal Year 2023. The Town's past contributions are detailed on the following page. For a description of the Town Pension Plan, see footnote number 9 in Appendix A "Notes to Financial Statements."

(The remainder of this page intentionally left blank)

Police

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|--|-------------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution..... | \$ 1,616,928 | \$ 1,603,901 | \$ 1,452,846 | \$ 1,770,081 | \$ 3,568,221 |
| Contributions in Relation to the Actuarially Determined Contribution..... | 1,616,928 | 1,603,901 | 1,452,846 | 1,770,081 | 3,568,221 |
| Contribution Deficiency (Excess)..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of ADC..... | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Covered Payroll..... | N/A | \$ 5,634,779 | \$ 5,421,956 | \$ 5,177,366 | \$ 5,301,764 |
| Contributions as a Percentage of Covered Payroll..... | N/A | 28.46% | 26.80% | 34.19% | 67.30% |

¹ Subject to audit.**Fire**

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|--|-------------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution..... | \$ 930,555 | \$ 1,263,916 | \$ 1,273,445 | \$ 1,688,416 | \$ 2,597,229 |
| Contributions in Relation to the Actuarially Determined Contribution..... | 930,555 | 1,263,916 | 1,273,445 | 1,688,416 | 2,597,229 |
| Contribution Deficiency (Excess)..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of ADC..... | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Covered Payroll..... | N/A | \$ 6,309,792 | \$ 5,902,954 | \$ 6,141,371 | \$ 5,845,868 |
| Contributions as a Percentage of Covered Payroll..... | N/A | 20.03% | 21.57% | 27.49% | 44.43% |

¹ Subject to audit.**Public Works**

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|--|-------------------|------------|--------------|--------------|--------------|
| Actuarially Determined Contribution..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in Relation to the Actuarially Determined Contribution..... | - | - | - | - | - |
| Contribution Deficiency (Excess)..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of ADC..... | N/A | N/A | N/A | N/A | N/A |
| Covered Payroll..... | N/A | \$ 837,743 | \$ 1,219,478 | \$ 1,490,770 | \$ 1,445,684 |
| Contributions as a Percentage of Covered Payroll..... | N/A | 0.00% | 0.00% | 0.00% | 0.00% |

¹ Subject to audit.**Municipal**

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|--|-------------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution..... | \$ - | \$ - | \$ 150,574 | \$ 470,158 | \$ 1,000,140 |
| Contributions in Relation to the Actuarially Determined Contribution..... | - | - | 150,574 | 470,158 | 1,000,140 |
| Contribution Deficiency (Excess)..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of ADC..... | N/A | N/A | 100.00% | 100.00% | 100.00% |
| Covered Payroll..... | N/A | \$ 10,325,382 | \$ 11,669,760 | \$ 12,721,089 | \$ 13,514,941 |
| Contributions as a Percentage of Covered Payroll..... | N/A | 0.00% | 1.29% | 3.70% | 7.40% |

¹ Subject to audit.**Non-Union**

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|--|-------------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution..... | \$ 5,159,926 | \$ 4,659,469 | \$ 4,090,185 | \$ 3,698,569 | \$ 1,853,281 |
| Contributions in Relation to the Actuarially Determined Contribution..... | 5,159,926 | 4,659,469 | 4,090,185 | 3,698,569 | 1,853,281 |
| Contribution Deficiency (Excess)..... | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of ADC..... | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Covered Payroll..... | N/A | \$ 6,890,024 | \$ 7,162,286 | \$ 7,478,295 | \$ 7,618,060 |
| Contributions as a Percentage of Covered Payroll..... | N/A | 67.63% | 57.11% | 49.46% | 24.33% |

¹ Subject to audit.

Note: The Town negotiated pension contracts in 2017, which reduced the benefits for all unions and non-bargaining groups. The combined pension and OPEB savings of over \$90 million are now being realized over 20 years, which explains the decrease in ADC starting in Fiscal Year 2023

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

The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percent point higher than the current rate:

| | 1% Decrease | Current | 1% Increase |
|--------------------|--------------------|----------------------|--------------------|
| | (5.125%) | Discount Rate | (7.125%) |
| | (5.125%) | (6.125%) | (7.125%) |
| Police | \$ 9,592,583 | \$ (6,577,771) | \$ (19,939,948) |
| Fire | 4,089,711 | (10,397,304) | (22,328,147) |
| Public Works | (5,522,049) | (7,572,016) | (9,306,881) |
| Municipal | (10,352,389) | (19,027,414) | (26,447,271) |
| Non-Union | 48,253,094 | 34,556,472 | 24,143,760 |

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

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

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

Other Post-Employment Benefits

The Town provides post-retirement benefits for certain employees eligible for current and future health and life insurance through a single-employer defined benefit plan. As of June 30, 2025, the total Net OPEB Liability was as follows:

| | |
|--|------------------------|
| Total OPEB Liability | \$ 101,207,136 |
| Plan Fiduciary Net Position | 124,424,800 |
| Total Net OPEB Liability | <u>\$ (23,217,664)</u> |
| Plan Fiduciary Net Position as a | |
| Percentage of the Total OPEB Liability | 122.94% |

The Town’s Actuarially Determined Contribution (ADC) and the percentage of ADC contributed to the plan was as follows:

| | 2026 ¹ | 2025 | 2024 | 2023 | 2022 |
|---|--------------------------|---------------------|-------------------|---------------------|---------------------|
| Actuarially Determined Contribution | \$ 2,858,947 | \$ 2,763,166 | \$ 4,911,016 | \$ 5,004,880 | \$ 6,676,962 |
| Contributions in relation to the | | | | | |
| Actuarially Determined Contribution ... | 5,369,686 | 3,907,254 | 5,888,422 | 4,702,677 | 6,113,409 |
| Contribution (Deficiency) Excess | <u>\$ 2,510,739</u> | <u>\$ 1,144,088</u> | <u>\$ 977,406</u> | <u>\$ (302,203)</u> | <u>\$ (563,553)</u> |
| Covered Employee Payroll | N/A | \$ 100,415,451 | \$ 100,415,451 | \$ 93,140,103 | \$ 93,140,103 |
| Contributions as a Percentage | | | | | |
| of Covered Employee Payroll | N/A | 3.89% | 5.86% | 5.05% | 6.56% |

¹ Subject to audit.

The Town negotiated OPEB contracts in 2017, which reduced the benefits for all unions and non-bargaining groups. The combined pension and OPEB savings of over \$90 million are now being realized over 20 years, which explains the decrease in ADC starting in Fiscal Year 2023. For Fiscal Year 2025 the Town has budgeted an estimate of the ADC to the Plan at the time of budgeting and has made the payment to the Plan. The Town expects to continue to make the ADC to the Plan in future years. For more information see footnote number 10 in Appendix A “Notes to Financial Statements.”

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------|--------------------|----------------------------------|--------------------|
| | (5.125%) | (6.125%) | (7.125%) |
| Net OPEB Liability..... | \$ (10,050,366) | \$ (23,217,664) | \$ (34,167,700) |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

| | 1% Decrease | Healthcare Cost Current Trend Rates | 1% Increase |
|-------------------------|--------------------|--|--------------------|
| Net OPEB Liability..... | \$ (37,763,750) | \$ (23,217,664) | \$ (5,257,928) |

Investment Policy

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

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

(The remainder of this page intentionally left blank)

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

| | Adopted Budget | Actual | Actual | Actual | Actual |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues: | 2025-26 ^{1,2} | 2024-25 | 2023-24 | 2022-23 | 2021-22 |
| Property Taxes | \$ 219,684,926 | \$ 215,854,533 | \$ 210,677,321 | \$ 202,563,682 | \$ 198,393,367 |
| Intergovernmental | 1,842,636 ³ | 24,639,993 | 25,057,527 | 22,861,096 | 20,561,438 |
| Permits, Licenses and Fees | 16,335,866 | 15,926,183 | 15,302,170 | 14,444,853 | 15,243,523 |
| Investment Income | 3,860,000 | 3,625,539 | 3,337,968 | 893,277 | (505,655) |
| Charges for Services | 1,600,730 | 1,815,083 | 1,907,302 | 1,835,369 | 1,802,171 |
| Parks & Recreation | - | - | - | - | - |
| Total Revenues | 243,324,158 | 261,861,331 | 256,282,288 | 242,598,277 | 235,494,844 |
| Expenditures: | | | | | |
| General Government | 7,832,666 | 7,216,843 | 6,912,014 | 7,103,315 | 6,625,193 |
| Public Safety | 26,810,142 | 26,928,114 | 25,836,742 | 25,134,998 | 23,252,705 |
| Public Works | 13,857,256 | 12,853,420 | 10,849,552 | 10,727,427 | 10,829,844 |
| Public Health | 606,459 | 594,568 | 571,700 | 557,756 | 587,111 |
| Human Services | 1,690,657 | 1,618,475 | 1,509,879 | 1,353,563 | 1,352,968 |
| Library | 6,309,849 | 5,954,832 | 5,660,806 | 5,716,297 | 5,090,149 |
| Parks and Recreation | 8,620,779 | 7,964,817 | 7,340,685 | 6,870,340 | 6,202,459 |
| Board of Education | 151,180,056 ³ | 166,480,679 | 158,323,627 | 149,529,885 | 144,066,529 |
| Benefits and other | 21,540,630 | 20,306,179 | 20,935,391 | 19,496,374 | 20,746,686 |
| Debt Service | 11,028,606 | 11,270,632 | 10,892,559 | 12,456,030 | 13,063,038 |
| Capital Outlay | 1,681,018 | 3,069,786 | 2,417,888 | 1,248,291 | 1,962,993 |
| Total Expenditures | 251,158,118 | 264,258,345 | 251,250,843 | 240,194,276 | 233,779,675 |
| Revenues over (under) expenditures.... | (7,833,960) | (2,397,014) | 5,031,445 | 2,404,001 | 1,715,169 |
| Other Financing Sources Uses: | | | | | |
| Capital Lease | - | 875,448 | 392,757 | 131,163 | 967,442 |
| Subscription Issuance | - | 856,776 | 677,032 | 36,865 | - |
| Proceeds of Refunding Bonds | - | - | - | - | - |
| Payment to Refunding Escrow | - | - | - | - | - |
| Premiums on Refunding Bonds Issued | - | - | - | - | - |
| Premiums on Bonds Issued | - | - | - | - | - |
| Operating Transfers In | 538,486 | 521,617 | 942,703 | 616,457 | 408,033 |
| Operating Transfers (Out) | (1,368,165) | (1,571,401) | (2,350,534) | (2,766,929) | (2,715,645) |
| Total other Financing Sources (uses) | (829,679) | 682,440 | (338,042) | (1,982,444) | (1,340,170) |
| Revenues and other financing sources over (under) expenditures and other financing uses... | n/a | (1,714,574) | 4,693,403 | 421,557 | 374,999 |
| Fund Balance, beginning | 44,842,014 | 46,556,588 | 41,863,185 | 41,441,628 | 41,066,629 |
| Fund Balance, ending | n/a | \$ 44,842,014 | \$ 46,556,588 | \$ 41,863,185 | \$ 41,441,628 |

¹ Budgetary basis.

² Subject to audit.

³ The Intergovernmental Revenues and the Board of Education expenditures do not include or reflect the State On-Behalf payments for pension and OPEB as such amounts are not yet determined and known. Those amounts will be reflected in the FY 2025/2026 actuals when they are available.

Connecticut General Statutes Section 4-661, as amended (“Section 4-661”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in Fiscal Year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments of unfunded pension liabilities.

Analysis of General Fund Equity

| | Adopted | | | | |
|--------------------------------|----------------|----------------------|----------------------|----------------------|----------------------|
| | Budget | Actual | Actual | Actual | Actual |
| | 2025-26 | 2024-25 | 2023-24 | 2022-23 | 2021-22 |
| Nonspendable..... | N/A | \$ 460,787 | \$ 447,446 | \$ 452,813 | \$ 544,281 |
| Restricted..... | N/A | - | - | - | - |
| Committed..... | N/A | 805,548 | 786,411 | 764,697 | - |
| Assigned..... | N/A | 11,301,062 | 9,391,785 | 8,033,350 | 9,978,780 |
| Unassigned..... | N/A | 32,274,617 | 35,930,946 | 32,612,325 | 30,792,713 |
| Total Fund Balance..... | N/A | \$ 44,842,014 | \$ 46,556,588 | \$ 41,863,185 | \$ 41,315,774 |

¹ Budgetary basis.

² Subject to audit.

(The remainder of this page intentionally left blank)

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinion in substantially the form included in this Official Statement as Appendix B.

Litigation

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

Documents Furnished at Delivery

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

1. A Signature and No Litigation Certificate stating that at the time of delivery, no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A receipt for the purchase price of the Bonds.
3. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut, in substantially the form attached hereto as Appendix B to this official statement.
4. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
5. A certificate on behalf of the Town, signed by the First Selectman and Finance Director, which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Bonds were accepted and as of the closing date, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
6. The Town has prepared an Official Statement dated June __, 2026. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser of the Bonds a reasonable number of copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser within seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or re-offering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Bonds. The winning purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement. Additional copies of the Official Statement may be obtained by the winning purchaser at its own expense by arrangement with the printer.

Concluding Statement

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

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

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

TOWN OF WESTPORT, CONNECTICUT

By: _____
KEVIN CHRISTIE, *First Selectman*

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

June __, 2026

Appendix A

2025 General Purpose Financial Statements Excerpted from the Town's Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Westport, Connecticut for the fiscal year ended June 30, 2025. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite #1, Milford, Connecticut 06460. Telephone (203) 878-4945.



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Westport, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Westport, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Westport, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Westport, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Westport, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westport, Connecticut's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the Town of Westport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Westport, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westport, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 29, 2025

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

As management of the Town of Westport, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report as well as the Town's basic financial statements that follow this section.

The Town's current financial outlook remains financially strong, with the Town collecting 99.22% of property taxes for Fiscal Year 2025. The net 2024 Grand list increased by 1.29% compared to 2023. Real estate valuations rose by 1.6% and personal property values increased by just under 2% while motor vehicle values decreased by 7.8% due to a change in the state law in calculating motor vehicle values. These increases are largely due to new residential and commercial construction as well as reinvestment in businesses. Westport continues to be attractive to businesses and new residents, reinforcing its economic vitality. During the fiscal year, there was no new debt issuance as delays in starting some new capital projects. The Town issued \$12,000 in general obligation bonds in October 2025.

Financial Highlights – Primary Government

The Town's net position of \$281,304 increased by \$23,274 from this year's operations, a 9% growth over the prior year. The Town's revenues of \$292,277 exceeded expenses of \$269,003.

As of the end of the current fiscal year, the General Fund had an ending fund balance of \$44,842. The planned use of \$9,200 has been classified as assigned fund balance for use in the 2025/2026 General Fund Budget to reduce taxes. The unassigned fund balance for the General Fund is \$32,275, a decrease of \$656 from the prior year. This unassigned general fund balance as of June 30, 2025 is 12.1% of general fund expenditures and transfers out. While still healthy, the decrease moves the Town closer to its target range, which could raise concerns if further declines occur. The Board of Finance has recommended the maintenance of a General Fund unassigned fund balance range of 9.00-11.00% of the annual General Fund expenditures.

The Town's long-term liabilities experienced a net decrease of approximately \$8,375 during the fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

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

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

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town of Westport maintains thirty (30) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Operating Fund, Capital Nonrecurring Fund and COVID Local Fiscal Recovery Fund. Nineteen (19) special revenue funds, four (4) capital project funds, two (2) permanent funds and one (1) debt service fund are combined into aggregate nonmajor funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

The Town adopts an annual appropriated budget for its General Fund, Sewer Operating Fund, Railroad Parking Operating Fund and Wakeman Town Farm Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Proprietary Funds

The Town maintains four (4) proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its Town Health Insurance and Workers' Compensation claims, and Board of Education Medical Insurance. Also, it has a Fleet Fund for vehicle leasing activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary Funds

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

The Town maintains three different types of fiduciary funds. The pension trust funds and OPEB trust fund are used to report resources held in trust for retirees and beneficiaries covered by the Town's five pension plans and OPEB plan.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-89 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. It also provides General Fund, Sewer Operating Fund, Railroad Parking Operating Fund and Wakeman Town Farm Fund budget information. This information can be found on pages 91-109 of this report.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Westport 's total net position was \$281,304 at the close of this fiscal year. This is a 9% increase from the previous year's net position. Total assets increased by \$15,120 primarily due to an increase in net pension and net OPEB assets. Total liabilities decreased by \$11,213 in part to the Town not issuing any new debt during the fiscal year. Deferred outflows for pension and OPEB decreased \$5,466. Deferred inflows increased by \$2,407. These changes in deferred outflows and inflows are attributed to pension and OPEB.

**NET POSITION
June 30, 2025 and 2024**

| | Governmental Activities | |
|---|-------------------------|------------|
| | 2025 | 2024 |
| Assets: | | |
| Current Assets | \$ 123,574 | \$ 136,483 |
| Capital Assets, Net of Accumulated Depreciation | 316,304 | 320,156 |
| Noncurrent Assets | 73,243 | 41,362 |
| Total Assets | 513,121 | 498,001 |
| Deferred Outflows of Resources | 11,100 | 16,566 |
| Liabilities: | | |
| Long-Term Liabilities Outstanding | 129,634 | 138,009 |
| Other Liabilities | 33,317 | 36,155 |
| Total Liabilities | 162,951 | 174,164 |
| Deferred Inflows of Resources | 79,966 | 82,373 |
| Net Position: | | |
| Net Investment in Capital Assets | 219,989 | 215,688 |
| Restricted | 76,487 | 43,421 |
| Unrestricted | (15,172) | (1,079) |
| Total Net Position | \$ 281,304 | \$ 258,030 |

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

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Governmental Activities

Governmental activities reflect a 9% increase in net position over last year. The increase of \$23,274 of net position is due to an increase in tax revenue reflected in the 99.22% collection rate and 1.38% increase in the 2023 grant list. Operating grants and contributions increased due to state and federal grant monies received for reimbursements of certain capital projects. These positive revenue results outweighed an increase in program expenses year over year.

**CHANGES IN NET POSITION
June 30, 2025 and 2024**

| | Governmental Activities | |
|--|-------------------------|------------|
| | 2025 | 2024 |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 31,073 | \$ 30,646 |
| State On-Behalf Pension and OPEB Revenue | 21,590 | 21,890 |
| Operating Grants and Contributions | 12,512 | 4,441 |
| Capital Grants and Contributions | 2,049 | 2,612 |
| General Revenues: | | |
| Property Taxes | 219,219 | 212,374 |
| Unrestricted Investment Earnings | 5,028 | 5,283 |
| Miscellaneous | 806 | 320 |
| Total Revenues | 292,277 | 277,566 |
| Program Expenses: | | |
| General Government | 10,380 | 9,968 |
| Public Safety | 36,476 | 39,643 |
| Public Works | 22,553 | 21,867 |
| Public Health | 595 | 572 |
| Human Services | 4,518 | 3,435 |
| Library | 5,992 | 5,682 |
| Parks and Recreation | 11,389 | 10,770 |
| Education | 153,885 | 141,875 |
| State Pension and OPEB Revenue and Expense | 21,590 | 21,890 |
| Interest on Long-Term Debt | 1,625 | 1,773 |
| Total Program Expenses | 269,003 | 257,475 |
| Change in Net Position | 23,274 | 20,091 |
| Net Position - Beginning of Year | 258,030 | 237,939 |
| Net Position - End of Year | \$ 281,304 | \$ 258,030 |

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Expenses and Program Revenues - Government-Wide Activities

Major revenue factors included:

- Operating grants and contributions increased by \$8,071 from prior year due mostly to the increase in the Teacher's State Retirement Board pension and OPEB allocations. Several capital projects with federal and state grant funding received reimbursements.
- Property taxes collected increased by \$6,845 from the prior fiscal year. The tax collection rate for fiscal year 2025 was 99.22% and real estate taxes.
- Charges for services rose by \$427. Fiscal year 2025 marked the Westport Affordable Housing fund first full year of collections of the inclusionary zoning fees. Parks and recreation department activities also added to this year's positive results.
- Investment earnings decreased by \$255 over the previous year due to the impact of the federal reserve cutting interest rates overall by 1% during the first half of the fiscal year.

Major expense factors include:

- Education costs have increased by \$12,010 with higher allocations for the Teacher's State Retirement Board pension and OPEB costs being a contributing factor.
- Public Safety costs decreased by \$3,167 mainly due to the decrease in the net pension liability.

Business-Type Activities

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

Financial Analysis

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. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$78,954, a decrease of \$8,001 as of June 30, 2025. Fund balance in the General Fund decreased by \$1,715 and in the Sewer fund by \$929. Capital Nonrecurring fund balance decreased by \$386 due to increased capital expenditures with various new projects underway during the fiscal year. Covid Local Fiscal Recovery fund balance remained unchanged. Nonmajor government funds fund balance dropped by \$4,971 as no new debt issuance occurred during the year to fund the capital expenditures was the biggest factor driving this decline.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

General Fund

At the end of the current fiscal year, the unassigned fund balance of the general fund was \$32,275 (compared to \$35,931 in the prior year), while total fund balance reached \$44,842. One of the main reasons for the decrease in the General Fund's fund balance is the use of fund balance to cover the tax mill rate increase for the upcoming fiscal year. Higher property tax revenue helped to offset the impact of the draw on fund balance. The 1.471% tax rate increase on real estate, personal property and motor vehicle levies along with a 99.22% collection rate were contributing factors to our number one source of revenue, tax revenue. On the expenditure side, public safety increased year over year by 4.2% with salary and overtime related costs due to promotions, retirements, unanticipated personnel vacancies and community safety being major drivers. Public works overall expenditures increased by 18% over last year. Some factors contributing to these higher costs were attributable to the road maintenance department which had road paving projects and street marking with higher material costs. Storm related costs increased significantly over the prior year's expenditures to cover manpower, salt and sand. Board of Education operating expenditures resulted in a 5% increase from the prior year that were mostly associated with contractual employee compensation and benefits. This year's pension costs were slightly higher and OPEB costs were paid out of the trust as the Town continues to fund based on actuary's valuations. Insurance Debt service costs were flat with no debt issuance this year since some major projects were delayed. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.1% of total general fund expenditures and transfers out, while total fund balance represents 16.9% of that same amount. The unassigned general fund balance of the Town increased by \$3,319 during the current fiscal year. The Board of Finance has recommended a target unassigned General Fund Balance of approximately 9-11% of General Fund expenditures.

Sewer Operating Fund

The fund balance has decreased by \$929. Electricity increased over the prior year due to more usage. Capital outlay expenditures were \$250 more than last year with the replacement of pumps at several pump stations and purchase of a generator. Last year, \$466 of debt premium was allocated to cover principal and interest budget shortfall which was not necessary this fiscal year.

Capital and Nonrecurring Fund

At the end of the current fiscal year, the Capital and Nonrecurring fund balance was \$10,475, down \$386 from last year's fund balance. This reduction can be attributed to the fluctuation in the Board of Education's yearly transfer of general fund operating savings to the Capital and Nonrecurring fund. Last year, \$509 was transferred compared to \$172 this fiscal year.

COVID Local Fiscal Recovery Fund

As the Town continues to spend the federal monies under the grant program guidelines, the RTM approved the funding in December 2024 for Old Mill Tide gates project using the remaining grant funds and the balance of the project cost to be bonded. Two new EMS electric vehicles were purchased at a cost of \$160. \$208 was spent on design costs associated with the redevelopment of two downtown parking lots. The Center for Senior Activities had \$230 expenditures for heating and cooling improvements. This fund ended the fiscal year with a fund balance of \$223, unchanged from last year.

Internal Service Funds

The Town maintains four Internal Service funds with a net position of \$6,392.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Fiduciary Funds

The Net Pension liability/(asset) for all five of the plans approximates \$(9,018). The Other Post Employment Benefits (OPEB) liability/(asset) is \$(23,218).

General Fund Budgetary Highlights

The difference between the original budget and the final amended budgeted expenditures was \$317 and can be summarized as follows:

- \$146 for Board of Education rentals & reimbursements
- \$100 for hiring five new firefighters due to unanticipated openings
- \$55 for elderly and disabled transportation
- \$16 for human resources budget shortfall

| Revenue: | <u>Estimated Revenue</u> | <u>Actual Revenue</u> | <u>Increase/ (Decrease)</u> |
|------------------------------------|------------------------------|---------------------------|---------------------------------|
| Property Taxes | \$ 211,974 | \$ 214,230 | \$ 2,256 |
| Licenses, Permits, Fees, and Other | 11,654 | 11,910 | 256 |
| Education | 640 | 766 | 126 |

Actual general fund revenues were greater than budgeted revenue by \$2,762. Property Tax revenue exceeded expectations by \$2,225. Real estate tax revenue increased by 2.9% over last's total collections due in part to higher property values and personal property collections were 7% higher compared to last year as local businesses continue to reinvest equipment and improvements. Licenses, Permit and fee revenue were higher by \$256, with tax interest and liens higher than budgeted due to collections on deferred properties. Police fines and EMS fees surpassed budget projections. Solid waste tipping fee revenue rose over the prior year due to increased hauling activity. Rental income grew with renegotiated contracts at higher rates than previous contracts. The Town's investment income was \$106 favorable to budget as the Town continues to actively work with investment managers to secure high rates for longer term based on market performance.

Actual general fund expenditures were less than budgeted expenditures by \$1,990. General government savings of \$460 were in large part related to personnel changes in tax, planning and zoning departments and lower expenditures on information technology network and operating costs due to timing. Public Works came in under budget by \$819 as solid waste had lower than expected expenditures for fees and services and building maintenance saw savings in electricity and heating fuel costs. Parks and recreation came in under budget by \$197 with half of the savings attributed to program activities.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$316,304 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and infrastructure.

| | Governmental Activities | |
|--|-------------------------|-------------------|
| | 2025 | 2024 |
| Land | \$ 33,823 | \$ 33,823 |
| Construction in Progress | 12,443 | 8,016 |
| Land Improvements | 11,888 | 12,472 |
| Buildings and Improvements | 182,038 | 189,785 |
| Machinery and Equipment | 15,052 | 14,442 |
| Infrastructure | 58,107 | 59,494 |
| Right-to-Use Leased Assets | 1,754 | 1,255 |
| Subscription-Based Information Technology/Arrangement Assets | 1,199 | 869 |
| Total | <u>\$ 316,304</u> | <u>\$ 320,156</u> |

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

- Long Lots Elementary School Design Phase - construction in progress (\$2m)
- Old Road Bridge replacement construction in progress (\$1.3m)
- Cross Highway sidewalk improvements-construction in progress (\$0.5m)
- Gillespie Center project completed (\$0.3m)

Additional information on the Town's capital assets can be found in Note 3C of this report.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Long-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$93,935, a decrease of \$10,715 from the prior year.

Outstanding Debt, at Year-End

| | Outstanding Debt at Year-End Governmental Activities | |
|--------------------------|---|------------|
| | 2025 | 2024 |
| General Obligation Bonds | \$ 93,935 | \$ 104,650 |
| Notes Payable | 1,784 | 2,606 |
| Lease Liability | 1,933 | 1,392 |
| Total | \$ 97,652 | \$ 108,648 |

The Town's total outstanding debt decreased by \$822 in the current year due to regularly scheduled principal reductions on existing outstanding debt.

The Town maintains an "AAA" rating from Moody's Investors Service. State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$1,470,862 which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3F of this report.

Economic Factors and Next Year's Budgets and Rates

Unemployment rates throughout the state have decreased. The unemployment rate for the Town as of June 30, 2025, is 3.0%, in comparison to the State's average unemployment rate of 3.4% and the Fairfield County Labor Market of 3.2%.

For the FY 25-26 budget, contractual agreements with the unions related to salaries, medical insurance costs, educational operating costs, public safety operating costs and parks and recreation operating costs and increase in state's minimum wage rate for part-time employees were major contributing factors to budgetary increases. These costs were offset by reductions in recommended contribution to fund future pension benefit and no funding necessary for OPEB benefits as it is overfunded due to the town's continued commitment to fund based on actuarial info. The Town will continue to fully budget for the Town's pension and OPEB liabilities based on the latest actuarial valuations. All these factors were considered in preparing the Town of Westport's annual budget. In January 2012, the Board of Finance recommended a target unassigned General Fund Balance approximating 9-11% of General Fund expenditures.

**TOWN OF WESTPORT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025
(IN THOUSANDS)**

Government Response to COVID-19's Impact on the Economy

The Rescue Plan (ARPA) relief package allocated the Town \$8.4 million which was distributed in two tranches. In June 2021, the Town received \$4.2 million of these funds and the second tranche payment of \$4.2 million was received in May 2022. The first tranche must be expended or committed by December 31, 2024, while the second tranche must be expended or committed by December 31, 2026.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 52,889,746 |
| Investments | 51,155,564 |
| Prepaid Items | 460,787 |
| Receivables, Net of Allowance for Uncollectibles: | |
| Property Taxes | 6,242,775 |
| Assessments | 7,826,141 |
| Leases | 457,393 |
| Accounts | 4,541,234 |
| Total Current Assets | <u>123,573,640</u> |
| Noncurrent Assets: | |
| Lease Receivables | 6,451,246 |
| Net Pension Asset | 43,574,505 |
| Net OPEB Asset | 23,217,664 |
| Capital Assets, Nondepreciable | 46,265,507 |
| Capital Assets, Net of Accumulated Depreciation/Amortization | 270,038,237 |
| Total Noncurrent Assets | <u>389,547,159</u> |
| Total Assets | 513,120,799 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Charge on Refunding | 280,526 |
| Deferred Outflows - Pension | 6,807,968 |
| Deferred Outflows - OPEB | 4,011,713 |
| Total Deferred Outflows of Resources | <u>11,100,207</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable and Accrued Expenses | 11,974,264 |
| Accrued Interest Payable | 441,983 |
| Unearned Revenue | 6,944,454 |
| Noncurrent Liabilities, Due Within One Year | 13,955,864 |
| Total Current Liabilities | <u>33,316,565</u> |
| Noncurrent Liabilities: | |
| Due in More Than One Year | 129,634,109 |
| Total Liabilities | <u>162,950,674</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows - Pension | 17,230,322 |
| Deferred Inflows - OPEB | 56,089,729 |
| Lease Related | 6,645,864 |
| Total Deferred Inflows of Resources | <u>79,965,915</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 219,989,444 |
| Restricted: | |
| Nonexpendable - Purposes of Trust | 16,896 |
| Debt Service | 1,119,359 |
| Capital Projects | 7,833,966 |
| Grants | 724,295 |
| Pension and OPEB Assets | 66,792,169 |
| Unrestricted | (15,171,712) |
| Total Net Position | <u>\$ 281,304,417</u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

| Functions/Programs | Expenses | Program Revenues | | | Net Revenue (Expenses) and Changes in Net Position |
|--------------------------------|-----------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities |
| GOVERNMENT ACTIVITIES | | | | | |
| General Government | \$ 10,377,626 | \$ 5,921,610 | \$ 330,341 | \$ - | \$ (4,125,675) |
| Public Safety | 36,476,308 | 5,953,255 | (16,588) | 1,089,327 | (29,450,314) |
| Public Works | 22,553,443 | 2,991,923 | 2,208,814 | 955,968 | (16,396,738) |
| Public Health | 594,568 | 128,699 | - | - | (465,869) |
| Human Services | 4,518,306 | 7,681,809 | - | - | 3,163,503 |
| Library | 5,991,799 | - | - | - | (5,991,799) |
| Parks and Recreation | 11,389,058 | 1,138,635 | 1,800,566 | 3,904 | (8,445,953) |
| Education | 175,475,309 | 7,257,417 | 29,778,733 | - | (138,439,159) |
| Interest on Long-Term Debt | 1,625,462 | - | - | - | (1,625,462) |
| Total Governmental Activities | <u>\$ 269,001,879</u> | <u>\$ 31,073,348</u> | <u>\$ 34,101,866</u> | <u>\$ 2,049,199</u> | (201,777,466) |
| GENERAL REVENUES | | | | | |
| | | | | | 219,218,654 |
| | | | | | 5,027,988 |
| | | | | | 805,660 |
| | | | | | <u>225,052,302</u> |
| CHANGES IN NET POSITION | | | | | |
| | | | | | 23,274,836 |
| | | | | | 258,029,581 |
| | | | | | <u>\$ 281,304,417</u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

| | General Fund | Sewer Operating Fund | Capital and Nonrecurring Fund | Covid Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|-------------------------------------|---|-----------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 18,336,518 | \$ 250 | \$ 6,542,462 | \$ - | \$ 21,857,610 | \$ 46,736,840 |
| Investments | 41,828,627 | - | 9,326,937 | - | - | 51,155,564 |
| Prepaid Items | 460,787 | - | - | - | - | 460,787 |
| Receivables, Net | 12,271,194 | 7,838,715 | 159,532 | 15,000 | 5,234,348 | 25,518,789 |
| Due from Other Funds | 2,998,477 | 2,333,093 | 1,171,055 | 4,435,370 | 7,261,419 | 18,199,414 |
| | <u>75,895,603</u> | <u>10,172,058</u> | <u>17,199,986</u> | <u>4,450,370</u> | <u>34,353,377</u> | <u>142,071,394</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 4,584,789 | \$ 125,245 | \$ 250,549 | \$ 102,292 | \$ 2,899,877 | \$ 7,962,752 |
| Accrued Liabilities | 3,018,092 | - | - | - | 268 | 3,018,360 |
| Due to Other Funds | 12,050,221 | 16,775 | 6,474,377 | - | 2,767,118 | 21,308,491 |
| Unearned Revenue | 196,950 | - | - | 4,124,546 | 2,622,958 | 6,944,454 |
| Total Liabilities | <u>19,850,052</u> | <u>142,020</u> | <u>6,724,926</u> | <u>4,226,838</u> | <u>8,290,221</u> | <u>39,234,057</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable Revenue - Property Taxes | 5,843,663 | - | - | - | - | 5,843,663 |
| Unavailable Revenue - Sewer Assessments | - | 7,740,020 | - | - | - | 7,740,020 |
| Unavailable Revenue - Grants | - | - | - | - | 3,653,105 | 3,653,105 |
| Lease Related | 5,359,874 | - | - | - | 1,285,990 | 6,645,864 |
| Total Deferred Inflows of Resources | <u>11,203,537</u> | <u>7,740,020</u> | <u>-</u> | <u>-</u> | <u>4,939,095</u> | <u>23,882,652</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | 460,787 | - | - | - | 16,896 | 477,683 |
| Restricted | - | - | - | - | 8,558,261 | 8,558,261 |
| Committed | 805,548 | 2,290,018 | 10,475,060 | - | 17,454,019 | 31,024,645 |
| Assigned | 11,301,062 | - | - | - | - | 11,301,062 |
| Unassigned | 32,274,617 | - | - | 223,532 | (4,905,115) | 27,593,034 |
| Total Fund Balances | <u>44,842,014</u> | <u>2,290,018</u> | <u>10,475,060</u> | <u>223,532</u> | <u>21,124,061</u> | <u>78,954,685</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 75,895,603</u> | <u>\$ 10,172,058</u> | <u>\$ 17,199,986</u> | <u>\$ 4,450,370</u> | <u>\$ 34,353,377</u> | <u>\$ 142,071,394</u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Total Fund Balance (Exhibit III) \$ 78,954,685

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

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

| | |
|---------------------------------------|---------------|
| Capital Assets | 642,317,667 |
| Accumulated Depreciation/Amortization | (326,515,193) |

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

| | |
|--|------------|
| Property Tax Interest and Lien Accrual | 5,847,078 |
| Sewer Assessment Receivable | 7,740,020 |
| Grants Receivable | 3,653,105 |
| Deferred Outflows - Pension | 6,807,968 |
| Deferred Outflows - OPEB | 4,011,713 |
| Net Pension Asset | 43,574,505 |
| Net OPEB Asset | 23,217,664 |

Internal service funds are used by management to charge the cost of medical insurance to individual departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

6,392,723

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

| | |
|------------------------------|--------------|
| Bonds Payable | (93,935,000) |
| Bond Premium | (4,023,720) |
| Notes Payable | (1,784,000) |
| Leases Payable | (1,426,109) |
| Subscriptions Payable | (950,176) |
| Claims and Judgments | (2,235,835) |
| Compensated Absences | (2,304,698) |
| Net Pension Liability | (34,556,472) |
| Deferred Inflows - Pension | (17,230,322) |
| Deferred Inflows - OPEB | (56,089,729) |
| Deferred Charge on Refunding | 280,526 |
| Accrued Interest Payable | (441,983) |

Net Position of Governmental Activities (Exhibit I) \$ 281,304,417

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

| | General Fund | Sewer Operating Fund | Capital and Nonrecurring Fund | Covid Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|-------------------------------------|---|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 215,854,533 | \$ - | \$ - | \$ - | \$ - | \$ 215,854,533 |
| Sewer Assessments and Usage | - | 4,711,225 | - | - | - | 4,711,225 |
| Intergovernmental | 24,639,993 | 13,837 | 570,311 | 938,297 | 4,045,993 | 30,208,431 |
| Charges for Services | 1,815,083 | - | - | - | 10,774,261 | 12,589,344 |
| Permits, Fees, and Other | 15,926,183 | 13,875 | - | - | 2,706,755 | 18,646,813 |
| Investment income | 3,625,539 | - | 333,219 | - | 765,640 | 4,724,398 |
| Other Local Revenues | - | - | - | - | 693,810 | 693,810 |
| Total Revenues | <u>261,861,331</u> | <u>4,738,937</u> | <u>903,530</u> | <u>938,297</u> | <u>18,986,459</u> | <u>287,428,554</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 7,216,843 | - | - | 14,276 | 124,118 | 7,355,237 |
| Public Safety | 26,928,114 | - | - | - | 3,913,745 | 30,841,859 |
| Public Works | 12,853,420 | 2,712,373 | - | 90,481 | 62,946 | 15,719,220 |
| Public Health | 594,568 | - | - | - | - | 594,568 |
| Human Services | 1,618,475 | - | - | 43,940 | 1,821,985 | 3,484,400 |
| Library | 5,954,832 | - | - | - | - | 5,954,832 |
| Parks and Recreation | 7,964,817 | - | - | - | 677,273 | 8,642,090 |
| Education | 166,480,679 | - | - | - | 8,660,486 | 175,141,165 |
| Benefits and Other | 20,306,179 | - | - | - | - | 20,306,179 |
| Debt Service: | | | | | | |
| Principal | 8,506,067 | 2,176,500 | - | - | 64,743 | 10,747,310 |
| Interest and Other Charges | 2,764,565 | 739,471 | - | - | 21,054 | 3,525,090 |
| Capital Outlay | 3,069,786 | 407,309 | 2,462,549 | 789,600 | 8,120,190 | 14,849,434 |
| Total Expenditures | <u>264,258,345</u> | <u>6,035,653</u> | <u>2,462,549</u> | <u>938,297</u> | <u>23,466,540</u> | <u>297,161,384</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,397,014) | (1,296,716) | (1,559,019) | - | (4,480,081) | (9,732,830) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Lease Issuance | 875,448 | - | - | - | - | 875,448 |
| Subscription Issuance | 856,776 | - | - | - | - | 856,776 |
| Transfers In | 521,617 | 368,165 | 1,172,512 | - | 30,724 | 2,093,018 |
| Transfers Out | (1,571,401) | - | - | - | (521,617) | (2,093,018) |
| Net Other Financing Sources (Uses) | <u>682,440</u> | <u>368,165</u> | <u>1,172,512</u> | <u>-</u> | <u>(490,893)</u> | <u>1,732,224</u> |
| NET CHANGE IN FUND BALANCES | (1,714,574) | (928,551) | (386,507) | - | (4,970,974) | (8,000,606) |
| Fund Balances - Beginning of Year | 46,556,588 | 3,218,569 | 10,861,567 | 223,532 | 26,095,035 | 86,955,291 |
| FUND BALANCES - END OF YEAR | <u>\$ 44,842,014</u> | <u>\$ 2,290,018</u> | <u>\$ 10,475,060</u> | <u>\$ 223,532</u> | <u>\$ 21,124,061</u> | <u>\$ 78,954,685</u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (8,000,606)

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

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/amortization expense. This is the amount by which capital outlays exceeded depreciation in the current period:

| | |
|---------------------------------------|--------------|
| Capital Outlay | 10,916,036 |
| Depreciation and Amortization Expense | (14,844,043) |
| Loss on Disposal of Capital Assets | (16,489) |

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 funds are not reported in the Statement of Activities:

| | |
|---|-------------|
| Increase (Decrease) in Property Tax and Assessments Receivable - Accrual Basis Change | (1,343,688) |
| Increase (Decrease) in Net Pension Asset | 17,344,564 |
| Increase (Decrease) in Net OPEB Asset | 8,085,299 |
| Increase (Decrease) in Grant Receivables | 1,940,666 |
| Increase (Decrease) in Deferred Outflows Amounts Related to Pension | (4,276,358) |
| Increase (Decrease) in Deferred Outflows Amounts Related to OPEB | (1,204,858) |

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

The details of these differences in the treatment of long-term debt and related items are as follows:

| | |
|---|------------|
| (Increase) Decrease in Accrued Interest Payable | 104,853 |
| Principal Payments on Bonds Payable | 10,715,000 |
| Amortization of Bond Premiums | 989,444 |
| Amortization of Deferred Charge on Refunding | 15,641 |
| Principal Payments on Notes Payable | 822,000 |
| Subscription Issuance | (856,776) |
| Subscription Payments | 545,181 |
| Leases Issuance | (875,448) |
| Leases Payments | 426,501 |

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:

| | |
|--|-------------|
| (Increase) Decrease in Compensated Absences | 84,351 |
| (Increase) Decrease in Claims and Judgments | (649,739) |
| (Increase) Decrease in Net Pension Liability | 672,708 |
| (Increase) Decrease in Deferred Inflows Amounts Related to Pension | (5,010,574) |
| (Increase) Decrease in Deferred Inflows Amounts Related to OPEB | 7,442,844 |

The net revenue of the internal service funds is reported with the governmental activities.

248,327

Change in Net Position of Governmental Activities (Exhibit II)

\$ 23,274,836

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025**

| | <u>Governmental Activities Internal Service Funds</u> |
|----------------------------------|---|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 6,152,906 |
| Due from Other Funds | <u>3,342,259</u> |
| Total Current Assets | 9,495,165 |
| Noncurrent Assets: | |
| Capital Assets | <u>501,270</u> |
| Total Assets | 9,996,435 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 85,029 |
| Claims Payable | 911,538 |
| Lease Liability | 224,114 |
| Due to Other Funds | <u>233,182</u> |
| Total Current Liabilities | 1,453,863 |
| Noncurrent Liabilities: | |
| Claims Payable | 1,867,152 |
| Lease Liability | <u>282,697</u> |
| Total Noncurrent Liabilities | 2,149,849 |
| Total Liabilities | 3,603,712 |
| NET POSITION | |
| Net Investment in Capital Assets | (5,541) |
| Unrestricted | <u>6,398,264</u> |
| Total Net Position | <u><u>\$ 6,392,723</u></u> |

See accompanying Notes to Financial Statements.

TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

| | Governmental Activities <hr/> Internal Service Funds <hr/> |
|-----------------------------------|---|
| OPERATING REVENUES | |
| Charges for Services | \$ 15,260,215 |
| Total Operating Revenues | <hr/> 15,260,215 |
| OPERATING EXPENSES | |
| Claims Incurred | 14,385,307 |
| Administration | 722,234 |
| Amortization | 207,937 |
| Total Operating Expenses | <hr/> 15,315,478 |
| OPERATING INCOME | (55,263) |
| NONOPERATING REVENUES | |
| Investment Income | <hr/> 303,590 |
| CHANGE IN NET POSITION | 248,327 |
| Net Position - Beginning of Year | <hr/> 6,144,396 |
| NET POSITION - END OF YEAR | <hr/> <hr/> \$ 6,392,723 |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

| | <u>Governmental Activities Internal Service Funds</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from Charges for Services | \$ 15,398,686 |
| Payments to Vendors and Beneficiaries | <u>(14,867,411)</u> |
| Net Cash Provided by Operating Activities | 531,275 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest on Cash and Cash Equivalents | <u>303,590</u> |
| Net Cash Provided by Investing Activities | 303,590 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Lease Payments | (207,767) |
| Proceeds from Sale of Capital Assets | <u>224</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(207,543)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 627,322 |
| Cash and Cash Equivalents - Beginning of Year | <u>5,525,584</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 6,152,906</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating Income | \$ (55,263) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Amortization Expense | 207,937 |
| (Increase) Decrease in Accounts Receivable | 239,364 |
| (Increase) Decrease in Due from Other Funds | (395,626) |
| Increase (Decrease) in Accounts Payable | (442,329) |
| Increase (Decrease) in Due to Other Funds | 779,600 |
| Increase (Decrease) in Claims Payable | <u>197,592</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 531,275</u></u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES | |
| Capital Asset Purchase Financed Through Leases | <u><u>\$ 300,029</u></u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

| | <u>Pension and Other Employee Benefit Trust Funds</u> |
|---------------------------------|---|
| ASSETS | |
| Cash and Cash Equivalents | \$ 4,626,293 |
| Investments, at Fair Value: | |
| Common Stock | 45,121,064 |
| Mutual Funds | 461,388,907 |
| Alternative Investments | <u>94,247,317</u> |
| Total Investments | 600,757,288 |
| Accounts Receivable | <u>425,056</u> |
| Total Assets | <u>605,808,637</u> |
| NET POSITION | |
| Restricted for Pension Benefits | 481,383,837 |
| Restricted for OPEB Benefits | <u>124,424,800</u> |
| Total Net Position | <u><u>\$ 605,808,637</u></u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

| | <u>Pension and Other Employee Benefit Trust Funds</u> |
|---|---|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 12,388,636 |
| Plan Members | 4,869,105 |
| Total Contributions | <u>17,257,741</u> |
| Investment Income: | |
| Net Change in Fair Value of Investments | 41,630,331 |
| Realized Gain on Investments | 5,600,585 |
| Interest and Dividends | 11,555,677 |
| Total Investment Income | <u>58,786,593</u> |
| Less: Investment Expenses | 653,655 |
| Net Investment Income | <u>58,132,938</u> |
| Total Additions | 75,390,679 |
| DEDUCTIONS | |
| Benefits | 31,239,907 |
| Administration | 137,765 |
| Total Deductions | <u>31,377,672</u> |
| CHANGE IN NET POSITION | 44,013,007 |
| Net Position - Beginning of Year | <u>561,795,630</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 605,808,637</u></u> |

See accompanying Notes to Financial Statements.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement System (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. Also, the Town has established a defined contribution pension plan and a 401(k) pension plan for their employees. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

The Westport Public Library (the Library) is a separate, nonprofit organization as described under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes. While the Library is not a component unit of the Town, the Town is partially accountable for the Library as a related organization. The Town of Westport contributes funds as part of its annual budget to support the Library. The Town's budgeted contribution represents in excess of 70% of the Library's funding sources. The Town owns the land and 23% of the building operated by the Library. The Library is responsible for all maintenance, repairs and capital for the facility. The Town does not oversee the Library's expenditures but appoints 50% of the Library's Board of Trustees through the Representative Town Meeting (Town of Westport Charter, § C34-1. - Appointment and § C34-2. - Powers and Duties).

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements, the exception being interfund services provided and used. These services are not eliminated in the process of consolidation.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Town reports the following major governmental funds.

General Fund

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

Sewer Operating Fund

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Capital Nonrecurring Fund

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

Covid Local Fiscal Recovery Fund

The Covid Local Fiscal Recovery Fund accounts for monies received under the American Rescue Plan Act and related revenues and expenditures.

Additionally, the Town reports the following fund types:

Internal Service Funds

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

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds are used to account for the accumulation of resources to be used for retirement benefits (Police, Fire, Public Works, Municipal, Non-Union) and other postemployment benefits.

C. Cash and Cash Equivalents

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

D. Investments

Investments are recorded at fair value as follows:

U.S. government agencies, U.S. government securities, sovereign fixed income, municipal bonds, collateralized mortgage obligations using quoted market prices.

Common Stock and Equity Funds – closing prices as reported on the primary market or exchange on which they trade.

Money Market Instruments – amortized cost which approximates fair value.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments (Continued)

Hedge funds may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than the values determined if a ready market for the securities existed.

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

E. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) subscription-based information technology arrangements and right-to-use lease assets, are reported in the governmental activities column 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The categories below are depreciated/amortized using the straight-line method over the following estimated useful lives:

| | |
|-------------------------------------|-----------------|
| Buildings | 40 to 50 Years |
| Building Improvements | 20 Years |
| Land Improvements | 20 Years |
| Distribution and Collection Systems | 50 to 100 Years |
| Public Domain Infrastructure | 50 Years |
| System Infrastructure | 30 Years |
| Machinery and Equipment | 5 to 20 Years |

In the governmental fund financial statements, capital outlay (assets) is reported as expenditures and no depreciation/amortization is recorded.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets (Continued)

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

F. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience and changes of assumptions. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to leases in the government-wide statement of net position and the governmental funds balance sheet which are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. The Town also reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) and OPEB plan, excluding the investment gains or losses which are amortized over five years. For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from the following sources: property taxes, sewer assessments and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

H. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that have been used for time off but have not yet been paid in cash or settled through noncash means or certain other types of leave.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

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

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

J. Pension Accounting

Pension Trust Fund

The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Net Pension (Asset) Liability

The net pension (asset) liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension (asset) liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Funding Policy

The Town funds the contributions to its pension plans based on the discretion of management. These contributions have been substantially the amount recommended by the actuaries as the actuarially determined employer contribution.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Other Postemployment Benefits (OPEB) Accounting

OPEB Trust Fund

The OPEB Trust Fund is reported on the accrual basis of accounting. Employee contributions, if any, are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when they are due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Net OPEB (Asset) Liability

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

Funding Policy

The Town funds the contributions to its OPEB plan based on management's discretion.

L. Encumbrances

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance and Net Position

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

Net Investment in Capital Assets – This category includes all capital assets, including infrastructure, less accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

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

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

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance and Net Position (Continued)

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been designated authority to assign amounts. Under the Town’s adopted policy, the Board of Finance has the authority to authorize the Director of Finance to assign amounts for a specific purpose.

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

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

N. Property Taxes

Property taxes are assessed as of October 1, levied on the following July 1, and are due in four installments, July 1, October 1, January 1 and April 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicles taxes are due in full January 1. Taxes become delinquent 30 days after the installment is due. Liens are filed by the last day of the fiscal year.

O. Sewer Assessments

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

P. Accounting Estimates

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town uses the following procedures in establishing budget policies in the General Fund and Sewer Operating Fund:

- a. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means to be utilized to finance them.
- b. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of \$20,000 per year. Additional appropriations aggregating more than \$20,000 per fiscal year must be approved by the Representative Town Meeting.
- c. Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.
- d. Budgeted amounts shown are as amended by a Representative Town Meeting or by the Board of Finance during the course of the year. Additional appropriations for the year ended June 30, 2025 totaled \$316,765 for the General Fund and \$6,477 for the Sewer Operating Fund.
- e. All noncontinuing appropriations lapse at year-end.
- f. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- g. A reconciliation of General Fund and Sewer Operating Fund operations presented in accordance with GAAP to the amounts presented on the budgetary basis can be found at RSI-1, RSI-2, and RSI-3.
- h. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

Special Revenue Funds

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

Capital Projects Funds

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

B. Deficit Fund Balance

The following fund had a deficit fund balance at June 30, 2025:

| | |
|--------------------------------|------------|
| Nonmajor Special Revenue Fund: | |
| Educational Grants Fund | \$ 632,756 |

These deficits will be funded with grants, transfers and grant reimbursements.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

Deposits

The Town has a policy that deposits can include demand and savings accounts and certificates of deposit.

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Deposits (Continued)

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board and is regulated under the state statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town's policy for custodial credit risk follows the state of Connecticut requirements that deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$54,878,524 of the Town's bank balance of \$61,019,106 was exposed to custodial credit risk as follows:

| | |
|--|-----------------------------|
| Uninsured and Uncollateralized | \$ 49,220,152 |
| Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name | <u>5,658,372</u> |
| Total Amount Subject to Custodial Credit Risk | <u><u>\$ 54,878,524</u></u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2025, the Town's cash equivalents amounted to \$6,916,478. The following provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

| | Standard and Poor's |
|---------------------|------------------------|
| Money Market Funds | A+ |
| Money Market Funds* | N/A |
| *Not Rated | |

Investments

The Operating and Working Capital funds are invested in accordance with the guidelines of the "Investment Policy" upon the direction of the Finance Director in the following short-term investments: (1) various certificates of deposit (C.D.) with Connecticut banks (prior to acquiring a C.D., the Finance Director requires prospective bank depositories to provide written evidence that the bank meets the collateral, risk-based capital and other requirements of Qualified Public Depositories as defined in Connecticut General Statutes Section 36-382); (2) money market accounts; (3) U.S. government treasury obligations; and (4) repurchase agreements collateralized by U.S. government agency obligations.

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Investment Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town and the pension funds do not have a policy for custodial credit risk.

Credit Risk – Investments

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

| Average Rating | Corporate Bonds | U.S. Government Securities | U.S. Government Agencies |
|----------------|---------------------|-------------------------------|-----------------------------|
| Aaa | \$ - | \$ 693,934 | \$ 450,321 |
| Aa1 | - | 20,890,151 | 3,402,417 |
| Aa2 | 278,617 | 706,533 | 1,124,531 |
| Aa3 | 302,362 | - | 244,388 |
| A1 | 949,520 | - | 213,314 |
| A2 | 929,057 | - | - |
| A3 | 917,729 | - | - |
| Baa1 | 1,129,092 | - | - |
| Baa2 | 1,104,721 | - | - |
| Unrated | 35,784 | 5,492,936 | - |
| Total | <u>\$ 5,646,882</u> | <u>\$ 27,783,554</u> | <u>\$ 5,434,971</u> |

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the Town's investment in a single issuer. The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer. The Town had investments at June 30, 2025 of 5% or more in the Barings Core Property Fund (5.46%), Silchester International Fund (5.59%) and the Earnest International Investment Trust Fund (12.63%).

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

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. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. The Town's pension funds do have a policy to limit their exposure to fair market value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for pension distributions and monitoring the liquidity of the funds on an ongoing basis.

As of June 30, 2025, the Town had the following investments:

| Investment Type | Fair Value | Investment Maturities (Years) | | |
|----------------------------|-----------------------|-------------------------------|----------------------|--------------|
| | | Less Than 1 | 1-10 | More Than 10 |
| Certificates of Deposit* | \$ 8,610,102 | \$ 6,378,380 | \$ 2,231,722 | \$ - |
| U.S. Government Securities | 27,783,554 | 25,755,472 | 2,028,082 | - |
| U.S. Government Agencies | 5,434,971 | 1,533,277 | 3,901,694 | - |
| Corporate Bonds | 5,646,882 | 879,084 | 4,767,798 | - |
| Total | 47,475,509 | <u>\$ 34,546,213</u> | <u>\$ 12,929,296</u> | <u>\$ -</u> |
| Other Investments: | | | | |
| Mutual Funds | 461,388,908 | | | |
| Common Stock | 48,801,119 | | | |
| Alternative Investments | 94,247,316 | | | |
| Total Investments | <u>\$ 651,912,852</u> | | | |

* Subject to coverage by Federal Depository Insurance and Collateralization

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Fair Value of Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2025:

| | June 30, 2025 | Fair Value Measurements Using | | |
|--|-----------------------|-------------------------------|----------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level: | | | | |
| U.S. Government Securities | \$ 27,783,554 | \$ 27,783,554 | \$ - | \$ - |
| U.S. Government Agencies | 5,434,971 | 5,434,971 | - | - |
| Corporate Bonds | 5,646,882 | 5,646,882 | - | - |
| Common Stock | 48,801,119 | 48,801,119 | - | - |
| Mutual Funds | 461,388,908 | 391,523,003 | 69,865,905 | - |
| Total Investments by Fair Value Level | 549,055,434 | <u>\$ 479,189,529</u> | <u>\$ 69,865,905</u> | <u>\$ -</u> |
| Investments Measured at Net Asset Value (NAV): | | | | |
| Venture Capital Funds (including Private Equity and Hedge Funds) | 65,102,957 | | | |
| Real Estate Funds | 29,144,359 | | | |
| Total Investments Measured at NAV | 94,247,316 | | | |
| Certificates of Deposit | 8,610,102 | | | |
| Total Investments | <u>\$ 651,912,852</u> | | | |

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

Venture capital investments are valued using either a discounted cash flow or market comparable technique.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Fair Value of Investments (Continued)

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency (If Currently Eligible)</u> | <u>Redemption Notice Period</u> |
|---|-----------------------|---------------------------------|---|---|
| Investments Measured | | | | |
| Using NAV: | | | | |
| Barings Cove Property Fund | \$ 29,144,359 | \$ - | Quarterly | 90 Days |
| Earnest International Investment Trust | 15,683,519 | - | Quarterly | 60 Days |
| Hamilton Lane Secondary Fund | 3,545,854 | - | Quarterly | 91 Days |
| Silchester International | 24,184,496 | - | Monthly | 30 Days |
| TPG Angelo Gordon | 8,813,792 | - | N/A | N/A |
| Harbourvest 2021 Global Fund LP | 8,124,609 | - | Quarterly | 60 Days |
| Harbourvest 2023 Global Fund LP | 3,777,449 | - | Quarterly | 60 Days |
| Harbourvest 2024 Global Fund LP | 973,238 | - | Quarterly | 60 Days |

Real estate funds included nine real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the plan's ownership interest in partners' capital. These investments can never be redeemed with funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 to 10 years. 20% of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probably that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the plan's ownership interest in partners' capital. Once it has been determined which investment will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

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

Private equity, partnerships and venture capital funds provide for the portfolio exposure to private companies through equity and/or debt investments. Fund managers invest in private companies with the goal of enhancing value over the long-term.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fund Receivables

Receivables at June 30, 2025, including the applicable allowances for collection losses, are as follows:

| | General | Sewer Operating Fund | Capital and Nonrecurring Fund | Covid Local Fiscal Recovery Fund | Nonmajor and Other Funds | Total |
|-------------------|----------------------|----------------------------|-------------------------------------|--|-----------------------------|----------------------|
| Property Taxes | \$ 6,485,986 | \$ - | \$ - | \$ - | \$ - | \$ 6,485,986 |
| Assessments | - | 7,826,141 | - | - | - | 7,826,141 |
| Intergovernmental | - | - | 159,532 | - | 2,801,113 | 2,960,645 |
| Lease Receivable | 5,099,309 | - | - | - | 1,351,937 | 6,451,246 |
| Accounts | 930,119 | 12,574 | - | 15,000 | 1,506,354 | 2,464,047 |
| Gross Receivables | 12,515,414 | 7,838,715 | 159,532 | 15,000 | 5,659,404 | 26,188,065 |
| Allowances | (244,220) | - | - | - | - | (244,220) |
| Net Receivables | <u>\$ 12,271,194</u> | <u>\$ 7,838,715</u> | <u>\$ 159,532</u> | <u>15,000</u> | <u>\$ 5,659,404</u> | <u>\$ 25,943,845</u> |

Lease Receivables

The Town, acting as a lessor, leases land and buildings under various long-term noncancelable lease agreements through 2065. Total lease revenue and interest for the year ended June 30, 2025 was \$428,818 and \$133,519.

Total future minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ending June 30,</u> | <u>Lease Receivables</u> | |
|-----------------------------|--------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2026 | \$ 457,393 | \$ 116,003 |
| 2027 | 477,522 | 109,724 |
| 2028 | 498,084 | 102,597 |
| 2029 | 513,738 | 95,121 |
| 2030 | 536,012 | 87,273 |
| 2031 - 2035 | 2,571,904 | 312,705 |
| 2036 - 2040 | 738,863 | 146,525 |
| 2041 - 2045 | 393,538 | 57,046 |
| 2046 - 2050 | 56,411 | 28,882 |
| 2051 - 2055 | 63,660 | 21,634 |
| 2056 - 2060 | 71,840 | 13,454 |
| 2061 - 2065 | 72,281 | 4,249 |
| Total | <u>\$ 6,451,246</u> | <u>\$ 1,095,213</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

| | Balance July 1, 2024 | Increases | Decreases | Balance June 30, 2025 |
|---|-------------------------|-----------------------|---------------------|--------------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 33,822,822 | \$ - | \$ - | \$ 33,822,822 |
| Construction in Progress | 8,016,194 | 5,413,939 | 987,448 | 12,442,685 |
| Total Capital Assets Not Being Depreciated | 41,839,016 | 5,413,939 | 987,448 | 46,265,507 |
| Capital Assets Being Depreciated/Amortized: | | | | |
| Land Improvements | 33,226,354 | 561,560 | - | 33,787,914 |
| Buildings and Improvements | 378,490,503 | 891,637 | - | 379,382,140 |
| Machinery and Equipment | 38,694,392 | 2,637,998 | 736,580 | 40,595,810 |
| Infrastructure | 137,329,557 | 666,120 | - | 137,995,677 |
| Total Capital Assets Being Depreciated/Amortized | 587,740,806 | 4,757,315 | 736,580 | 591,761,541 |
| Less: Accumulated Depreciation/Amortization for: | | | | |
| Land Improvements | 20,754,316 | 1,145,221 | - | 21,899,537 |
| Buildings and Improvements | 188,704,984 | 8,639,573 | - | 197,344,557 |
| Machinery and Equipment | 24,252,735 | 2,011,043 | 720,091 | 25,543,687 |
| Infrastructure | 77,835,239 | 2,053,603 | - | 79,888,842 |
| Total Accumulated Depreciation/Amortization | 311,547,274 | 13,849,440 | 720,091 | 324,676,623 |
| Total Capital Assets Being Depreciated/Amortized, Net | 276,193,532 | (9,092,125) | 16,489 | 267,084,918 |
| Right-to-Use Lease Assets | | | | |
| Buildings and Improvements | 1,154,997 | - | - | 1,154,997 |
| Machinery and Equipment | 1,450,448 | 1,175,483 | 315,871 | 2,310,060 |
| Total Right-to-Use Lease Assets | 2,605,445 | 1,175,483 | 315,871 | 3,465,057 |
| Less: Accumulated Depreciation/Amortization for: | | | | |
| Buildings and Improvements | 421,214 | 224,012 | - | 645,226 |
| Machinery and Equipment | 929,716 | 451,937 | 315,646 | 1,066,007 |
| Total Accumulated Depreciation/Amortization | 1,350,930 | 675,949 | 315,646 | 1,711,233 |
| Total Right-to-Use Lease Assets, Net | 1,254,515 | 499,534 | 225 | 1,753,824 |
| Subscription-Based Information Technology Arrangements Assets: | | | | |
| Subscription-Based Information Technology Arrangements | 1,650,722 | 856,776 | 584,499 | 1,922,999 |
| Less: Accumulated Depreciation/Amortization for: | | | | |
| Subscription-Based Information Technology Arrangements | 781,414 | 526,589 | 584,499 | 723,504 |
| Total Subscription-Based Information Technology Arrangement Assets, Net | 869,308 | 330,187 | - | 1,199,495 |
| Total Governmental Activities Capital Assets, Net | <u>\$ 320,156,371</u> | <u>\$ (2,848,465)</u> | <u>\$ 1,004,162</u> | <u>\$ 316,303,744</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

| | |
|---|-----------------------------|
| Governmental Activities: | |
| General Government Services | \$ 1,087,407 |
| Public Safety | 1,347,060 |
| Public Works, Including Depreciation of General Infrastructure Assets | 4,277,648 |
| Human Services | 235,226 |
| Library | 376,255 |
| Parks and Recreation | 1,329,476 |
| Education | <u>6,398,906</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 15,051,978</u></u> |

Construction Commitments

The Town has the following construction commitments as of June 30, 2025:

| Project | Project Authorization | Additions/ Deletions | Cumulative Expenditures | Encumbered | Balance June 30, 2025 |
|---|-----------------------|----------------------|-------------------------|---------------------|-----------------------|
| 500127 Energy Savings Initiative | \$ 8,245,000 | \$ - | \$ 7,911,714 | \$ 229,352 | \$ 103,934 |
| 500141 Elm St Reconstruction | 950,000 | - | 894,824 | - | 55,176 |
| 500156 Street Light Buyout Program | 1,000,000 | - | 878,022 | 10,000 | 111,978 |
| 500181 Kings Hwy Bridge/Willow | 2,466,710 | - | 1,777,829 | 1,524 | 687,357 |
| 500170 P&R Turf Field Replacement | 4,785,269 | (28,061) | 4,644,394 | - | 112,814 |
| 500172 Ned Dimes Plan | 80,000 | - | 73,959 | 6,041 | - |
| 500176 Myrtle Ave Sidewalk | 380,000 | (3,701) | 330,243 | 950 | 45,106 |
| 500180 CMS Restoration | 31,972,235 | - | 31,906,873 | 487 | 64,875 |
| 500320 TRUNKED RADIO SYSTEM | 4,635,408 | (3,000) | 4,359,836 | - | 272,572 |
| 500328 SIDEWALK REPLACEMENT | 350,000 | 331,054 | 676,054 | 5,000 | - |
| 500342 Saugatuck Elementary Roof project | 153,894 | (74,052) | 79,842 | - | - |
| 500350 STAPLES HIGH SCHOOL ROOF REPLACEMENT | 5,227,866 | (392,717) | 4,835,149 | - | - |
| 500390 Asphalt Paving Projects | 1,295,000 | - | 895,772 | - | 399,228 |
| 500337 Baldwin Lot Reconstruction | 1,492,000 | - | 1,364,997 | - | 127,003 |
| 500349 Bayberry Lane Bridge | 2,395,000 | - | 2,245,697 | 28,752 | 120,551 |
| 500355 HILLANDALE RD BRIDGE | 232,000 | - | 158,950 | 43,050 | 30,000 |
| 500374 DPW Parsell Pavement Project | 440,000 | (73,297) | 366,703 | - | - |
| 500352 SEWER CONTRACT 73-WHITN | 1,431,000 | 370,562 | 1,801,562 | - | - |
| 500353 SEWER CONTRACT 75-EVERG | 3,100,000 | 478,810 | 3,578,810 | - | - |
| 500346 Riverside Park Improvements | 436,000 | - | 432,011 | - | 3,989 |
| 500373 Pump Station #3 Force Main | 1,900,000 | (2,215) | 1,388,975 | 57,736 | 451,074 |
| 500364 CROSS HIGHWAY SCHOOL TRAFFIC | 199,100 | - | 155,600 | 15,000 | 28,500 |
| 500369 STEAP-GFS SIDEWALK REPLACEMENT | 385,000 | - | 275,643 | 74,030 | 35,327 |
| 500378 SAFE STREET 4 ALL | 562,500 | - | 543,750 | - | 18,750 |
| 500460 Hillspoint Rd Sidewalk | 473,000 | - | 428,172 | 43,295 | 1,533 |
| 500381 Pump St#8 Upgrades | 1,000,000 | (1,348) | 139,660 | 142,000 | 716,992 |
| 500195 Ned Dimes Marina Rehabilitation | 2,429,000 | - | 4,151 | - | 2,424,849 |
| 500196 Sidewalk Maintenance/Repair | 400,000 | - | 90,853 | - | 309,147 |
| 500391 Cross Highway School Zone Sidewalks | 990,000 | - | 487,083 | 204,329 | 298,588 |
| 500392/500470 Old Mill Walkway and Tidegate | 5,580,000 | - | 4,280 | 51,920 | 5,523,800 |
| 500395 Old Rd Bridge over Sasco Creek | 5,570,000 | - | 1,280,575 | 3,784,402 | 505,023 |
| 500190 Ned Dimes Fuel Docks | 170,000 | - | 82,833 | 82,833 | 4,334 |
| 500193 Sewer Force Main St Pump#9 | 1,754,000 | - | 282,261 | - | 1,471,739 |
| 500388 Sewer Pump St.#10 ST.#11 Elevator Lift Replacement | 440,000 | - | 399,990 | 3,300 | 36,710 |
| 500464 Doubleday Tennis Court | 554,000 | - | 549,585 | - | 4,415 |
| Total | <u>\$ 93,473,982</u> | <u>\$ 602,035</u> | <u>\$ 75,326,652</u> | <u>\$ 4,784,001</u> | <u>\$ 13,965,364</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

As of June 30, 2025, interfund receivables and payables that resulted from various interfund transactions were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|----------------------------------|-------------------------------|-----------------------------|
| General Fund | Nonmajor Governmental Funds | \$ 2,767,118 |
| | Internal Service Fund | 231,359 |
| | Subtotal | <u>2,998,477</u> |
| Sewer Operating | General Fund | 2,331,270 |
| | Internal Service Fund | 1,823 |
| | Subtotal | <u>2,333,093</u> |
| Covid Local Fiscal Recovery Fund | General Fund | 4,435,370 |
| Capital and Nonrecurring Fund | General Fund | 1,171,055 |
| Nonmajor Governmental Funds | General Fund | 3,933,539 |
| | Capital and Nonrecurring Fund | 3,311,105 |
| | Sewer Operating | 16,775 |
| | Subtotal | <u>7,261,419</u> |
| Internal Service Fund | Capital and Nonrecurring Fund | 3,163,272 |
| | General Fund | 178,987 |
| | Subtotal | <u>3,342,259</u> |
| Total | | <u><u>\$ 21,541,673</u></u> |

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Interfund Transfers

Interfund transfers during the year ended June 30, 2025 were as follows:

| | <u>Transfers Out</u> | | <u>Total Transfers In</u> |
|-------------------------------|----------------------------|--|-----------------------------------|
| | <u>General Fund</u> | <u>Nonmajor Governmental Funds</u> | |
| Transfers In: | | | |
| General Fund | \$ - | \$ 521,617 | \$ 521,617 |
| Sewer Operating Fund | 368,165 | - | 368,165 |
| Capital and Nonrecurring Fund | 1,172,512 | - | 1,172,512 |
| Nonmajor Governmental Funds | 30,724 | - | 30,724 |
| Total Transfers Out | <u><u>\$ 1,571,401</u></u> | <u><u>\$ 521,617</u></u> | <u><u>\$ 2,093,018</u></u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

Interfund Transfers (Continued)

Transfers are used to account for financing by the General Fund of programs accounted for in other funds in accordance with budgetary authorizations, sewer assessments and sewer use charges collected in special revenue funds appropriated to the General Fund to offset debt service expenditures. The one-time transfer from the Debt Service Fund to the General Fund and Sewer Fund is to offset new debt service payments. The one-time transfers of various residual program balances are made to the General Fund and Special Revenue Funds. A portion of the Board of Education's unspent funds are transferred to the Capital and Nonrecurring Fund for funding of Board of Education capital projects.

E. Fund Balance

The components of fund balance for the governmental funds at June 30, 2025 are as follows:

| | General Fund | Sewer Operating Fund | Capital and Nonrecurring Fund | Covid Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Total |
|--|-----------------|----------------------------|-------------------------------------|--|-----------------------------------|---------------|
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Permanent Fund Principal | \$ - | \$ - | \$ - | \$ - | \$ 16,896 | \$ 16,896 |
| Prepaid Items | 460,787 | - | - | - | - | 460,787 |
| Total Nonspendable | 460,787 | - | - | - | 16,896 | 477,683 |
| Restricted: | | | | | | |
| General Government | - | - | - | - | 106,941 | 106,941 |
| Public Safety | - | - | - | - | 28,722 | 28,722 |
| Public Works - Road Impr | - | - | - | - | 588,632 | 588,632 |
| Capital Projects | - | - | - | - | 7,833,966 | 7,833,966 |
| Total Restricted | - | - | - | - | 8,558,261 | 8,558,261 |
| Committed: | | | | | | |
| General Government - Insurance Reserve and Parking | - | - | - | - | 1,416,374 | 1,416,374 |
| Heart and Hypertension | 805,548 | - | - | - | - | 805,548 |
| Public Protection Fund | - | - | - | - | 2,608,657 | 2,608,657 |
| Parks and Recreation | - | - | - | - | 39,932 | 39,932 |
| Capital Projects | - | - | 10,475,060 | - | 2,617,726 | 13,092,786 |
| Debt Service | - | - | - | - | 1,119,359 | 1,119,359 |
| Youth Services | - | - | - | - | 11,415 | 11,415 |
| Adult and Continuing Education | - | - | - | - | 718,000 | 718,000 |
| Cafeteria Fund | - | - | - | - | 716,603 | 716,603 |
| Escrow Fund | - | - | - | - | 4,149,364 | 4,149,364 |
| Wakeman Town Farm Fund | - | - | - | - | 355,090 | 355,090 |
| Student Activities | - | - | - | - | 947,976 | 947,976 |
| Senior Citizen Activities | - | - | - | - | 129,515 | 129,515 |
| Hillspoint School | - | - | - | - | 342,186 | 342,186 |
| Westport Affordable Housing | - | - | - | - | 1,243,560 | 1,243,560 |
| Sewer Operations | - | 2,290,018 | - | - | - | 2,290,018 |
| Sewer Capital Reserves | - | - | - | - | 1,038,262 | 1,038,262 |
| Total Committed | 805,548 | 2,290,018 | 10,475,060 | - | 17,454,019 | 31,024,645 |
| Assigned: | | | | | | |
| General Government | 78,970 | - | - | - | - | 78,970 |
| Public Safety | 273,991 | - | - | - | - | 273,991 |
| Public Works | 656,642 | - | - | - | - | 656,642 |
| Education | 956,005 | - | - | - | - | 956,005 |
| Parks and Recreation | 111,515 | - | - | - | - | 111,515 |
| Pensions | 19,329 | - | - | - | - | 19,329 |
| Other Purposes | 4,610 | - | - | - | - | 4,610 |
| Future Appropriations | 9,200,000 | - | - | - | - | 9,200,000 |
| Total Assigned | 11,301,062 | - | - | - | - | 11,301,062 |
| Unassigned | | | | | | |
| | 32,274,617 | - | - | 223,532 | (4,905,115) | 27,593,034 |
| Total Fund Balances | \$ 44,842,014 | \$ 2,290,018 | \$ 10,475,060 | 223,532 | \$ 21,124,061 | \$ 78,954,685 |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Balance (Continued)

Encumbrances of \$2,077,123 are included in the assigned balances of general government, public safety, public works, human services, education and parks and recreation.

F. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|-----------------------|---------------------|----------------------|-----------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds and Notes Payable: | | | | | |
| General Obligation Bonds | \$ 104,650,000 | \$ - | \$ 10,715,000 | \$ 93,935,000 | \$ 8,725,000 |
| Premium on Bonds | 5,013,164 | - | 989,444 | 4,023,720 | - |
| Total Bonds and Notes Payable | <u>109,663,164</u> | <u>-</u> | <u>11,704,444</u> | <u>97,958,720</u> | <u>8,725,000</u> |
| Notes Payable - Direct Borrowing | 2,606,000 | - | 822,000 | 1,784,000 | 869,000 |
| Lease Liability | 1,391,711 | 1,175,477 | 634,268 | 1,932,920 | 719,345 |
| Subscriptions Payable | 638,581 | 856,776 | 545,181 | 950,176 | 442,330 |
| Claims and Judgments | 1,586,096 | 1,643,285 | 993,546 | 2,235,835 | 895,491 |
| Compensated Absences | 2,389,049 | - | 84,351 | 2,304,698 | 2,304,698 |
| Risk Management Claims - Workers Compensation | - | 1,867,152 | - | 1,867,152 | - |
| Net Pension Liability | <u>35,229,180</u> | <u>-</u> | <u>672,708</u> | <u>34,556,472</u> | <u>-</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 153,503,781</u> | <u>\$ 5,542,690</u> | <u>\$ 15,456,498</u> | <u>\$ 143,589,973</u> | <u>\$ 13,955,864</u> |

The change in the compensated absences liability is presented as a net change.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Bonds

All bonds are general obligation debt of the Town and are secured by the general revenue raising powers of the Town.

| Description | Original Issue | | Date of Maturity | Interest Rate | Balance Outstanding June 30, 2025 |
|----------------------------|----------------|-----------|------------------|---------------|-----------------------------------|
| | Amount | Date | | | |
| Public Improvement: | | | | | |
| 2016 Debt Issue | \$ 2,061,000 | 3/3/2016 | 2/1/2036 | 2.00-2.80 % | \$ 800,000 |
| 2017 Debt Issue | 5,669,500 | 5/19/2017 | 5/15/2037 | 2.00-5.00 | 2,196,000 |
| 2018 Debt Issue | 10,941,000 | 6/21/2018 | 6/15/2038 | 2.00-5.00 | 7,111,000 |
| 2019 Debt Issue | 7,600,000 | 5/15/2019 | 6/30/2039 | 2.00-5.00 | 4,570,000 |
| 2020 Debt Issue | 3,007,200 | 5/27/2020 | 5/15/2040 | 2.00-5.00 | 2,375,000 |
| 2020 Refunding Debt | 2,620,000 | 12/1/2020 | 9/1/2028 | 5.00 | 1,205,000 |
| 2021 Debt Issue | 7,910,000 | 5/5/2021 | 5/1/2041 | 2.00-5.00 | 6,326,000 |
| 2021 Refunding Debt | 2,868,000 | 5/5/2021 | 2/1/2033 | 2.00-5.00 | 976,000 |
| 2022 Debt Issue | 3,463,000 | 5/17/2022 | 5/15/2042 | 3.00-5.00 | 2,941,000 |
| 2023 Debt Issue | 3,465,000 | 5/17/2023 | 5/15/2043 | 3.25-5.00 | 3,114,000 |
| 2024 Debt Issue | 355,000 | 5/23/2024 | 5/15/2044 | 3.25-5.00 | 337,000 |
| Total Public Improvement | | | | | 31,951,000 |
| School: | | | | | |
| 2015 Refunding Debt | 4,360,000 | 12/3/2015 | 7/15/2029 | 2.00-4.00 | 1,413,000 |
| 2016 Debt Issue | 954,000 | 3/3/2016 | 2/1/2036 | 2.00-2.80 | 515,000 |
| 2017 Debt Issue | 1,014,500 | 5/19/2017 | 5/15/2037 | 2.00-5.00 | 600,000 |
| 2018 Debt Issue | 60,000 | 6/21/2018 | 6/15/2038 | 2.00-5.00 | 39,000 |
| 2020 Debt Issue | 30,823,800 | 5/27/2020 | 5/15/2040 | 2.00-5.00 | 23,985,000 |
| 2021 Debt Issue | 2,573,000 | 5/5/2021 | 5/1/2041 | 2.00-5.00 | 2,005,000 |
| 2021 Refunding Debt | 8,155,000 | 5/5/2021 | 2/1/2033 | 2.00-5.00 | 1,466,000 |
| 2022 Debt Issue | 7,196,000 | 5/17/2022 | 5/15/2042 | 3.00-5.00 | 6,120,000 |
| 2023 Debt Issue | 1,235,000 | 5/17/2023 | 5/15/2043 | 3.25-5.00 | 1,116,000 |
| 2024 Debt Issue | 7,180,000 | 5/23/2024 | 5/15/2044 | 3.25-5.00 | 6,821,000 |
| Total School | | | | | 44,080,000 |
| Sewer: | | | | | |
| 2015 Refunding Debt | 3,590,000 | 12/3/2015 | 7/15/2029 | 2.00-4.00 | 1,262,000 |
| 2016 Debt Issue | 2,205,000 | 3/3/2016 | 2/1/2036 | 2.00-2.80 | 1,205,000 |
| 2017 Debt Issue | 186,000 | 5/19/2017 | 5/15/2037 | 2.00-5.00 | 114,000 |
| 2018 Debt Issue | 5,134,000 | 6/21/2018 | 6/15/2038 | 2.00-5.00 | 3,385,000 |
| 2020 Debt Issue | 569,000 | 5/27/2020 | 5/15/2040 | 2.00-5.00 | 450,000 |
| 2020 Refunding Debt | 7,860,000 | 12/1/2020 | 9/1/2028 | 5.00 | 3,615,000 |
| 2021 Debt Issue | 347,000 | 5/5/2021 | 5/1/2041 | 2.00-5.00 | 279,000 |
| 2021 Refunding Debt | 217,000 | 5/5/2021 | 2/1/2033 | 2.00-5.00 | 18,000 |
| 2022 Debt Issue | 441,000 | 5/17/2022 | 5/15/2042 | 3.00-5.00 | 374,000 |
| 2023 Debt Issue | 5,400,000 | 5/17/2023 | 5/15/2043 | 3.25-5.00 | 4,860,000 |
| 2024 Debt Issue | 2,465,000 | 5/23/2024 | 5/15/2044 | 3.25-5.00 | 2,342,000 |
| Total Sewer | | | | | 17,904,000 |
| Total | | | | | \$ 93,935,000 |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

The Town's general obligation bonds bear interest at rates from 2.0% to 5.0% and mature as follows:

| <u>Year Ending June 30,</u> | General Obligation Bonds | |
|-----------------------------|--------------------------|---------------|
| | Principal | Interest |
| 2026 | \$ 8,725,000 | \$ 3,044,129 |
| 2027 | 8,110,000 | 2,670,679 |
| 2028 | 8,105,000 | 2,324,023 |
| 2029 | 6,865,000 | 2,037,423 |
| 2030 | 6,285,000 | 1,819,323 |
| 2031-2035 | 27,455,000 | 6,619,969 |
| 2036-2040 | 23,245,000 | 2,846,304 |
| 2041-2044 | 5,145,000 | 394,038 |
| Total | \$ 93,935,000 | \$ 21,755,888 |

Notes Payable – Direct Borrowing

The Town has a financing agreement for various equipment. This agreement is through June 30, 2027.

The following is a schedule of future payments:

| <u>Year Ending June 30,</u> | Notes Payable - Direct Placement | |
|-----------------------------|----------------------------------|-----------|
| | Principal | Interest |
| 2026 | \$ 869,000 | \$ 35,234 |
| 2027 | 915,000 | 18,071 |
| Total | \$ 1,784,000 | \$ 53,305 |

Authorized but Unissued

Total authorized but unissued long-term debt at June 30, 2025 consists of \$118,347,904.

Lease Liability

The Town leases vehicles, equipment and certain operating facilities for various terms under long-term, noncancelable lease agreements. The leases have payments that range from \$639 to \$106,212 and interest rates that range from 0.6480% to 2.9780%. The leases expire at various dates through 2034.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Lease Liability (Continued)

Future minimum lease payments under the leases are as follows:

| <u>Year Ending June 30,</u> | <u>Lease Liability</u> | |
|-----------------------------|------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2026 | \$ 719,345 | \$ 38,020 |
| 2027 | 410,358 | 25,739 |
| 2028 | 361,986 | 15,813 |
| 2029 | 326,355 | 6,702 |
| 2030 | 58,665 | 1,318 |
| 2031 - 2035 | 56,211 | 417 |
| Total | <u>\$ 1,932,920</u> | <u>\$ 88,009</u> |

Subscription-Based Information Technology Arrangements

The Town has entered into subscription-based information technology arrangements (SBITAs) for various software and security solutions. The SBITA arrangements have payments that range from \$840 to \$121,555 and interest rates that range from 1.58% to 4.97%. The SBITA arrangements expire at various dates through 2028.

The future subscription payments under SBITA agreements are as follows:

| <u>Year Ending June 30,</u> | <u>Subscription Liability</u> | |
|-----------------------------|-------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2026 | \$ 442,330 | \$ 24,456 |
| 2027 | 353,888 | 11,710 |
| 2028 | 153,958 | 2,714 |
| Total | <u>\$ 950,176</u> | <u>\$ 38,880</u> |

Debt Limitation

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Net Indebtedness</u> | <u>Balance</u> |
|-----------------|-------------------|-----------------------------|----------------|
| General Purpose | \$ 472,777,166 | \$ 43,856,829 | \$ 428,920,337 |
| Schools | 945,554,333 | 151,712,994 | 793,841,339 |
| Sewers | 787,961,944 | 20,430,000 | 767,531,944 |
| Urban Renewal | 682,900,351 | - | 682,900,351 |
| Pension Deficit | 630,369,555 | - | 630,369,555 |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, including coterminous municipalities, or \$1,470,862,295. All long-term debt obligations are retired through General Fund, Debt Service Fund, and Sewer Operating Fund appropriations.

Indebtedness, in accordance with state statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Additionally, underlying debt of \$97,651,920 (and \$118,347,904 authorized and unissued) is included in the calculation of indebtedness.

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM

Pension Plans

A. Plan Description and Benefits Provided

The Town maintains five single employer contributory defined benefit pension plans and two defined contribution plans covering substantially all full-time employees and noncertified Board of Education employees. The five single employer defined benefit pension plans are part of the Town's financial reporting entity and are accounted for in the Pension Trust Funds fiduciary fund: police, fire, public works, municipal, and non-union. The Town's general fund contributes an amount as recommended by the actuary to fund the net pension liabilities of the defined benefit plans. The defined contribution plans cover all new nonbargaining employees of the Town, Library, and Board of Education that were hired after December 31, 2011, all new Department of Public Works union employees hired after April 1, 2012, and municipal employees hired after July 14, 2017.

In addition, 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.

Defined Benefit Pension Plans

As of July 1, 2024, the plan's membership consisted of:

| | Police | Fire | Public Works | Municipal | Non- Union | Total |
|--|------------|------------|-----------------|------------|---------------|------------|
| Retirees and Beneficiaries | | | | | | |
| Currently Receiving Benefits | 92 | 65 | 33 | 304 | 108 | 602 |
| Terminated Employees Entitled to Benefits but Not Yet Receiving Them | 1 | 5 | 2 | 31 | 8 | 47 |
| Current Active Employees | 57 | 59 | 7 | 152 | 63 | 338 |
| Total | <u>150</u> | <u>129</u> | <u>42</u> | <u>487</u> | <u>179</u> | <u>987</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Police

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

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

Fire

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Public Works

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

Municipal

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Municipal (Continued)

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

Non-Union Plans

The non-union plans are differentiated by supervisory and nonsupervisory.

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Non-Union Plans (Continued)

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

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

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

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

B. Investments

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

B. Investments (Continued)

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan benefits to retirees and their beneficiaries. The following was the adopted asset allocation policy as of June 30, 2025:

| Asset Class | Target Allocation |
|-----------------------------------|-------------------|
| U.S. Core Fixed Income | 30.00 % |
| U.S. Large Cap Equity | 23.50 |
| U.S. Large & Mid Cap Value Equity | 4.75 |
| U.S. Small Cap Growth Equity | 4.75 |
| U.S. Small Cap Value Equity | 4.75 |
| Foreign Developed Equity | 19.75 |
| Global REITs | 2.50 |
| Private Real Estate Property | 5.00 |
| Private Equity | 5.00 |
| Total | 100.00 % |

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows for each plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

| | Police | Fire | Public Works | Municipal | Non-Union |
|----------------|--------|--------|--------------|-----------|-----------|
| Rate of Return | 10.07% | 10.02% | 10.12% | 10.14% | 9.82% |

C. Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Town at June 30, 2025 were as follows:

| | Police | Fire | Public Works | Municipal | Non-Union | Total |
|--|----------------|-----------------|----------------|-----------------|---------------|----------------|
| Total Pension Liability | \$ 126,155,982 | \$ 105,950,515 | \$ 19,364,136 | \$ 82,820,000 | \$ 93,458,325 | \$ 427,748,958 |
| Plan Fiduciary Net Position | 132,733,753 | 116,347,819 | 26,936,152 | 101,847,414 | 58,901,853 | 436,766,991 |
| Net Pension Liability (Asset) | \$ (6,577,771) | \$ (10,397,304) | \$ (7,572,016) | \$ (19,027,414) | \$ 34,556,472 | \$ (9,018,033) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) | 105.21% | 109.81% | 139.10% | 122.97% | 63.02% | 102.11% |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

C. Net Pension Liability (Asset) (Continued)

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2025. There have been no significant changes between the valuation date and the measurement date.

| | Police | Fire | Public Works | Municipal | Non- Union |
|----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Actuarial Cost Method | Normal | Normal | Normal | Normal | Normal |
| Investment Rate of Return | 6.125% | 6.125% | 6.125% | 6.125% | 6.125% |
| Projected Salary Increases | Service Related | Service Related | 3.50% | Service Related | Age Related |
| Inflation Rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

Mortality rates for Police, Fire and Public Works were based on the PubS-2010 Mortality with generational projection per MP 2021 Ultimate Scale. Mortality rates for Municipal and Non-Union were based on the PubG-2010 Mortality with generational projection per MP 2021 Ultimate Scale.

Assumed Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, are summarized in the following table:

| Asset Class | Long-Term Expected Arithmetic Real Rate of Return |
|------------------------------|--|
| U.S. Core Fixed Income | 2.35 % |
| U.S. Large Caps | 5.39 |
| U.S. Large Value | 5.34 |
| U.S. Small Growth | 7.17 |
| U.S. Small Value | 6.44 |
| Foreign Developed Equity | 6.61 |
| Global REITs | 6.66 |
| Private Real Estate Property | 5.99 |
| Private Equity | 10.43 |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

C. Net Pension Liability (Asset) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.125%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

D. Changes in Net Pension Liability (Asset)

| | Police | | |
|--|-----------------------------------|---------------------------------------|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances as of July 1, 2024 | \$ 123,149,648 | \$ 124,881,874 | \$ (1,732,226) |
| Changes for the Year: | | | |
| Service Cost | 2,087,655 | - | 2,087,655 |
| Interest on Total Pension Liability | 7,469,992 | - | 7,469,992 |
| Effect of Economic/Demographic Gains or Losses | 104,093 | - | 104,093 |
| Effect of Assumptions Changes or Inputs | - | - | - |
| Benefit Payments | (6,655,406) | (6,655,406) | - |
| Employer Contributions | - | 1,603,901 | (1,603,901) |
| Member Contributions | - | 566,182 | (566,182) |
| Net Investment Income | - | 12,337,202 | (12,337,202) |
| Net Changes | <u>3,006,334</u> | <u>7,851,879</u> | <u>(4,845,545)</u> |
| Balances as of June 30, 2025 | <u>\$ 126,155,982</u> | <u>\$ 132,733,753</u> | <u>\$ (6,577,771)</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

D. Changes in Net Pension Liability (Asset) (Continued)

| | Fire | | |
|--|-----------------------------------|---------------------------------------|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances as of July 1, 2024 | \$ 104,279,230 | \$ 108,449,762 | \$ (4,170,532) |
| Changes for the Year: | | | |
| Service Cost | 1,812,411 | - | 1,812,411 |
| Interest on Total Pension Liability | 6,358,330 | - | 6,358,330 |
| Effect of Plan Changes | - | - | - |
| Effect of Economic/Demographic Gains or Losses | (1,866,265) | - | (1,866,265) |
| Effect of Assumptions Changes or Inputs | - | - | - |
| Benefit Payments | (4,633,191) | (4,633,191) | - |
| Employer Contributions | - | 1,263,916 | (1,263,916) |
| Member Contributions | - | 549,545 | (549,545) |
| Net Investment Income | - | 10,717,787 | (10,717,787) |
| Net Changes | <u>1,671,285</u> | <u>7,898,057</u> | <u>(6,226,772)</u> |
| Balances as of June 30, 2025 | <u>\$ 105,950,515</u> | <u>\$ 116,347,819</u> | <u>\$ (10,397,304)</u> |
| | | | |
| | Public Works | | |
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances as of July 1, 2024 | \$ 20,070,224 | \$ 25,592,050 | \$ (5,521,826) |
| Changes for the Year: | | | |
| Service Cost | 103,520 | - | 103,520 |
| Interest on Total Pension Liability | 1,198,447 | - | 1,198,447 |
| Effect of Economic/Demographic Gains or Losses | (775,189) | - | (775,189) |
| Effect of Assumptions Changes or Inputs | - | - | - |
| Benefit Payments | (1,232,866) | (1,232,866) | - |
| Member Contributions | - | 49,673 | (49,673) |
| Net Investment Income | - | 2,527,295 | (2,527,295) |
| Net Changes | <u>(706,088)</u> | <u>1,344,102</u> | <u>(2,050,190)</u> |
| Balances as of June 30, 2025 | <u>\$ 19,364,136</u> | <u>\$ 26,936,152</u> | <u>\$ (7,572,016)</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

D. Changes in Net Pension Liability (Asset) (Continued)

| | Municipal | | |
|--|-----------------------------------|---------------------------------------|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances as of July 1, 2024 | \$ 82,151,274 | \$ 96,956,631 | \$ (14,805,357) |
| Changes for the Year: | | | |
| Service Cost | 1,405,452 | - | 1,405,452 |
| Interest on Total Pension Liability | 4,961,947 | - | 4,961,947 |
| Effect of Economic/Demographic Gains or Losses | (531,173) | - | (531,173) |
| Effect of Assumptions Changes or Inputs | - | - | - |
| Benefit Payments | (5,167,500) | (5,167,500) | - |
| Employer Contributions | - | - | - |
| Member Contributions | - | 539,809 | (539,809) |
| Net Investment Income | - | 9,574,973 | (9,574,973) |
| Administrative Expenses | - | (56,499) | 56,499 |
| Net Changes | <u>668,726</u> | <u>4,890,783</u> | <u>(4,222,057)</u> |
| Balances as of June 30, 2025 | <u>\$ 82,820,000</u> | <u>\$ 101,847,414</u> | <u>\$ (19,027,414)</u> |
| | | | |
| | Non-Union | | |
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of July 1, 2024 | \$ 88,244,764 | \$ 53,015,584 | \$ 35,229,180 |
| Changes for the Year: | | | |
| Service Cost | 1,424,448 | - | 1,424,448 |
| Interest on Total Pension Liability | 5,365,962 | - | 5,365,962 |
| Effect of Plan Changes | - | - | - |
| Effect of Economic/Demographic Gains or Losses | 2,608,668 | - | 2,608,668 |
| Effect of Assumptions Changes or Inputs | - | - | - |
| Benefit Payments | (4,185,517) | (4,185,517) | - |
| Employer Contributions | - | 4,509,468 | (4,509,468) |
| Member Contributions | - | 357,518 | (357,518) |
| Net Investment Income | - | 5,245,612 | (5,245,612) |
| Administrative Expenses | - | (40,812) | 40,812 |
| Net Changes | <u>5,213,561</u> | <u>5,886,269</u> | <u>(672,708)</u> |
| Balances as of June 30, 2025 | <u>\$ 93,458,325</u> | <u>\$ 58,901,853</u> | <u>\$ 34,556,472</u> |

Amounts reported as changes of assumptions resulted primarily from an update to the mortality tables.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

D. Changes in Net Pension Liability (Asset) (Continued)

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

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

| | 1% Decrease (5.125%) | Current Discount Rate (6.125%) | 1% Increase (7.125%) |
|--------------------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability (Asset): | | | |
| Police | \$ 9,592,583 | \$ (6,577,771) | \$ (19,939,948) |
| Fire | 4,089,711 | (10,397,304) | (22,328,147) |
| Public Works | (5,522,049) | (7,572,016) | (9,306,881) |
| Municipal | (10,352,389) | (19,027,414) | (26,447,271) |
| Non-Union | 47,253,094 | 34,556,472 | 24,143,760 |

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

For the year ended June 30, 2025, the Town recognized pension expense (revenue) of \$(1,353,055). At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | | | | | Totals |
|--|--------------------------------|---------------------|-------------------|---------------------|---------------------|----------------------|
| | Police | Fire | Public Works | Municipal | Non- Union | |
| Differences Between Expected and Actual Experience | \$ 831,458 | \$ 693,311 | \$ - | \$ - | \$ 3,470,510 | \$ 4,995,279 |
| Changes of Assumptions | - | 1,812,689 | - | - | - | 1,812,689 |
| Total | <u>\$ 831,458</u> | <u>\$ 2,506,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,470,510</u> | <u>\$ 6,807,968</u> |
| | Deferred Inflows of Resources | | | | | Totals |
| | Police | Fire | Public Works | Municipal | Non- Union | |
| Differences Between Expected and Actual Experience | \$ 769,062 | \$ 2,389,276 | \$ - | \$ 960,644 | \$ - | \$ 4,118,982 |
| Changes of Assumptions | 446,963 | 534,973 | - | 100,525 | 16,117 | 1,098,578 |
| Net Difference Between Projected and Actual Earnings | 3,704,183 | 3,198,443 | 755,633 | 2,869,384 | 1,485,119 | 12,012,762 |
| Total | <u>\$ 4,920,208</u> | <u>\$ 6,122,692</u> | <u>\$ 755,633</u> | <u>\$ 3,930,553</u> | <u>\$ 1,501,236</u> | <u>\$ 17,230,322</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Pension Plans (Continued)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

| <u>Year Ending June 30,</u> | <u>Police</u> | <u>Fire</u> | <u>Public Works</u> | <u>Municipal</u> | <u>Non- Union</u> | <u>Totals</u> |
|-----------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|------------------------|
| 2026 | \$ 907,104 | \$ 1,904,071 | \$ 339,658 | \$ 421,931 | \$ 3,267,422 | \$ 6,840,186 |
| 2027 | (2,607,655) | (1,686,918) | (538,840) | (2,242,354) | (210,634) | (7,286,401) |
| 2028 | (1,468,761) | (1,979,969) | (357,249) | (1,354,162) | (691,758) | (5,851,899) |
| 2029 | (921,481) | (1,407,277) | (199,202) | (755,968) | (395,756) | (3,679,684) |
| 2030 | 2,043 | (276,936) | - | - | - | (274,893) |
| Thereafter | - | (169,663) | - | - | - | (169,663) |
| Total | <u>\$ (4,088,750)</u> | <u>\$ (3,616,692)</u> | <u>\$ (755,633)</u> | <u>\$ (3,930,553)</u> | <u>\$ 1,969,274</u> | <u>\$ (10,422,354)</u> |

Connecticut State Teachers' Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$21,292,236 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

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

At June 30, 2025, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

| | |
|---|-----------------------|
| Town's Proportionate Share of the Net Pension Liability | \$ - |
| State's Proportionate Share of the Net Pension Liability Associated with the Town | <u>216,014,993</u> |
| Total | <u>\$ 216,014,993</u> |

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2025, the Town recognized pension expense and revenue of \$24,777,384 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.50% |
| Salary Increase | 3.00-6.50%, Including Inflation |
| Investment Rate of Return | 6.90%, Net of Pension Plan Investment Expense, Including Inflation |

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit changes that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the state of Connecticut Treasurer's Office are summarized in the following table:

| <u>Asset Class</u> | <u>Expected Return</u> | <u>Target Allocation</u> |
|--------------------------------------|----------------------------|------------------------------|
| Global Equity | 6.80 % | 37.00 % |
| Public Credit | 2.90 | 2.00 |
| Core Fixed Income | 0.40 | 13.00 |
| Liquidity Fund | (0.40) | 1.00 |
| Risk Mitigation | 0.10 | 5.00 |
| Private Equity | 11.20 | 15.00 |
| Private Credit | 6.10 | 10.00 |
| Real Estate | 6.20 | 10.00 |
| Infrastructure and natural Resources | 7.70 | 7.00 |
| Total | | <u>100.00 %</u> |

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that state contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

Defined Contribution Plans

A. Plan Description

The Town is the administrator of a single employer, defined contribution pension plan and 401(k) plan. The Town established these plans effective January 1, 2012, amended and restated as of January 1, 2019. The Town shall contribute a total of 3.5% of salary for non-union and 5% of salary for public works and municipal participants of the employee's base salary for the relevant fiscal year. The Town will match employee contributions into the 401K plan as follows – 100% of 401k contributions not to exceed 1.5% of salary for non-union employees, and 50% of the contributions into the 401(k) plan not to exceed 6% of salary for firefighters and police. If an employee's employment is terminated for other than just cause during the fiscal year, the employee shall receive a pro rata Town contribution based on the number of full months of employment the employee completes during the fiscal year, subject to the vesting requirements set forth below.

| | |
|--|------|
| After One (1) Year of Employment (>1000 Hours Worked in a Calendar Year) | 20% |
| After Two (2) Years of Employment | 40% |
| After Three (3) Years of Employment | 60% |
| After Four (4) Years of Employment | 80% |
| After Five (5) Years of Employment | 100% |

Employees will have the right to self-direct their contributions to the defined contribution plan from among the investment options offered by the plan selected by the Town.

The governance of the plan's rests with the Town investment committee which consists of the Town's First Selectman or First Selectwoman, the chair of the Town's Board of Finance, the Town's Finance Director, and the Town's Personnel Director and one appointed member.

Total contributions to the plan for the year ended June 30, 2025 were \$940,892 from employees and \$1,104,097 from the Town to the defined contribution plan and \$1,865,486 from employees to the 401(k) plan.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Aggregate Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2025:

| Plan | Net Pension (Asset) Liability | Deferred Outflows | Deferred Inflows | Pension Expense |
|---|----------------------------------|----------------------|----------------------|----------------------|
| Police Pension Plan | \$ (6,577,771) | \$ 831,458 | \$ 4,920,208 | \$ (525,155) |
| Fire Pension Plan | (10,397,304) | 2,506,000 | 6,122,692 | (854,937) |
| Public Works Pension Plan | (7,572,016) | - | 755,633 | (1,702,114) |
| Municipal Pension Plan | (19,027,414) | - | 3,930,553 | (3,310,538) |
| Non-Union Pension Plan | 34,556,472 | 3,470,510 | 1,501,236 | 5,039,689 |
| Connecticut Teachers Retirement System | - | - | - | 22,284,491 |
| Total | <u>\$ (9,018,033)</u> | <u>\$ 6,807,968</u> | <u>\$ 17,230,322</u> | <u>\$ 20,931,436</u> |

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Town OPEB

A. Plan Description

The Town provides certain health care benefits for retired employees and their dependents through a single employer defined benefit health care plan administered by the Town. Employees may become eligible for those benefits if they retire under a normal retirement or with a disability.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report. The plan is administered by Town management.

At July 1, 2023, plan membership consisted of the following:

| | |
|---------------------|--------------|
| Actives | 1,117 |
| Retirees | 407 |
| Spouses of Retirees | 196 |
| Beneficiaries | 33 |
| Total Participants | <u>1,753</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Town OPEB (Continued)

B. Funding Policy

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. Participants include eligible Town, Library and certified and noncertified BOE employees.

Employer contributions to the plan were \$3,907,254. These contributions were made in accordance with actuarially determined requirements.

C. Investments

Investment Policy

The investment policy of the OPEB plan is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability (Asset) of the Town

The Town's net OPEB liability (asset) was measured as of June 30, 2025. The components of the net OPEB liability (asset) of the Town at June 30, 2025 were as follows:

| | |
|--|------------------------|
| Total OPEB Liability | \$ 101,207,136 |
| Plan Fiduciary Net Position | <u>124,424,800</u> |
| Net OPEB Liability (Asset) | <u>\$ (23,217,664)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 122.94% |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Town OPEB (Continued)

E. Actuarial Assumptions

The total OPEB liabilities was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|--|
| Valuation Date | July 1, 2023 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | 5 Years, Non-Asymptotic |
| Amortization Method | Level Percent |
| Amortization Period | 13 Years Decreasing |
| Actuarial Assumptions: | |
| Discount Rate | 6.125% |
| Salary Increase Rate | Various |
| Inflation Rate | 2.50% Previous 2.75% |
| Healthcare Cost Trend Rates: | |
| Medical Inflation Rate | BOE Groups: 5.70%-4.10% Over 55 Years Town Group Pre 65: 6.30%-4.20% Over 54 Years Town Groups Post-65: 5.40%-4.20% Over 54 Years |

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

Assumed Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of real rates of return for each major asset class are included in the OPEB plan's target asset allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2025 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Arithmetic Real Rate of Return</u> |
|-----------------------------------|--------------------------|--|
| U.S. Core Fixed Income | 30.00 % | 2.35 % |
| U.S. Large Cap Equity | 31.00 | 5.39 |
| U.S. Large & Mid Cap Value Equity | 5.00 | 5.34 |
| U.S. Small Cap Growth Equity | 1.75 | 7.17 |
| U.S. Small Cap Value Equity | 1.75 | 6.44 |
| Foreign Developed Equity | 23.00 | 6.61 |
| Private Real Estate Property | 5.00 | 5.99 |
| Private Equity | 2.50 | 10.43 |
| Total | <u>100.00 %</u> | |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Town OPEB (Continued)

F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.125%. The projection of cash flows used to determine the discount rate assumed that plan assets earn the assumed rate of return and there are no future changes in plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position. In addition, the actuarially determined contribution is based on a closed amortization period, which means that payment of the actuarially determined contribution each year will bring the plan to a 100% funded position by the end of the amortization period. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Changes in the Net OPEB Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (Asset) (a) - (b) |
| Changes in Net OPEB Liability (Asset) - | | | |
| Balances as of July 1, 2024 | \$ 98,606,777 | \$ 113,739,142 | \$ (15,132,365) |
| Changes for the Year: | | | |
| Service Cost | 2,687,588 | - | 2,687,588 |
| Interest on Total Pension Liability | 6,020,025 | - | 6,020,025 |
| Benefit Payments | (6,107,254) | (6,107,254) | - |
| Employer Contributions | - | 3,907,254 | (3,907,254) |
| Member Contributions | - | - | - |
| Net Investment Income | - | 12,885,658 | (12,885,658) |
| Administrative Expenses | - | - | - |
| Net Changes | <u>2,600,359</u> | <u>10,685,658</u> | <u>(8,085,299)</u> |
| Balances as of June 30, 2025 | <u>\$ 101,207,136</u> | <u>\$ 124,424,800</u> | <u>\$ (23,217,664)</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Town OPEB (Continued)

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

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

| | 1% Decrease (5.125%) | Current Discount Rate (6.125%) | 1% Increase (7.125%) |
|----------------------------|-------------------------|--------------------------------------|-------------------------|
| Net OPEB Liability (Asset) | \$ (10,050,036) | \$ (23,217,664) | \$ (34,167,700) |

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

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

| | 1% Decrease | Healthcare Cost Current Trend Rate | 1% Increase |
|----------------------------|-----------------|--|----------------|
| Net OPEB Liability (Asset) | \$ (37,763,750) | \$ (23,217,664) | \$ (5,257,928) |

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

For the year ended June 30, 2025, the Town recognized OPEB expense (revenue) of (\$10,416,031). Additionally, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 206,452 | \$ (45,939,794) |
| Changes of Assumptions | 3,805,261 | (4,498,835) |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | - | (5,651,100) |
| Total | \$ 4,011,713 | \$ (56,089,729) |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Town OPEB (Continued)

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|------------------------|
| 2026 | \$ (8,531,701) |
| 2027 | (12,675,217) |
| 2028 | (11,908,060) |
| 2029 | (7,692,471) |
| 2030 | (5,143,642) |
| Thereafter | (6,126,925) |
| Total | <u>\$ (52,078,016)</u> |

Connecticut State Teachers' Retirement System – Other Postemployment Benefits

A. Plan Description

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

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

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**Connecticut State Teachers' Retirement System – Other Postemployment Benefits
(Continued)**

B. Benefit Provisions (Continued)

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

Survivor Healthcare Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**Connecticut State Teachers' Retirement System – Other Postemployment Benefits
(Continued)**

C. Eligibility (Continued)

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$298,111 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**Connecticut State Teachers' Retirement System – Other Postemployment Benefits
(Continued)**

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

At June 30, 2025, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

| | | |
|---|----|-----------------------------|
| Town's Proportionate Share of the Net OPEB Liability | \$ | - |
| State's Proportionate Share of the Net OPEB Liability | | |
| Associated with the Town | | <u>44,312,102</u> |
| Total | | <u><u>\$ 44,312,102</u></u> |

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2024. At June 30, 2025, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2025, the Town recognized OPEB expense and revenue of \$613,972 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|--|
| Inflation | 2.50% |
| Healthcare Costs Trend Rate | Local Coverage - 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare - Medicare rates known for 2025, 4.50% increase for all subsequent years. |
| Salary Increases | 3.00-6.50%, Including Inflation |
| Investment Rate of Return | 3.00%, Net of OPEB Plan Investment Expense, Including Inflation |
| Year Fund Net Position Will be Depleted | 2027 |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**Connecticut State Teachers' Retirement System – Other Postemployment Benefits
(Continued)**

F. Actuarial Assumptions (Continued)

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.64% to 3.93%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change;
- Long-term health care cost trend rates were updated to reflect expected future trends for participants in the health plans.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. treasuries (cash equivalents) for which the expected 10-Year Geometric Real Rate of Return is 1.26%.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**Connecticut State Teachers' Retirement System – Other Postemployment Benefits
(Continued)**

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2024.

In addition to the actuarial methods and assumptions of the June 30, 2024, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual state contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued state of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Aggregate OPEB Information

The Town recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2025:

| Plan | Net OPEB Liability (Asset) | Deferred Outflows | Deferred Inflows | OPEB Expense |
|---|-------------------------------|----------------------|------------------------|-----------------------|
| Town OPEB Plan | \$ (23,217,664) | \$ 4,011,713 | \$ (56,089,729) | \$ (6,713,766) |
| Connecticut Teachers Retirement System | - | - | - | (2,568,830) |
| Total | <u>\$ (23,217,664)</u> | <u>\$ 4,011,713</u> | <u>\$ (56,089,729)</u> | <u>\$ (9,282,596)</u> |

NOTE 6 PENSION AND OPEB TRUST FUND COMBINING SCHEDULES

Combining Schedule of Fiduciary Net Position – Fiduciary Funds

| | Pension Trust Funds | OPEB Trust Funds | Defined Contribution Pension Trust Funds | 401(k) Pension Trust Funds | Total |
|---------------------------------|---------------------------|------------------------|---|----------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 4,372,184 | \$ 254,109 | \$ - | \$ - | \$ 4,626,293 |
| Investments, at Fair Value: | | | | | |
| Common Stock | 35,667,541 | 9,453,523 | - | - | 45,121,064 |
| Mutual Funds | 326,990,216 | 90,206,901 | 10,932,817 | 33,258,973 | 461,388,907 |
| Alternative Investments | 69,737,050 | 24,510,267 | - | - | 94,247,317 |
| Total Investments | <u>432,394,807</u> | <u>124,170,691</u> | <u>10,932,817</u> | <u>33,258,973</u> | <u>600,757,288</u> |
| Accounts Receivable | - | - | 210,553 | 214,503 | 425,056 |
| Total Assets | <u>436,766,991</u> | <u>124,424,800</u> | <u>11,143,370</u> | <u>33,473,476</u> | <u>605,808,637</u> |
| NET POSITION | | | | | |
| Restricted for Pension Benefits | 436,766,991 | - | 11,143,370 | 33,473,476 | 481,383,837 |
| Restricted for OPEB Benefits | - | 124,424,800 | - | - | 124,424,800 |
| Total Net Position | <u>\$ 436,766,991</u> | <u>\$ 124,424,800</u> | <u>\$ 11,143,370</u> | <u>\$ 33,473,476</u> | <u>\$ 605,808,637</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 PENSION AND OPEB TRUST FUND COMBINING SCHEDULES (CONTINUED)

Combining Schedule of Fiduciary Net Position – Fiduciary Funds (Continued)

| | Pension Trust Funds | OPEB Trust Funds | Defined Contribution Pension Trust Funds | 401(k) Pension Trust Funds | Total |
|---|---------------------------|------------------------|---|----------------------------------|-----------------------|
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 7,377,285 | \$ 3,907,254 | \$ 1,104,097 | \$ - | \$ 12,388,636 |
| Plan Members | 2,062,727 | - | 940,892 | 1,865,486 | 4,869,105 |
| Total Contributions | <u>9,440,012</u> | <u>3,907,254</u> | <u>2,044,989</u> | <u>1,865,486</u> | <u>17,257,741</u> |
| Investment Income: | | | | | |
| Net Change in Fair Value of Investments | 29,159,954 | 8,729,921 | 1,171,631 | 2,568,825 | 41,630,331 |
| Realized Gain (Loss) on Investments | 3,077,685 | 1,418,945 | - | 1,103,955 | 5,600,585 |
| Interest and Dividends | 8,758,634 | 2,797,043 | - | - | 11,555,677 |
| Total Investment Income | 40,996,273 | 12,945,909 | 1,171,631 | 3,672,780 | 58,786,593 |
| Less: Investment Expenses | 593,404 | 60,251 | - | - | 653,655 |
| Net Investment Income | <u>40,402,869</u> | <u>12,885,658</u> | <u>1,171,631</u> | <u>3,672,780</u> | <u>58,132,938</u> |
| Total Additions | 49,842,881 | 16,792,912 | 3,216,620 | 5,538,266 | 75,390,679 |
| DEDUCTIONS | | | | | |
| Benefits | 21,874,480 | 6,107,254 | 765,425 | 2,492,748 | 31,239,907 |
| Administration | 97,311 | - | 10,419 | 30,035 | 137,765 |
| Total Deductions | <u>21,971,791</u> | <u>6,107,254</u> | <u>775,844</u> | <u>2,522,783</u> | <u>31,377,672</u> |
| CHANGE IN NET POSITION | 27,871,090 | 10,685,658 | 2,440,776 | 3,015,483 | 44,013,007 |
| Net Position - Beginning of Year | <u>408,895,901</u> | <u>113,739,142</u> | <u>8,702,594</u> | <u>30,457,993</u> | <u>561,795,630</u> |
| NET POSITION - END OF YEAR | <u>\$ 436,766,991</u> | <u>\$ 124,424,800</u> | <u>\$ 11,143,370</u> | <u>\$ 33,473,476</u> | <u>\$ 605,808,637</u> |

Combining Schedule of Net Position – Pension Trust Funds

| | Pension Trust Funds | | | | | Total Pension Trust Funds |
|---------------------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|---------------------------------|
| | Police | Fire | Public Works | Municipal | Non-Union | |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 1,328,709 | \$ 1,164,681 | \$ 269,640 | \$ 1,019,527 | \$ 589,627 | \$ 4,372,184 |
| Investments, at Fair Value: | | | | | | |
| Common Stock | 10,839,387 | 9,501,269 | 2,199,677 | 8,317,128 | 4,810,080 | 35,667,541 |
| Mutual Funds | 99,372,525 | 87,105,022 | 20,166,034 | 76,249,140 | 44,097,495 | 326,990,216 |
| Alternative Investments | 21,193,132 | 18,576,847 | 4,300,801 | 16,261,619 | 9,404,651 | 69,737,050 |
| Total Investments | <u>131,405,044</u> | <u>115,183,138</u> | <u>26,666,512</u> | <u>100,827,887</u> | <u>58,312,226</u> | <u>432,394,807</u> |
| Total Assets | <u>132,733,753</u> | <u>116,347,819</u> | <u>26,936,152</u> | <u>101,847,414</u> | <u>58,901,853</u> | <u>436,766,991</u> |
| NET POSITION | | | | | | |
| Restricted for Pension Benefits | <u>\$ 132,733,753</u> | <u>\$ 116,347,819</u> | <u>\$ 26,936,152</u> | <u>\$ 101,847,414</u> | <u>\$ 58,901,853</u> | <u>\$ 436,766,991</u> |

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 PENSION AND OPEB TRUST FUND COMBINING SCHEDULES (CONTINUED)

Combining Schedule of Net Position – Pension Trust Funds (Continued)

| | Pension Trust Funds | | | | | Total Pension Trust Funds |
|--|-----------------------|-----------------------|----------------------|-----------------------|----------------------|---------------------------------|
| | Police | Fire | Public Works | Municipal | Non-Union | |
| ADDITIONS: | | | | | | |
| Contributions: | | | | | | |
| Employer | \$ 1,603,901 | \$ 1,263,916 | \$ - | \$ - | \$ 4,509,468 | \$ 7,377,285 |
| Plan Members | 566,182 | 549,545 | 49,673 | 539,809 | 357,518 | 2,062,727 |
| Total Contributions | <u>2,170,083</u> | <u>1,813,461</u> | <u>49,673</u> | <u>539,809</u> | <u>4,866,986</u> | <u>9,440,012</u> |
| Investment Income: | | | | | | |
| Net Change in Fair Value of Investments | 8,861,728 | 7,767,751 | 1,798,343 | 6,799,657 | 3,932,475 | 29,159,954 |
| Realized Gain on Investments | 935,310 | 819,847 | 189,806 | 717,669 | 415,053 | 3,077,685 |
| Interest and Dividends | 2,661,754 | 2,333,162 | 540,160 | 2,042,380 | 1,181,178 | 8,758,634 |
| Total Investment Income | <u>12,458,792</u> | <u>10,920,760</u> | <u>2,528,309</u> | <u>9,559,706</u> | <u>5,528,706</u> | <u>40,996,273</u> |
| Less: Investment Expenses | <u>121,590</u> | <u>202,973</u> | <u>1,014</u> | <u>(15,267)</u> | <u>283,094</u> | <u>593,404</u> |
| Net Investment Income | <u>12,337,202</u> | <u>10,717,787</u> | <u>2,527,295</u> | <u>9,574,973</u> | <u>5,245,612</u> | <u>40,402,869</u> |
| Total Additions | 14,507,285 | 12,531,248 | 2,576,968 | 10,114,782 | 10,112,598 | 49,842,881 |
| DEDUCTIONS: | | | | | | |
| Benefits | 6,655,406 | 4,633,191 | 1,232,866 | 5,167,500 | 4,185,517 | 21,874,480 |
| Administration | - | - | - | 56,499 | 40,812 | 97,311 |
| Total Deductions | <u>6,655,406</u> | <u>4,633,191</u> | <u>1,232,866</u> | <u>5,223,999</u> | <u>4,226,329</u> | <u>21,971,791</u> |
| NET CHANGE IN NET POSITION | 7,851,879 | 7,898,057 | 1,344,102 | 4,890,783 | 5,886,269 | 27,871,090 |
| Net Position - Beginning of Year | <u>124,881,874</u> | <u>108,449,762</u> | <u>25,592,050</u> | <u>96,956,631</u> | <u>53,015,584</u> | <u>408,895,901</u> |
| NET POSITION - END OF YEAR | <u>\$ 132,733,753</u> | <u>\$ 116,347,819</u> | <u>\$ 26,936,152</u> | <u>\$ 101,847,414</u> | <u>\$ 58,901,853</u> | <u>\$ 436,766,991</u> |

NOTE 7 OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee and retiree health and medical, natural disasters, public official liability and police professional liability. The Town generally obtains commercial insurance for these risks but has chosen to retain the risks for workers' compensation and employee health and medical claims. The Town has established three self-insurance funds, one for Town employees, one for Board of Education employees, and one for workers' compensation. All funds are accounted for as internal service funds. The plans are funded monthly by the Town's budget appropriations and employee/retiree contributions as required.

Town

Under the Town's current medical insurance policy, the Health Insurance Fund covers all employee claims up to \$175,000 per claim with a stop-loss policy covering amounts exceeding the limit.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Board of Education

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

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

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

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

Workers' Compensation

The Town is currently a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Connecticut General Statutes, for workers' compensation and employer liability coverage. CIRMA currently has 216 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$350,000 for each insured occurrence and a \$1,500,000 annual aggregate.

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

The Town recognized a liability for workers' compensation claims payable and for claims incurred but not reported based on an actuarial analysis of claim history and for other self-insured claims which were probable of loss based on a case-by-case review.

**TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The Board of Education has a policy with CIRMA for workers' compensation coverage for all Board of Education employees.

Changes in the claims liability were as follows:

| | Balance July 1 | Current Year Claims and Changes in Estimates | Claims Payments | Balance June 30 |
|---------------------------|-------------------|---|--------------------|--------------------|
| Town Health | | | | |
| 2024-2025 | \$ 766,000 | \$ 12,507,832 | \$ 12,450,832 | \$ 823,000 |
| 2023-2024 | 555,000 | 11,306,426 | 11,095,426 | 766,000 |
| Workers' Compensation | | | | |
| 2024-2025 | \$ 1,144,552 | \$ 722,600 | \$ - | \$ 1,867,152 |
| 2023-2024 | 1,626,666 | - | 482,114 | 1,144,552 |
| Board of Education Health | | | | |
| 2024-2025 | \$ 88,538 | \$ 1,154,875 | \$ 1,154,875 | \$ 88,538 |
| 2023-2024 | 82,418 | 1,910,418 | 1,904,298 | 88,538 |

B. Contingencies

General Litigation

The Town is currently involved in several litigation matters. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued in the government-wide statement of net position for \$1,586,096 in noncurrent liabilities. Management believes that the ultimate resolution of these matters will not materially affect the financial condition of the Town.

Municipal Solid Waste Service Agreement

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

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

TOWN OF WESTPORT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 CONTINGENT LIABILITIES

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

NOTE 9 SUBSEQUENT EVENTS

In October 2025, the Town issued \$12,000,000 of general obligation bonds with interest rates of 5-4% maturing serially from October 15, 2026 through October 15, 2045, for various capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF WESTPORT, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------|--------------------|--------------------|--------------------|-------------------------------------|
| REVENUES | | | | |
| Property Taxes: | | | | |
| Current Levy | \$ 209,724,053 | \$ 209,724,053 | \$ 212,997,866 | \$ 3,273,813 |
| Prior Levies | 2,250,000 | 2,250,000 | 1,232,056 | (1,017,944) |
| Total Property Taxes | <u>211,974,053</u> | <u>211,974,053</u> | <u>214,229,922</u> | <u>2,255,869</u> |
| Education: | | | | |
| Staples Trust Fund | 20,000 | 20,000 | 29,627 | 9,627 |
| Sundries | 120,000 | 120,000 | 145,895 | 25,895 |
| Tuition | 500,000 | 500,000 | 590,541 | 90,541 |
| Total Education | <u>640,000</u> | <u>640,000</u> | <u>766,063</u> | <u>126,063</u> |
| Parks and Recreation | 7,117,641 | 7,117,641 | 7,194,232 | 76,591 |
| Income from Investments | 3,500,000 | 3,500,000 | 3,606,402 | 106,402 |
| Intergovernmental: | | | | |
| Elderly Tax Relief | 275 | 275 | 238 | (37) |
| Tiered PILOT | 575,714 | 575,714 | 584,635 | 8,921 |
| Municipal Revenue Sharing | 51,682 | 51,682 | - | (51,682) |
| Miscellaneous State Grants | 12,000 | 12,000 | 11,859 | (141) |
| Shellfish Commission | 500 | 500 | - | (500) |
| State Education Grants | 590,857 | 590,857 | 610,302 | 19,445 |
| Veterans' Exemption | 6,000 | 6,000 | 4,916 | (1,084) |
| Police Grants | 35,000 | 35,000 | 40,404 | 5,404 |
| Fire Grants | - | - | 57,462 | 57,462 |
| Municipal Revenue Grant | 66,133 | 66,133 | 66,133 | - |
| Total Intergovernmental | <u>1,338,161</u> | <u>1,338,161</u> | <u>1,375,949</u> | <u>37,788</u> |
| Permits, Fees, and Other: | | | | |
| Licenses and Permits: | | | | |
| Building Inspector | 2,368,615 | 2,368,615 | 2,051,117 | (317,498) |
| Burglar Alarms | 50,550 | 50,550 | 3,203 | (47,347) |
| Conservation Commission | 165,000 | 165,000 | 238,211 | 73,211 |
| Fire Department Permits, Etc. | 100 | 100 | 133 | 33 |
| EV Charging Station | 20,000 | 20,000 | 22,720 | 2,720 |
| Planning and Zoning | 828,507 | 828,507 | 928,268 | 99,761 |
| Town Clerk Conveyance Tax | 2,850,000 | 2,850,000 | 2,848,325 | (1,675) |
| Town Clerk Licenses | 21,380 | 21,380 | 18,426 | (2,954) |
| Zoning Board of Appeals | 26,034 | 26,034 | 25,626 | (408) |
| Total Licenses and Permits | <u>6,330,186</u> | <u>6,330,186</u> | <u>6,136,029</u> | <u>(194,157)</u> |
| Fines and Penalties: | | | | |
| Tax Collector - Interest/Liens | 1,400,000 | 1,400,000 | 1,618,091 | 218,091 |
| Police Fines | 105,000 | 105,000 | 174,443 | 69,443 |
| Total Fines and Penalties | <u>1,505,000</u> | <u>1,505,000</u> | <u>1,792,534</u> | <u>287,534</u> |

**TOWN OF WESTPORT, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|-------------|-------------------------------------|
| REVENUES (CONTINUED) | | | | |
| Current Service Charges: | | | | |
| Bulky Waste Charges | \$ 15,300 | \$ 15,300 | \$ 11,665 | \$ (3,635) |
| EMS Reimbursements | 1,125,000 | 1,125,000 | 1,344,030 | 219,030 |
| Fire Department Commercial Plan Review | 400,000 | 400,000 | 221,895 | (178,105) |
| Housing Authority Pilot - Canal Street | 100,000 | 100,000 | 111,031 | 11,031 |
| Police Vehicle Reimbursement | 27,000 | 27,000 | 23,169 | (3,831) |
| Public Works Permits, Etc. | 25,200 | 25,200 | 13,290 | (11,910) |
| Public Works Refuse Collection | 20,000 | 20,000 | 20,050 | 50 |
| Rental of Facilities | 939,050 | 939,050 | 1,073,874 | 134,824 |
| Solid Waste Tipping Fees | 605,000 | 605,000 | 719,284 | 114,284 |
| Town Clerk Recording Fees | 416,300 | 416,300 | 227,918 | (188,382) |
| Total Current Service Charges | 3,672,850 | 3,672,850 | 3,766,206 | 93,356 |
| Miscellaneous: | | | | |
| Insurance Reimbursement | - | - | 21,367 | 21,367 |
| Senior Center Café | 2,500 | 2,500 | 3,802 | 1,302 |
| Sale of Surplus Property | 50,000 | 50,000 | 77,661 | 27,661 |
| Telephone Access Line Grant | 90,000 | 90,000 | 100,457 | 10,457 |
| Other | 3,100 | 3,100 | 11,940 | 8,840 |
| Total Miscellaneous | 145,600 | 145,600 | 215,227 | 69,627 |
| Total Permits, Fees, and Other | 11,653,636 | 11,653,636 | 11,909,996 | 256,360 |
| Other Financing Sources: | | | | |
| Transfers In | 618,486 | 618,486 | 521,617 | (96,869) |
| Total Other Financing Sources | 618,486 | 618,486 | 521,617 | (96,869) |
| Total Revenues and Other Financing Sources | \$ 236,841,977 | \$ 236,841,977 | 239,604,181 | \$ 2,762,204 |

Budgetary revenues are different from GAAP revenues because:

| | |
|--|----------------|
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System Pension is not budgeted. | 21,292,236 |
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System OPEB is not budgeted. | 298,111 |
| Leases issued that are not budgeted. | 875,448 |
| Subscriptions issued that are not budgeted for. | 856,776 |
| Interest revenue from leases that is not budgeted for. | 115,754 |
| Grants net for budgetary purposes. | 1,053,529 |
| Various funds of the Town did not meet the definition of a special revenue fund for GASB 54 purposes and were, therefore, combined with the General Fund on a GAAP basis only. | 19,137 |
| Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV | \$ 264,115,172 |

**TOWN OF WESTPORT, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------------------------|
| EXPENDITURES | | | | |
| General Government: | | | | |
| Representative Town Meeting | \$ 57,746 | \$ 57,746 | \$ 52,646 | \$ 5,100 |
| Selectmen | 528,668 | 532,879 | 527,893 | 4,986 |
| Probate Court | 15,650 | 15,650 | 12,953 | 2,697 |
| Registrars | 149,212 | 152,212 | 137,581 | 14,631 |
| Elections | 186,301 | 183,301 | 151,799 | 31,502 |
| Board of Finance | 2,750 | 2,750 | 1,898 | 852 |
| Finance Department | 1,045,439 | 1,068,806 | 1,062,124 | 6,682 |
| Audit | 205,400 | 205,400 | 168,094 | 37,306 |
| Personnel | 346,864 | 374,653 | 374,653 | - |
| Assessor | 673,735 | 680,973 | 674,182 | 6,791 |
| Tax Collector | 397,963 | 400,821 | 350,911 | 49,910 |
| Information Services | 1,447,612 | 1,404,534 | 1,261,777 | 142,757 |
| Board of Assessment Appeal | 2,475 | 2,475 | 728 | 1,747 |
| Town Attorney | 758,355 | 758,355 | 695,936 | 62,419 |
| Town Clerk | 467,696 | 473,434 | 468,827 | 4,607 |
| Historic District | 75,225 | 77,006 | 75,427 | 1,579 |
| Conservation | 495,766 | 499,430 | 493,391 | 6,039 |
| Planning and Zoning | 779,846 | 786,472 | 706,034 | 80,438 |
| Total General Government | <u>7,636,703</u> | <u>7,676,897</u> | <u>7,216,854</u> | <u>460,043</u> |
| Public Safety: | | | | |
| Police Department | 10,250,429 | 10,597,929 | 10,595,642 | 2,287 |
| Police Vehicle Maintenance | 494,752 | 481,915 | 481,915 | - |
| Dog Warden | 186,554 | 169,349 | 169,348 | 1 |
| Emergency Medical Service | 1,492,397 | 1,510,033 | 1,510,033 | - |
| Fire Department | 10,711,842 | 11,024,131 | 11,023,782 | 349 |
| Water Service - Fire | 1,375,000 | 1,206,440 | 1,206,440 | - |
| Building Inspection | 629,900 | 642,100 | 642,100 | - |
| Westport Emergency Management | 1,298,993 | 1,260,940 | 1,260,940 | - |
| Total Public Safety | <u>26,439,867</u> | <u>26,892,837</u> | <u>26,890,200</u> | <u>2,637</u> |
| Public Works: | | | | |
| Engineering | 1,118,466 | 1,147,022 | 1,129,544 | 17,478 |
| Highway | 2,264,029 | 2,235,235 | 2,135,447 | 99,788 |
| Equipment Maintenance | 438,213 | 438,213 | 412,169 | 26,044 |
| Roadway Maintenance | 3,237,700 | 3,259,503 | 3,258,708 | 795 |
| Street Lighting | 162,483 | 162,483 | 156,104 | 6,379 |
| Solid Waste Disposal | 3,350,392 | 3,350,392 | 2,977,986 | 372,406 |
| Building Maintenance | 1,359,263 | 1,365,420 | 1,167,267 | 198,153 |
| Building Custodians | 467,558 | 471,083 | 464,308 | 6,775 |
| Maintenance of Property | 36,500 | 36,500 | 32,444 | 4,056 |
| Maintenance of Parks and Recreation | 368,970 | 368,970 | 339,186 | 29,784 |
| Tree Maintenance | 511,450 | 511,450 | 508,327 | 3,123 |
| Facilities Management | 75,000 | 75,000 | 20,703 | 54,297 |
| Total Public Works | <u>13,390,024</u> | <u>13,421,271</u> | <u>12,602,193</u> | <u>819,078</u> |
| Public Health: | | | | |
| Health District | 594,568 | 594,568 | 594,568 | - |

**TOWN OF WESTPORT, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------------|--------------------|-----------------|-------------|-------------------------------------|
| EXPENDITURES (CONTINUED) | | | | |
| Human Services: | | | | |
| Youth Services | \$ 393,613 | \$ 396,245 | \$ 385,208 | \$ 11,037 |
| Social Services | 544,602 | 552,801 | 538,404 | 14,397 |
| Commission for the Elderly | 683,459 | 700,733 | 694,242 | 6,491 |
| Total Human Services | 1,621,674 | 1,649,779 | 1,617,854 | 31,925 |
| Education: | | | | |
| Board of Education | 143,863,646 | 143,863,646 | 143,321,764 | 541,882 |
| BOE Rentals/Reimbursement | - | 145,895 | 145,895 | - |
| Aid to Private and Parochial Schools | 544,783 | 544,783 | 538,291 | 6,492 |
| Debt Service - Long Term | 7,327,673 | 6,923,674 | 6,923,674 | - |
| Total Education | 151,736,102 | 151,477,998 | 150,929,624 | 548,374 |
| Library | 5,954,832 | 5,954,832 | 5,954,832 | - |
| Parks and Recreation: | | | | |
| Administration | 795,784 | 707,150 | 701,803 | 5,347 |
| Guest Services | 443,852 | 478,849 | 455,032 | 23,817 |
| Maintenance and Development | 2,025,415 | 2,038,046 | 2,021,135 | 16,911 |
| Boating | 529,548 | 546,575 | 546,264 | 311 |
| Parks Maintenance | 422,211 | 422,211 | 405,569 | 16,642 |
| Golf | 1,311,600 | 1,313,890 | 1,294,526 | 19,364 |
| Athletic Fields Maintenance | 288,634 | 288,634 | 283,762 | 4,872 |
| Tennis | 138,300 | 141,994 | 137,033 | 4,961 |
| Skating | 10,000 | 10,000 | 10,000 | - |
| Beach and Pool | 551,277 | 603,411 | 587,139 | 16,272 |
| Miscellaneous Programs | 1,671,842 | 1,653,273 | 1,565,781 | 87,492 |
| Memorial Day | 12,500 | 12,500 | 11,168 | 1,332 |
| Total Parks and Recreation | 8,200,963 | 8,216,533 | 8,019,212 | 197,321 |
| Other: | | | | |
| Pensions | 8,096,267 | 8,140,783 | 8,140,783 | - |
| Insurance | 9,355,968 | 9,772,366 | 9,772,366 | - |
| Social Security | 1,505,000 | 1,621,607 | 1,621,607 | - |
| Unemployment Compensation | 25,000 | 67,372 | 67,372 | - |
| Earthplace | 105,000 | 105,000 | 105,000 | - |
| Miscellaneous | 93,745 | 93,745 | 73,446 | 20,299 |
| Transportation Service | 445,451 | 500,451 | 470,588 | 29,863 |
| Reserve: Salary Adjustments | 225,000 | - | - | - |
| Employee Productivity | 21,850 | 13,635 | 13,635 | - |
| Total Other | 19,873,281 | 20,314,959 | 20,264,797 | 50,162 |

**TOWN OF WESTPORT, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|-----------------------|-----------------------|------------------|-------------------------------------|
| EXPENDITURES (CONTINUED) | | | | |
| Debt Service: | | | | |
| Interest on Bonds | \$ 1,561,232 | \$ 1,099,891 | \$ 1,099,891 | \$ - |
| Bond Principal Repayments | 3,230,048 | 3,247,067 | 3,247,067 | - |
| Total Debt Service | <u>4,791,280</u> | <u>4,346,958</u> | <u>4,346,958</u> | - |
| Capital Outlay: | | | | |
| General Government | 189,500 | 189,542 | 183,798 | 5,744 |
| Public Safety | 582,950 | 591,391 | 591,391 | - |
| Public Works | 363,300 | 363,300 | 308,744 | 54,556 |
| Human Services | 33,434 | 33,434 | 17,690 | 15,744 |
| Recreation | 367,435 | 368,379 | 360,224 | 8,155 |
| Total Capital Outlay | <u>1,536,619</u> | <u>1,546,046</u> | <u>1,461,847</u> | <u>84,199</u> |
| Total Expenditures | 241,775,913 | 242,092,678 | 239,898,939 | 2,193,739 |
| Transfers Out | <u>1,368,165</u> | <u>1,368,165</u> | <u>1,571,401</u> | <u>(203,236)</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 243,144,078</u> | <u>\$ 243,460,843</u> | 241,470,340 | <u>\$ 1,990,503</u> |

Budgetary expenditures are different from GAAP expenditures because:

| | |
|--|-----------------------|
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System Pension is not budgeted. | 21,292,236 |
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System OPEB is not budgeted. | 298,111 |
| Leases issued that are not budgeted. | 875,448 |
| Subscriptions issued that are not budgeted for. | 856,776 |
| Grants net for budgetary purposes. | 1,053,529 |
| Encumbrances outstanding at June 30, 2024, liquidated during the year ended June 30, 2025. | 1,712,197 |
| Encumbrances outstanding at June 30, 2025. | (1,963,236) |
| Amounts continued in force. | <u>234,345</u> |
| Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV | <u>\$ 265,829,746</u> |

**TOWN OF WESTPORT, CONNECTICUT
SEWER OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|--------------|-------------------------------------|
| REVENUES AND TRANSFERS IN | | | | |
| Sewer Assessment - Current | \$ 1,400,000 | \$ 1,400,000 | \$ 1,098,064 | \$ (301,936) |
| Sewer User Charges - Current | 3,420,000 | 3,420,000 | 3,410,142 | (9,858) |
| Sewer Dumping Fees - Connection Permits | 40,000 | 40,000 | 62,191 | 22,191 |
| Sewer Interest | 99,000 | 99,000 | 140,828 | 41,828 |
| General Fund Debt Service Contribution | 368,165 | 368,165 | 368,165 | - |
| Sewer Other Revenues | 40,000 | 40,000 | 27,712 | (12,288) |
| Total Revenues | 5,367,165 | 5,367,165 | 5,107,102 | (260,063) |
| EXPENDITURES AND TRANSFERS OUT | | | | |
| Interest on Bonds | 828,873 | 739,471 | 739,471 | - |
| Insurance | 388,525 | 391,648 | 391,648 | - |
| Bond Principal Payments | 2,053,500 | 2,176,500 | 2,176,500 | - |
| Sewage Treatment Budget | 1,610,222 | 1,576,864 | 1,551,324 | 25,540 |
| Sewer Collection Budget | 961,999 | 965,113 | 938,592 | 26,521 |
| Pension | 102,670 | 102,670 | 102,670 | - |
| Total Expenditures | 5,945,789 | 5,952,266 | 5,900,205 | 52,061 |
| REVENUES AND TRANSFERS IN OVER (UNDER) EXPENDITURES AND TRANSFERS OUT | | | | |
| | \$ (578,624) | \$ (585,101) | \$ (793,103) | \$ (208,002) |

Reconciliation to GAAP Basis

| | Revenues and Other Financing Sources | Expenditures |
|------------------------------|--|--------------|
| Balance - Budgetary Basis | \$ 5,107,102 | \$ 5,900,205 |
| Prior Year Encumbrances Paid | - | 292,904 |
| Current Year Encumbrances | - | (157,456) |
| Balance - GAAP Basis | \$ 5,107,102 | \$ 6,035,653 |

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
POLICE PENSION PLAN
LAST TEN FISCAL YEARS**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|---------------------|-------------------|-----------------------|-----------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 2,026,323 | \$ 1,931,161 | \$ 2,179,557 | \$ 1,823,646 | \$ 1,950,506 | \$ 2,244,607 | \$ 1,798,797 | \$ 1,896,357 | \$ 1,959,597 | \$ 2,087,655 |
| Interest | 5,939,767 | 6,135,821 | 6,462,200 | 6,728,221 | 6,674,555 | 7,552,296 | 7,161,467 | 7,169,449 | 7,228,119 | 7,469,992 |
| Effect of Plan Changes | - | - | - | (3,610,588) | - | (9,958,699) | - | - | - | - |
| Effect of Economic/Demographic Gains or Losses | (75,782) | 2,130,682 | 1,420,238 | (300,588) | 2,616,794 | 251,110 | (2,807,612) | (573,781) | 1,185,946 | 104,093 |
| Effect of Assumptions Changes or Inputs | - | - | - | - | 8,725,650 | - | - | (1,235,720) | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (4,340,752) | (5,009,297) | (5,228,821) | (5,500,989) | (5,790,747) | (6,075,782) | (5,971,444) | (6,272,840) | (6,453,156) | (6,655,406) |
| Net Change in Total Pension Liability | 3,549,556 | 5,188,367 | 4,833,174 | (860,298) | 14,176,758 | (5,986,468) | 181,208 | 983,465 | 3,920,506 | 3,006,334 |
| Total Pension Liability - Beginning | 97,163,380 | 100,712,936 | 105,901,303 | 110,734,477 | 109,874,179 | 124,050,937 | 118,064,469 | 118,245,677 | 119,229,142 | 123,149,648 |
| Total Pension Liability - Ending | 100,712,936 | 105,901,303 | 110,734,477 | 109,874,179 | 124,050,937 | 118,064,469 | 118,245,677 | 119,229,142 | 123,149,648 | 126,155,982 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 2,725,575 | 2,555,374 | 2,765,941 | 2,964,467 | 1,466,312 | 3,267,889 | 3,568,221 | 1,770,081 | 1,452,846 | 1,603,901 |
| Contributions - Employee | 552,513 | 545,463 | 605,411 | 592,452 | 616,371 | 616,590 | 507,099 | 519,810 | 535,685 | 566,182 |
| Net Investment Income | (58,520) | 11,801,989 | 8,253,765 | 5,171,064 | 1,116,725 | 29,207,585 | (13,139,301) | 11,046,849 | 10,900,978 | 12,337,202 |
| Benefit Payments, Including Refunds of Member Contributions | (4,340,752) | (5,009,297) | (5,228,821) | (5,500,989) | (5,790,747) | (6,075,782) | (5,971,444) | (6,272,840) | (6,453,156) | (6,655,406) |
| Administrative Expense | (178,431) | - | 36,962 | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (1,299,615) | 9,893,529 | 6,433,258 | 3,226,994 | (2,591,339) | 27,016,282 | (15,035,425) | 7,063,900 | 6,436,353 | 7,851,879 |
| Plan Fiduciary Net Position - Beginning | 83,737,937 | 82,438,322 | 92,331,851 | 98,765,109 | 101,992,103 | 99,400,764 | 126,417,046 | 111,381,621 | 118,445,521 | 124,881,874 |
| Plan Fiduciary Net Position - Ending | 82,438,322 | 92,331,851 | 98,765,109 | 101,992,103 | 99,400,764 | 126,417,046 | 111,381,621 | 118,445,521 | 124,881,874 | 132,733,753 |
| Town's Net Pension Liability (Asset) - Ending | <u>\$ 18,274,614</u> | <u>\$ 13,569,452</u> | <u>\$ 11,969,368</u> | <u>\$ 7,882,076</u> | <u>\$ 24,650,173</u> | <u>\$ (8,352,577)</u> | <u>\$ 6,864,056</u> | <u>\$ 783,621</u> | <u>\$ (1,732,226)</u> | <u>\$ (6,577,771)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.85% | 87.19% | 89.19% | 92.83% | 80.13% | 107.07% | 94.20% | 99.34% | 101.41% | 105.21% |
| Covered Payroll | \$ 5,363,703 | \$ 5,603,837 | \$ 5,202,813 | \$ 5,823,825 | \$ 5,923,057 | \$ 4,973,173 | \$ 5,301,764 | \$ 5,177,366 | \$ 5,421,956 | \$ 5,634,779 |
| Town's Net Pension Liability (Asset) as a Percentage of Covered Payroll | 340.71% | 242.15% | 230.06% | 135.34% | 416.17% | -167.95% | 129.47% | 15.14% | -31.95% | -116.74% |

TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FIRE PENSION PLAN
LAST TEN FISCAL YEARS

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|---------------------|-----------------------|-----------------------|------------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 1,844,427 | \$ 1,884,855 | \$ 1,708,313 | \$ 1,597,647 | \$ 1,676,782 | \$ 1,907,929 | \$ 1,894,045 | \$ 1,891,997 | \$ 1,878,852 | \$ 1,812,411 |
| Interest | 4,695,590 | 4,916,008 | 5,044,417 | 5,329,537 | 5,434,328 | 6,060,519 | 5,938,502 | 6,113,866 | 6,152,873 | 6,358,330 |
| Effect of Plan Changes | - | - | - | (3,806,266) | - | (5,929,832) | - | (901,981) | - | - |
| Effect of Economic/Demographic Gains or Losses | (98,263) | (978,566) | 2,016,360 | 2,610,564 | 106,850 | 273,236 | (570,074) | (940,964) | 40,835 | (1,866,265) |
| Effect of Assumptions Changes or Inputs | - | - | - | - | 6,991,793 | - | - | (946,489) | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (2,846,307) | (3,121,347) | (3,990,145) | (4,017,076) | (4,184,901) | (4,250,824) | (4,330,497) | (4,466,239) | (4,669,672) | (4,633,191) |
| Net Change in Total Pension Liability | 3,595,447 | 2,700,950 | 4,778,945 | 1,714,406 | 10,024,852 | (1,938,972) | 2,931,976 | 750,190 | 3,402,888 | 1,671,285 |
| Total Pension Liability - Beginning | 76,318,548 | 79,913,995 | 82,614,945 | 87,393,890 | 89,108,296 | 99,133,148 | 97,194,176 | 100,126,152 | 100,876,342 | 104,279,230 |
| Total Pension Liability - Ending | 79,913,995 | 82,614,945 | 87,393,890 | 89,108,296 | 99,133,148 | 97,194,176 | 100,126,152 | 100,876,342 | 104,279,230 | 105,950,515 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 2,239,366 | 2,052,753 | 2,120,720 | 2,004,183 | 1,116,704 | 2,386,794 | 2,597,229 | 1,688,416 | 1,273,445 | 1,263,916 |
| Contributions - Employee | 488,519 | 502,988 | 512,403 | 502,379 | 530,942 | 556,155 | 516,078 | 498,158 | 568,173 | 549,545 |
| Net Investment Income | (47,359) | 9,718,784 | 6,887,509 | 4,324,392 | 935,307 | 24,627,962 | (11,134,156) | 9,400,424 | 9,379,344 | 10,717,787 |
| Benefit Payments, Including Refunds of Member Contributions | (2,846,307) | (3,121,347) | (3,990,145) | (4,017,076) | (4,184,901) | (4,250,824) | (4,330,497) | (4,466,239) | (4,669,672) | (4,633,191) |
| Administrative Expense | (145,309) | - | 30,598 | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (311,090) | 9,153,178 | 5,561,085 | 2,813,878 | (1,601,948) | 23,320,087 | (12,351,346) | 7,120,759 | 6,551,290 | 7,898,057 |
| Plan Fiduciary Net Position - Beginning | 68,193,869 | 67,882,779 | 77,035,957 | 82,597,042 | 85,410,920 | 83,808,972 | 107,129,059 | 94,777,713 | 101,898,472 | 108,449,762 |
| Plan Fiduciary Net Position - Ending | 67,882,779 | 77,035,957 | 82,597,042 | 85,410,920 | 83,808,972 | 107,129,059 | 94,777,713 | 101,898,472 | 108,449,762 | 116,347,819 |
| Town's Net Pension Liability (Asset) - Ending | <u>\$ 12,031,216</u> | <u>\$ 5,578,988</u> | <u>\$ 4,796,848</u> | <u>\$ 3,697,376</u> | <u>\$ 15,324,176</u> | <u>\$ (9,934,883)</u> | <u>\$ 5,348,439</u> | <u>\$ (1,022,130)</u> | <u>\$ (4,170,532)</u> | <u>\$ (10,397,304)</u> |
| Plan Fiduciary Net Position as A Percentage of the Total Pension Liability | 84.94% | 93.25% | 94.51% | 95.85% | 84.54% | 110.22% | 94.66% | 101.01% | 104.00% | 109.81% |
| Covered Payroll | \$ 5,140,048 | \$ 5,256,316 | \$ 5,317,597 | \$ 4,539,391 | \$ 5,650,250 | \$ 5,428,434 | \$ 5,845,868 | \$ 6,141,371 | \$ 5,902,954 | \$ 6,309,792 |
| Town's Net Pension Liability (Asset) as a Percentage of Covered Payroll | 234.07% | 106.14% | 90.21% | 81.45% | 271.21% | -183.02% | 91.49% | -16.64% | -70.65% | -164.78% |

TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PUBLIC WORKS PENSION PLAN
LAST TEN FISCAL YEARS

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 340,660 | \$ 336,050 | \$ 314,194 | \$ 295,842 | \$ 268,823 | \$ 272,930 | \$ 253,476 | \$ 203,441 | \$ 158,693 | \$ 103,520 |
| Interest | 1,025,448 | 1,062,787 | 1,102,724 | 1,142,388 | 1,184,299 | 1,213,746 | 1,224,510 | 1,245,384 | 1,258,843 | 1,198,447 |
| Effect of Plan Changes | - | - | - | - | - | - | - | - | - | - |
| Effect of Economic/Demographic Gains or Losses | (267,410) | 41,508 | 27,890 | 41,095 | (1,086,013) | (443,451) | (110,630) | 42,409 | (1,113,389) | (775,189) |
| Effect of Assumptions Changes or Inputs | - | - | - | - | 887,757 | - | - | (84,054) | - | - |
| Benefit Payments, including Refunds of Member Contributions | (755,169) | (748,462) | (785,003) | (772,556) | (763,393) | (793,461) | (904,260) | (1,050,978) | (1,237,160) | (1,232,866) |
| Net Change in Total Pension Liability | 343,529 | 691,883 | 659,805 | 706,769 | 491,473 | 249,764 | 463,096 | 356,202 | (933,013) | (706,088) |
| Total Pension Liability - Beginning | 17,040,716 | 17,384,245 | 18,076,128 | 18,735,933 | 19,442,702 | 19,934,175 | 20,183,939 | 20,647,035 | 21,003,237 | 20,070,224 |
| Total Pension Liability - Ending | 17,384,245 | 18,076,128 | 18,735,933 | 19,442,702 | 19,934,175 | 20,183,939 | 20,647,035 | 21,003,237 | 20,070,224 | 19,364,136 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 247,130 | 226,536 | 178,623 | 132,222 | 58,616 | 38,378 | - | - | - | - |
| Contributions - Employee | 155,485 | 148,079 | 143,909 | 133,405 | 133,249 | 131,255 | 119,719 | 90,615 | 63,581 | 49,673 |
| Net Investment Income | (12,509) | 2,501,002 | 1,751,911 | 1,094,183 | 235,104 | 6,214,065 | (2,778,959) | 2,297,904 | 2,255,599 | 2,527,295 |
| Benefit Payments, including Refunds of Member Contributions | (755,169) | (748,462) | (785,003) | (772,556) | (763,393) | (793,461) | (904,260) | (1,050,978) | (1,237,160) | (1,232,866) |
| Administrative Expense | (38,085) | - | 7,839 | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (403,148) | 2,127,155 | 1,297,279 | 587,254 | (336,424) | 5,590,237 | (3,563,500) | 1,337,541 | 1,082,020 | 1,344,102 |
| Plan Fiduciary Net Position - Beginning | 17,873,636 | 17,470,488 | 19,597,643 | 20,894,922 | 21,482,176 | 21,145,752 | 26,735,989 | 23,172,489 | 24,510,030 | 25,592,050 |
| Plan Fiduciary Net Position - Ending | 17,470,488 | 19,597,643 | 20,894,922 | 21,482,176 | 21,145,752 | 26,735,989 | 23,172,489 | 24,510,030 | 25,592,050 | 26,936,152 |
| Town's Net Pension Liability (Asset) - Ending | <u>\$ (86,243)</u> | <u>\$ (1,521,515)</u> | <u>\$ (2,158,989)</u> | <u>\$ (2,039,474)</u> | <u>\$ (1,211,577)</u> | <u>\$ (6,552,050)</u> | <u>\$ (2,525,454)</u> | <u>\$ (3,506,793)</u> | <u>\$ (5,521,826)</u> | <u>\$ (7,572,016)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 100.50% | 108.42% | 111.52% | 110.49% | 106.08% | 132.46% | 112.23% | 116.70% | 127.51% | 139.10% |
| Covered Payroll | \$ 1,698,394 | \$ 1,611,537 | \$ 1,600,818 | \$ 1,569,740 | \$ 1,496,379 | \$ 1,490,874 | \$ 1,445,684 | \$ 1,490,770 | \$ 1,219,478 | \$ 837,743 |
| Town's Net Pension Liability (Asset) as a Percentage of Covered Payroll | -5.08% | -94.41% | -134.87% | -129.92% | -80.97% | -439.48% | -174.69% | -235.23% | -452.80% | -903.86% |

TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MUNICIPAL PENSION PLAN
LAST TEN FISCAL YEARS

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 2,504,182 | \$ 2,581,196 | \$ 2,549,059 | \$ 2,413,918 | \$ 2,088,437 | \$ 2,002,670 | \$ 1,896,170 | \$ 1,726,277 | \$ 1,521,716 | \$ 1,405,452 |
| Interest | 4,019,395 | 4,225,325 | 4,322,393 | 4,380,840 | 4,474,888 | 4,769,498 | 4,857,050 | 4,939,169 | 4,973,011 | 4,961,947 |
| Effect of Plan Changes | - | (874,950) | (1,275,056) | - | - | - | - | - | - | - |
| Effect of Economic/Demographic Gains or Losses | 1,226,317 | (789,011) | (731,462) | (915,373) | (2,490,677) | (829,321) | (534,075) | (383,521) | (1,435,454) | (531,173) |
| Effect of Assumptions Changes or Inputs | - | - | - | - | 5,038,892 | - | - | (531,346) | - | - |
| Benefit Payments, including Refunds of Member Contributions | (3,073,430) | (3,408,479) | (3,646,364) | (3,908,606) | (4,131,573) | (4,302,615) | (4,514,382) | (4,908,511) | (5,081,075) | (5,167,500) |
| Net Change in Total Pension Liability | 4,676,464 | 1,734,081 | 1,218,570 | 1,970,779 | 4,979,967 | 1,640,232 | 1,704,763 | 842,068 | (21,802) | 668,726 |
| Total Pension Liability - Beginning | 63,406,152 | 68,082,616 | 69,816,697 | 71,035,267 | 73,006,046 | 77,986,013 | 79,626,245 | 81,331,008 | 82,173,076 | 82,151,274 |
| Total Pension Liability - Ending | 68,082,616 | 69,816,697 | 71,035,267 | 73,006,046 | 77,986,013 | 79,626,245 | 81,331,008 | 82,173,076 | 82,151,274 | 82,820,000 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 2,099,055 | 1,943,110 | 2,111,067 | 1,614,704 | 948,712 | 1,286,345 | 1,000,140 | 470,158 | 150,574 | - |
| Contributions - Employee | 661,284 | 666,936 | 706,363 | 748,614 | 745,805 | 775,727 | 726,945 | 649,762 | 587,874 | 539,809 |
| Net Investment Income | (45,515) | 9,305,394 | 6,571,405 | 4,143,233 | 869,655 | 23,527,516 | (10,529,091) | 8,718,581 | 8,540,696 | 9,574,973 |
| Benefit Payments, including Refunds of Member Contributions | (3,073,430) | (3,408,479) | (3,646,364) | (3,908,606) | (4,131,573) | (4,302,615) | (4,514,382) | (4,908,511) | (5,081,075) | (5,167,500) |
| Administrative Expense | (139,557) | - | (118,030) | (26,496) | (66,658) | (52,760) | (64,413) | (40,574) | (49,521) | (56,499) |
| Net Change in Plan Fiduciary Net Position | (498,163) | 8,506,961 | 5,624,441 | 2,571,449 | (1,634,059) | 21,234,213 | (13,380,801) | 4,889,416 | 4,148,548 | 4,890,783 |
| Plan Fiduciary Net Position - Beginning | 65,494,626 | 64,996,463 | 73,503,424 | 79,127,865 | 81,699,314 | 80,065,255 | 101,299,468 | 87,918,667 | 92,808,083 | 96,956,631 |
| Plan Fiduciary Net Position - Ending | 64,996,463 | 73,503,424 | 79,127,865 | 81,699,314 | 80,065,255 | 101,299,468 | 87,918,667 | 92,808,083 | 96,956,631 | 101,847,414 |
| Town's Net Pension Liability (Asset) - Ending | \$ 3,086,153 | \$ (3,686,727) | \$ (8,092,598) | \$ (8,693,268) | \$ (2,079,242) | \$ (21,673,223) | \$ (6,587,659) | \$ (10,635,007) | \$ (14,805,357) | \$ (19,027,414) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95.47% | 105.28% | 111.39% | 111.91% | 102.67% | 127.22% | 108.10% | 112.94% | 118.02% | 122.97% |
| Covered Payroll | \$ 15,392,017 | \$ 15,833,087 | \$ 16,199,690 | \$ 15,940,230 | \$ 15,764,442 | \$ 14,930,470 | \$ 13,514,941 | \$ 12,721,089 | 11,669,760 | 10,325,382 |
| Town's Net Pension Liability (Asset) as a Percentage of Covered Payroll | 20.05% | -23.28% | -49.96% | -54.54% | -13.19% | -145.16% | -48.74% | -83.60% | -126.87% | -184.28% |

TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
NON-UNION PENSION PLAN
LAST TEN FISCAL YEARS

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 975,066 | \$ 853,074 | \$ 947,145 | \$ 929,742 | \$ 830,274 | \$ 847,908 | \$ 1,409,641 | \$ 1,279,939 | \$ 1,317,185 | \$ 1,424,448 |
| Interest | 2,458,868 | 2,523,306 | 2,570,395 | 2,731,829 | 2,856,320 | 3,235,463 | 4,460,776 | 4,625,452 | 4,892,406 | 5,365,962 |
| Effect of Plan Changes | - | - | - | - | - | 17,686,670 | - | 1,699,131 | - | - |
| Effect of Economic/Demographic Gains or Losses | 949,189 | (308,458) | 1,639,957 | 1,101,479 | 2,142,654 | 721,207 | 400,684 | 1,095,424 | 5,561,712 | 2,608,668 |
| Effect of Assumptions Changes or Inputs | - | - | - | - | 3,120,756 | - | - | (499,603) | - | - |
| Benefit Payments, including Refunds of Member Contributions | (2,190,780) | (2,331,086) | (2,457,202) | (2,553,110) | (2,711,343) | (2,845,749) | (3,256,139) | (3,655,386) | (4,109,679) | (4,185,517) |
| Net Change in Total Pension Liability | 2,192,343 | 736,836 | 2,700,295 | 2,209,940 | 6,238,661 | 19,645,499 | 3,014,962 | 4,544,957 | 7,661,624 | 5,213,561 |
| Total Pension Liability - Beginning | 39,299,647 | 41,491,990 | 42,228,826 | 44,929,121 | 47,139,061 | 53,377,722 | 73,023,221 | 76,038,183 | 80,583,140 | 88,244,764 |
| Total Pension Liability - Ending | 41,491,990 | 42,228,826 | 44,929,121 | 47,139,061 | 53,377,722 | 73,023,221 | 76,038,183 | 80,583,140 | 88,244,764 | 93,458,325 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 1,416,354 | 1,681,195 | 1,199,468 | 1,310,526 | 933,104 | 1,689,358 | 1,853,281 | 3,698,569 | 4,090,185 | 4,509,468 |
| Contributions - Employee | 245,437 | 239,036 | 239,777 | 239,328 | 226,063 | 223,412 | 309,432 | 344,968 | 332,867 | 357,518 |
| Net Investment Income | (23,285) | 4,709,402 | 3,325,311 | 2,066,118 | 430,854 | 11,559,092 | (5,190,440) | 4,323,999 | 4,446,367 | 5,245,612 |
| Benefit Payments, including Refunds of Member Contributions | (2,190,780) | (2,331,086) | (2,457,202) | (2,553,110) | (2,711,343) | (2,845,749) | (3,256,139) | (3,655,386) | (4,109,679) | (4,185,517) |
| Administrative Expense | (71,425) | - | (47,338) | (14,463) | (41,993) | (28,049) | (53,107) | (24,362) | (32,990) | (40,812) |
| Net Change in Plan Fiduciary Net Position | (623,699) | 4,298,547 | 2,260,016 | 1,048,399 | (1,163,315) | 10,598,064 | (6,336,973) | 4,687,788 | 4,726,750 | 5,886,269 |
| Plan Fiduciary Net Position - Beginning | 33,520,007 | 32,896,308 | 37,194,855 | 39,454,871 | 40,503,270 | 39,339,955 | 49,938,019 | 43,601,046 | 48,288,834 | 53,015,584 |
| Plan Fiduciary Net Position - Ending | 32,896,308 | 37,194,855 | 39,454,871 | 40,503,270 | 39,339,955 | 49,938,019 | 43,601,046 | 48,288,834 | 53,015,584 | 58,901,853 |
| Town's Net Pension Liability - Ending | \$ 8,595,682 | \$ 5,033,971 | \$ 5,474,250 | \$ 6,635,791 | \$ 14,037,767 | \$ 23,085,202 | \$ 32,437,137 | \$ 32,294,306 | \$ 35,229,180 | \$ 34,556,472 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.28% | 88.08% | 87.82% | 85.92% | 73.70% | 68.39% | 57.34% | 59.92% | 60.08% | 63.02% |
| Covered Payroll | \$ 6,729,260 | \$ 6,222,001 | \$ 5,544,104 | \$ 6,111,431 | \$ 5,978,457 | \$ 7,813,323 | \$ 7,618,060 | \$ 7,478,295 | \$ 7,162,286 | \$ 6,890,024 |
| Town's Net Pension Liability as a Percentage of Covered Payroll | 127.74% | 80.91% | 98.74% | 108.58% | 234.81% | 295.46% | 425.79% | 431.84% | 491.87% | 501.54% |

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF EMPLOYERS CONTRIBUTIONS
PENSION TRUST FUNDS
LAST TEN FISCAL YEARS**

| | POLICE | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Actuarially Determined Contribution | \$ 2,725,575 | \$ 2,691,004 | \$ 2,765,941 | \$ 2,964,467 | \$ 2,199,464 | \$ 3,267,889 | \$ 3,568,221 | \$ 1,770,081 | \$ 1,452,846 | \$ 1,603,901 |
| Contributions in Relation to the Actuarially Determined Contribution | 2,725,575 | 2,555,374 | 2,765,941 | 2,964,467 | 1,466,312 | 3,267,889 | 3,568,221 | 1,770,081 | 1,452,846 | 1,603,901 |
| Contribution Deficiency (Excess) | \$ - | \$ 135,630 | \$ - | \$ - | \$ 733,152 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 5,363,703 | \$ 5,603,837 | \$ 5,202,813 | \$ 5,823,825 | \$ 5,923,057 | \$ 4,973,173 | \$ 5,301,764 | \$ 5,177,366 | \$ 5,421,956 | \$ 5,634,779 |
| Contributions as a Percentage of Covered Payroll | 50.82% | 45.60% | 53.16% | 50.90% | 24.76% | 65.71% | 67.30% | 34.19% | 26.80% | 28.46% |
| | FIRE | | | | | | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Actuarially Determined Contribution | \$ 2,239,366 | \$ 2,152,383 | \$ 2,120,720 | \$ 2,004,183 | \$ 1,675,058 | \$ 2,386,794 | \$ 2,597,229 | \$ 1,688,416 | \$ 1,273,445 | \$ 1,263,916 |
| Contributions in Relation to the Actuarially Determined Contribution | 2,239,366 | 2,052,753 | 2,120,720 | 2,004,183 | 1,116,704 | 2,386,794 | 2,597,229 | 1,688,416 | 1,273,445 | 1,263,916 |
| Contribution Deficiency (Excess) | \$ - | \$ 99,630 | \$ - | \$ - | \$ 558,354 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 5,140,048 | \$ 5,256,316 | \$ 5,317,597 | \$ 4,539,391 | \$ 5,650,250 | \$ 5,428,434 | \$ 5,845,868 | \$ 6,141,371 | \$ 5,902,954 | \$ 6,309,792 |
| Contributions as a Percentage of Covered Payroll | 43.57% | 39.05% | 39.88% | 44.15% | 19.76% | 43.97% | 44.43% | 27.49% | 21.57% | 20.03% |
| | PUBLIC WORKS | | | | | | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Actuarially Determined Contribution | \$ 247,130 | \$ 184,442 | \$ 178,625 | \$ 132,222 | \$ 87,924 | \$ 38,378 | \$ - | \$ - | \$ - | \$ - |
| Contributions in Relation to the Actuarially Determined Contribution | 247,130 | 226,536 | 178,623 | 132,222 | 58,616 | 38,378 | - | - | - | - |
| Contribution Deficiency (Excess) | \$ - | \$ (42,094) | \$ 2 | \$ - | \$ 29,308 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 1,698,394 | \$ 1,611,537 | \$ 1,600,818 | \$ 1,569,740 | \$ 1,496,379 | \$ 1,490,874 | \$ 1,445,684 | \$ 1,490,770 | \$ 1,219,478 | \$ 837,743 |
| Contributions as a Percentage of Covered Payroll | 14.55% | 14.06% | 11.16% | 8.42% | 3.92% | 2.57% | 0.00% | 0.00% | 0.00% | 0.00% |

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

| | MUNICIPAL | | | | | | | | | |
|--|------------------|---------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Actuarially Determined Contribution | \$ 2,099,055 | \$ 2,117,516 | \$ 2,111,067 | \$ 1,614,704 | \$ 1,423,074 | \$ 1,286,345 | \$ 1,000,140 | \$ 470,158 | \$ 150,574 | \$ - |
| Contributions in Relation to the Actuarially Determined Contribution | <u>2,099,055</u> | <u>1,943,110</u> | <u>2,111,067</u> | <u>1,614,704</u> | <u>948,712</u> | <u>1,286,345</u> | <u>1,000,140</u> | <u>470,158</u> | <u>150,574</u> | <u>-</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ 174,406</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 474,362</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll | \$ 15,392,017 | \$ 15,833,087 | \$ 16,199,690 | \$ 15,940,230 | \$ 15,764,442 | \$ 14,930,470 | \$ 13,514,941 | \$ 12,721,089 | \$ 11,669,760 | \$ 10,325,382 |
| Contributions as a Percentage of Covered Payroll | 13.64% | 12.27% | 13.03% | 10.13% | 6.02% | 8.62% | 7.40% | 3.70% | 1.29% | 0.00% |
| | NON-UNION | | | | | | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Actuarially Determined Contribution | \$ 1,416,354 | \$ 1,313,623 | \$ 1,199,468 | \$ 1,310,526 | \$ 1,399,651 | \$ 1,689,358 | \$ 1,853,281 | \$ 3,698,569 | \$ 4,090,185 | \$ 4,659,469 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>1,416,354</u> | <u>1,681,195</u> | <u>1,199,468</u> | <u>1,310,526</u> | <u>933,104</u> | <u>1,689,358</u> | <u>1,853,281</u> | <u>3,698,569</u> | <u>4,090,185</u> | <u>4,509,468</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ (367,572)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 466,547</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 150,001</u> |
| Covered Payroll | \$ 6,729,260 | \$ 6,222,001 | \$ 5,544,104 | \$ 6,111,431 | \$ 5,978,457 | \$ 7,813,323 | \$ 7,618,060 | \$ 7,478,295 | \$ 7,162,286 | \$ 6,890,024 |
| Contributions as a Percentage of Covered Payroll | 21.05% | 27.02% | 21.64% | 21.44% | 15.61% | 21.62% | 24.33% | 49.46% | 57.11% | 65.45% |

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

Notes to Schedule:

Valuation Date: July 1, 2024
Measurement Date: June 30, 2025

Actuarial Methods and Assumptions Used for Funding Policy:

| | Police | Fire | Public Works | Municipal | Non- Union |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Amortization Method: | | | | | |
| Level Percent or Level Dollar | Level Percent | Level Percent | Level Percent | Level Percent | Level Percent |
| Closed, Open, or Layered Periods | Closed | Closed | Closed | Closed | Closed |
| Amortization Period at July 1, 2019 | 13 Years | 13 Years | 13 Years | 13 Years | 13 Years |
| Amortization Growth Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Asset Valuation Method: | | | | | |
| Smoothing Period | 5 Years | 5 Years | 5 Years | 5 Years | 5 Years |
| Inflation Rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Projected Salary Increases | Service Related | Service Related | 3.50% | Service Related | Age Related |
| Investment Rate of Return | 6.125% | 6.125% | 6.125% | 6.125% | 6.125% |
| Cost-of-Living Adjustments: | | | | | |
| Pre-2005 Retirees, 75% Joint & Survivor Annuities: 1.25% | * | * | | | |
| Pre-2005 Retirees, 100% Joint & Survivor Annuities: 0.625% | * | * | | | |
| None | | | * | * | * |
| Mortality: | | | | | |
| PubS-2010 Mortality with Generational Projection per MP 2021 Ultimate Scale | * | * | * | | |
| PubG-2010 Mortality with Generational Projection per MP 2021 Ultimate Scale | | | | * | * |

*Applicable to this particular plan

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|
| Total OPEB Liability: | | | | | | | | | |
| Service Cost | \$ 5,062,732 | \$ 5,632,441 | \$ 5,741,445 | \$ 4,046,100 | \$ 3,652,740 | \$ 2,774,390 | \$ 3,413,079 | \$ 2,690,203 | \$ 2,687,588 |
| Interest | 7,732,515 | 8,276,214 | 9,155,123 | 9,761,385 | 7,616,569 | 7,964,292 | 6,937,793 | 7,259,186 | 6,020,025 |
| Effect of Plan Changes | - | - | - | (2,861,802) | - | 88,080 | - | - | - |
| Effect of Economic/Demographic Gains or Losses | - | 4,335,420 | - | (36,431,036) | - | (29,302,284) | - | (20,768,224) | - |
| Effect of Assumptions Changes or Inputs | - | (30,167) | - | (5,240,840) | - | 5,725,388 | 748,756 | (3,413,548) | - |
| Benefit Payments | (4,445,810) | (4,599,034) | (3,328,825) | (3,276,558) | (4,537,875) | (4,895,125) | (4,392,845) | (5,888,422) | (6,107,254) |
| Net Change in Total OPEB Liability | 8,349,437 | 13,614,874 | 11,567,743 | (34,002,751) | 6,731,434 | (17,645,259) | 6,706,783 | (20,120,805) | 2,600,359 |
| Total OPEB Liability - Beginning | 123,405,321 | 131,754,758 | 145,369,632 | 156,937,375 | 122,934,624 | 129,666,058 | 112,020,799 | 118,727,582 | 98,606,777 |
| Total OPEB Liability - Ending | 131,754,758 | 145,369,632 | 156,937,375 | 122,934,624 | 129,666,058 | 112,020,799 | 118,727,582 | 98,606,777 | 101,207,136 |
| Plan Fiduciary Net Position: | | | | | | | | | |
| Contributions - Employer | 10,129,566 | 9,876,782 | 9,350,450 | 6,864,438 | 5,766,084 | 6,113,409 | 4,702,678 | 5,888,422 | 3,907,254 |
| Net Investment Income | 6,378,530 | 5,145,616 | 3,894,098 | 1,660,787 | 25,007,740 | (13,261,808) | 9,500,497 | 11,584,870 | 12,885,658 |
| Benefit Payments | (4,445,810) | (4,599,034) | (3,328,825) | (3,276,558) | (4,537,875) | (4,895,125) | (4,392,845) | (5,888,422) | (6,107,254) |
| Net Change in Plan Fiduciary Net Position | 12,062,286 | 10,423,364 | 9,915,723 | 5,248,667 | 26,235,949 | (12,043,524) | 9,810,330 | 11,584,870 | 10,685,658 |
| Plan Fiduciary Net Position - Beginning | 40,501,477 | 52,563,763 | 62,987,127 | 72,902,850 | 78,151,517 | 104,387,466 | 92,343,942 | 102,154,272 | 113,739,142 |
| Plan Fiduciary Net Position - Ending | 52,563,763 | 62,987,127 | 72,902,850 | 78,151,517 | 104,387,466 | 92,343,942 | 102,154,272 | 113,739,142 | 124,424,800 |
| Net OPEB Liability (Asset) - Ending | <u>\$ 79,190,995</u> | <u>\$ 82,382,505</u> | <u>\$ 84,034,525</u> | <u>\$ 44,783,107</u> | <u>\$ 25,278,592</u> | <u>\$ 19,676,857</u> | <u>\$ 16,573,310</u> | <u>\$ (15,132,365)</u> | <u>\$ (23,217,664)</u> |
| Plan Fiduciary Net Position As A Percentage of The Total OPEB Liability | 39.90% | 43.33% | 46.45% | 63.57% | 80.50% | 82.43% | 86.04% | 115.35% | 122.94% |
| Covered Payroll | \$ 76,009,000 | \$ 80,133,851 | \$ 80,133,851 | \$ 78,319,544 | \$ 78,319,544 | \$ 93,140,103 | \$ 93,140,103 | \$ 100,415,451 | \$ 100,415,451 |
| Net OPEB Liability (Asset) as a Percentage of Covered Payroll | 104.19% | 102.81% | 104.87% | 57.18% | 32.28% | 21.13% | 17.79% | -15.07% | -23.12% |

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Actuarially Determined Contribution | \$ 9,656,580 | \$ 10,394,080 | \$ 10,940,639 | \$ 10,937,942 | \$ 6,492,402 | \$ 6,685,322 | \$ 6,676,962 | \$ 5,004,880 | \$ 4,911,016 | \$ 2,763,166 |
| Contributions in Relation to the Actuarially Determined Contribution | 9,656,580 | 10,129,566 | 9,876,782 | 9,350,450 | 6,864,438 | 5,766,084 | 6,113,409 | 4,702,677 | 5,888,422 | 3,907,254 |
| Contribution Deficiency (Excess) | \$ - | \$ 264,514 | \$ 1,063,857 | \$ 1,587,492 | \$ (372,036) | \$ 919,238 | \$ 563,553 | \$ 302,203 | \$ (977,406) | \$ (1,144,088) |
| Covered Payroll | N/A | \$ 76,009,000 | \$ 80,133,851 | \$ 80,133,851 | \$ 78,319,544 | \$ 78,319,544 | \$ 93,140,103 | \$ 93,140,103 | \$ 100,415,451 | \$ 100,415,451 |
| Contributions as a Percentage of Covered Payroll | N/A | 13.33% | 12.33% | 11.67% | 8.76% | 7.36% | 6.56% | 5.05% | 5.86% | 3.89% |

Notes To Schedule:

Valuation Date: July 1, 2023
 Measurement Date: June 30, 2025

Methods and Assumptions Used to Determine

Contribution Rates:

| | |
|---------------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent, Closed |
| Amortization Period | 13 Years, Prior 15 Years |
| Asset Valuation Method | 5-Year Smoothed Market, No asymptotic |
| Inflation | 2.50%, Prior 2.70% |
| Salary Increases, Including Inflation | Graded by Service for BOE Municipal, Teachers and Administrators, Graded by Age for BOE Non-Union |
| Discount Rate | 6.125% |

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION AND OPEB PLANS
LAST TEN FISCAL YEARS**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------|----------|--------|--------|--------|---------|----------|---------|--------|---------|
| Annual Money Weighted Rate of Return, Net of Investment Expense: | | | | | | | | | | |
| Pension: | | | | | | | | | | |
| Police | (0.07)% | 14.47 % | 9.04 % | 5.31 % | 1.11 % | 29.70 % | (10.48)% | 10.11 % | 9.39 % | 10.07 % |
| Fire | (0.07) | 14.35 | 9.03 | 5.31 | 1.11 | 29.63 | (10.46) | 10.05 | 9.35 | 10.02 |
| Public Works | (0.07) | 14.47 | 9.06 | 5.31 | 1.11 | 29.85 | (10.56) | 10.14 | 9.44 | 10.12 |
| Municipal | (0.07) | 14.39 | 9.01 | 5.29 | 1.08 | 29.84 | (10.56) | 10.15 | 9.44 | 10.14 |
| Non-Union | (0.07) | 14.47 | 9.07 | 5.31 | 1.08 | 29.75 | (10.52) | 9.86 | 9.18 | 9.82 |
| OPEB | n/a | 1479.00% | 9.37 | 5.92 | 2.20 | 31.74 | (12.62) | 10.27 | 11.41 | 11.38 |

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

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Town's Proportion of the Net Pension Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net Pension Liability Associated with the Town | 149,932,102 | 190,290,456 | 180,368,791 | 180,266,606 | 233,791,211 | 253,587,333 | 200,843,317 | 248,445,538 | 232,750,274 | 216,014,993 |
| Total | \$ 149,932,102 | \$ 190,290,456 | \$ 180,368,791 | \$ 180,266,606 | \$ 233,791,211 | \$ 253,587,333 | \$ 200,843,317 | \$ 248,445,538 | \$ 232,750,274 | \$ 216,014,993 |
| Town's Covered Payroll | \$ 55,730,568 | \$ 55,104,098 | \$ 57,170,489 | \$ 57,303,427 | \$ 57,579,508 | \$ 59,411,268 | \$ 59,411,268 | \$ 63,356,491 | \$ 65,463,816 | \$ 67,942,332 |
| Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 59.50% | 52.26% | 55.93% | 57.69% | 52.00% | 49.24% | 60.77% | 54.06% | 58.39% | 62.68% |

Notes to Schedule:

| | |
|---------------------------------------|---|
| Changes in Benefit Terms | None |
| Changes of Assumptions | None |
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation |
| Single Equivalent Amortization Period | 25.9 Years |
| Asset Valuation Method | 4-Year Smoothed Market |
| Inflation | 2.50% |
| Salary Increase | 3.00%-6.50%, Including Inflation |
| Investment Rate of Return | 6.90%, Net of Investment-Related Expense |

Notes:

- The measurement date is one year earlier than the employer's reporting date.

**TOWN OF WESTPORT, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS***

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Town's Proportion of the Net OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's Proportionate Share of the OPEB Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net OPEB Liability Associated with the Town | <u>46,424,896</u> | <u>36,036,432</u> | <u>36,461,059</u> | <u>37,822,560</u> | <u>21,881,511</u> | <u>21,758,131</u> | <u>21,805,505</u> | <u>44,312,102</u> |
| Total | <u>\$ 46,424,896</u> | <u>\$ 36,036,432</u> | <u>\$ 36,461,059</u> | <u>\$ 37,822,560</u> | <u>\$ 21,881,511</u> | <u>\$ 21,758,131</u> | <u>\$ 21,805,505</u> | <u>\$ 44,312,102</u> |
| Town's Covered Payroll | \$ 57,170,489 | \$ 57,303,427 | \$ 57,579,508 | \$ 59,411,268 | \$ 61,206,800 | \$ 63,356,491 | \$ 65,463,816 | \$ 67,942,332 |
| Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 1.79% | 1.49% | 2.08% | 2.50% | 6.11% | 9.46% | 11.92% | 7.40% |

Notes to Schedule:

Changes in Benefit Terms

There were no changes to benefit terms since the prior measurement date.

Changes of Assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024;
 Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
 Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense.
 Spouse coverage election assumptions were also updated with this change; and
 Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

Actuarial Cost Method
 Amortization Method
 Remaining Amortization Period
 Asset Valuation Method
 Investment Rate of Return
 Price Inflation

Entry Age
 Level Percent of Payroll Over an Open Period
 30 Years
 Market Value of Assets
 3.00%, Net of Investment-Related Expense Including Price Inflation
 2.50%

Notes:

- The measurement date is one year earlier than the employer's reporting date.

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Appendix B

Form of Opinion of Bond Counsel

June __, 2026

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

We have acted as Bond Counsel to the Town of Westport, Connecticut (the “Town”) in connection with the issuance by the Town of its \$_____ General Obligation Bonds, Issue of 2026 (the “Bonds”) dated June __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

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

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

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

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

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C

Form of Continuing Disclosure Agreement

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

**In Connection With The Issuance and Sale of
\$ _____ Town of Westport, Connecticut
General Obligation Bonds, Issue of 2026
dated June __, 2026**

This Continuing Disclosure Agreement (“Agreement”) is made as of June __, 2026, by the Town of Westport, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bonds, Issue of 2026, dated June __, 2026 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Agreement.

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

“Final Official Statement” means the official statement of the Issuer dated June __, 2026 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

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

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

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

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

Section 2. Annual Reports.

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

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

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

- (A) the amounts of the gross and net taxable grand list;
 - (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
 - (C) the percentage and amount of the annual property tax levy collected and uncollected;
 - (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
 - (E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
 - (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
 - (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
 - (H) a statement of statutory debt limitations and debt margins;
- and
- (I) the funding status of the Issuer's pension benefit obligations.

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

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

Section 3. Timing. the Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months

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

Section 4. Event Notices.

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

- (i)** principal and interest payment delinquencies;
- (ii)** unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii)** unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv)** substitution of credit or liquidity providers, or their failure to perform;
- (v)** adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vi)** tender offers;
- (vii)** bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii)** Bond defeasances;
- (ix)** rating changes; and
- (x)** default, event of acceleration, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer, any of which reflect financial difficulties.

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

- (i)** non-payment related defaults;
- (ii)** modifications to rights of Bondholders;
- (iii)** Bond calls;
- (iv)** release, substitution, or sale of property securing repayment of the Bonds;
- (v)** consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the

assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

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

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

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

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

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

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

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

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

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

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Westport Town Hall, 110 Myrtle Avenue, Westport, Connecticut 06880. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

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

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

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

TOWN OF WESTPORT, CONNECTICUT

By: _____
Kevin Christie, First Selectman

By: _____
Gary G. Conrad, Finance Director

Appendix D

Notice of Sale

NOTICE OF SALE

TOWN OF WESTPORT, CONNECTICUT
 \$22,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
 BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS *solely* via *PARITY*® will be received by the TOWN OF WESTPORT, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on THURSDAY,

JUNE 4, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$22,000,000 General Obligation Bonds, Issue of 2026, dated June 18, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on June 15 in the principal amounts and in each of the years as follows:

| <u>Maturity</u> | <u>Amount (\$)</u> | <u>Maturity</u> | <u>Amount (\$)</u> |
|-----------------|--------------------|-----------------|--------------------|
| 2027 | 1,100,000 | 2037 | 1,100,000 |
| 2028 | 1,100,000 | 2038 | 1,100,000 |
| 2029 | 1,100,000 | 2039 | 1,100,000 |
| 2030 | 1,100,000 | 2040 | 1,100,000 |
| 2031 | 1,100,000 | 2041 | 1,100,000 |
| 2032 | 1,100,000 | 2042 | 1,100,000 |
| 2033 | 1,100,000 | 2043 | 1,100,000 |
| 2034 | 1,100,000 | 2044 | 1,100,000 |
| 2035 | 1,100,000 | 2045 | 1,100,000 |
| 2036 | 1,100,000 | 2046 | 1,100,000 |

The Bonds will bear interest commencing December 15, 2026 and semiannually thereafter on June 15 and December 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before June 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after June 15, 2033 either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

| <u>Redemption Dates</u> | <u>Redemption Price</u> |
|------------------------------|-------------------------|
| June 15, 2033 and thereafter | 100.0% |

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of May and November in each year.

Proposals

Each bid must be for the entire \$22,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

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

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Bridgeport, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about June 18, 2026 (the "Closing Date").

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

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

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Jessica G. Kennedy Esq., Pullman & Comley, LLC, 850 Main Street, Bridgeport, CT 06604, Telephone: (203) 330-2215, E-mail: jkennedy@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

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

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

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the "Actual Sales Rule") is sold to the Public as the issue price of that

Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of

the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

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

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated May 28, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the

delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer's Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o'clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the "Agreement"), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF WESTPORT, CONNECTICUT

KEVIN CHRISTIE
First Selectman

GARY G. CONRAD
Director of Finance

May 28, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF WESTPORT, CONNECTICUT
\$22,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED JUNE 18, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF WESTPORT, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about June 18, 2026, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of June 4, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of June 4, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

| <u>Maturity, June 15</u> | <u>Principal Amount (\$)</u> | <u>Interest Rate (%)</u> | <u>Price (\$, not Yield)</u> |
|------------------------------|------------------------------|------------------------------|----------------------------------|
| 2027 | 1,100,000 | | |
| 2028 | 1,100,000 | | |
| 2029 | 1,100,000 | | |
| 2030 | 1,100,000 | | |
| 2031 | 1,100,000 | | |
| 2032 | 1,100,000 | | |
| 2033 | 1,100,000 | | |
| 2034 | 1,100,000 | | |
| 2035 | 1,100,000 | | |
| 2036 | 1,100,000 | | |
| 2037 | 1,100,000 | | |
| 2038 | 1,100,000 | | |
| 2039 | 1,100,000 | | |
| 2040 | 1,100,000 | | |
| 2041 | 1,100,000 | | |
| 2042 | 1,100,000 | | |
| 2043 | 1,100,000 | | |
| 2044 | 1,100,000 | | |
| 2045 | 1,100,000 | | |
| 2046 | 1,100,000 | | |

Schedule B to Issue Price Certificate