

# **TOWN OF WESTON, CONNECTICUT**

FINANCIAL REPORT  
June 30, 2011



**TOWN OF WESTON, CONNECTICUT**

**FINANCIAL REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Weston, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weston, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Weston's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weston, Connecticut, as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 11 and 12 to the basic financial statements, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting of governmental funds' fund balance classifications and restated the General Fund and Nonmajor Governmental Funds' beginning fund balances.

In accordance with "Government Auditing Standards," we have also issued our report dated January 3, 2012 on our consideration of the Town of Weston, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis, the schedule of funding progress and employer contributions for other post-employment benefits and the general fund budgetary comparison information are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detail and combining and individual nonmajor fund statements and capital assets schedule and other schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail and combining and individual nonmajor fund statements and capital assets schedule and other schedule have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
January 3, 2012

# **Town of Weston, Connecticut Management's Discussion and Analysis June 30, 2011**

As management of the Town of Weston, 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, 2011. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

## **Overview of the Financial Statements**

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

## **Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, education, and culture and recreation activities. The Town maintains three business-type activities – the Ravenwood area water supply system, self-funded recreation programs and the transfer station operation. Additionally, the Town maintains an internal service fund to account for financial transactions related to health insurance.

The Town does not have any component units which would be other governmental units over which the Town can exercise influence through its legislative body and/or may be obligated to provide financial subsidy.

The government-wide financial statements can be found on pages 11-12 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 Weston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows

and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected or paid with cash during the current period, or, shortly after the end of the year.

The governmental funds includes the general fund, the capital improvements fund as well as other governmental funds which consists of 11 special revenue funds, the capital non-recurring reserve fund and one permanent fund. For the most part, the balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, different accounting bases are used to prepare fund financial statements and government-wide financial statements. For this reason, there is an analysis which is reflected on page 15 that reconciles the total fund balance to the amount of net assets. Also, on page 15 there is a reconciliation of the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources while also reflecting capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate those transactions and incorporate the capital assets and long-term obligations (bonds, etc.) into the governmental activities column.

The basic governmental fund financial statements can be found on pages 13-15 of this report.

**Proprietary funds.** The Town maintains four (4) proprietary funds. 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 Ravenwood area water supply system, self-funded recreation programs, and the recycling/transfer station as business-type activities. Also included under proprietary funds is the internal services fund.

The basic proprietary fund financial statements can be found on pages 16-18 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 statements because the resources of those funds are not available to support the Town of Weston's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 19-20 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 21-45 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 other post-employment benefits to its employees and general fund budgetary information.

### **Financial Highlights – Primary Government**

The assets of the Town of Weston exceeded its liabilities at the close of the most recent fiscal year by approximately \$62.1 million (net assets). Of this amount, approximately \$12.3 million (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's total net assets increased by approximately \$3.1 million. This increase is primarily attributable to declines in the Town's non-current liabilities as no new debt was incurred in FY 2010-11.

As of the close of the fiscal year, the Town of Weston's governmental funds reported combined ending fund balances of approximately \$15.4 million, a decrease of approximately \$2.0 million. The general fund reflects a total fund balance of approximately \$9.8 million or, an increase of approximately \$.6 million from the prior year. Management has committed to the Boards of Selectmen and Finance the goal of achieving a minimum unassigned fund balance in the range of 10% to 12% of the annual budget. As of the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$8.1 million, or approximately 11.9% of general fund expenditures and uses of funds.

Total debt for the Town decreased by approximately \$4.5 million as prior outstanding debt was amortized and the Town did not issue any new debt.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Town of Weston, assets exceeded liabilities by approximately \$62.1 million at the close of the fiscal year. The Town's overall financial position is summarized as follows:

#### TOWN OF WESTON, CONNECTICUT NET ASSETS

	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 24,680	\$ 97	\$ 24,777	\$ 26,454	\$ 116	\$ 26,570
Capital assets	106,643	121	106,764	106,772	130	106,902
<b>Total Assets</b>	<b>131,323</b>	<b>218</b>	<b>131,541</b>	<b>133,226</b>	<b>246</b>	<b>133,472</b>
Other liabilities	4,882	32	4,914	5,238	35	5,273
Long-term liabilities	64,547	-	64,547	69,232	-	69,232
<b>Total Liabilities</b>	<b>69,429</b>	<b>32</b>	<b>69,461</b>	<b>74,470</b>	<b>35</b>	<b>74,505</b>
Net assets:						
Invested in capital assets, net of related debt	49,113	121	49,233	44,321	130	44,451
Restricted	511	-	511	-	-	-
Unrestricted	12,270	65	12,335	14,435	81	14,516
<b>Total Net Assets</b>	<b>\$ 61,894</b>	<b>\$ 186</b>	<b>\$ 62,080</b>	<b>\$ 58,756</b>	<b>\$ 211</b>	<b>\$ 58,967</b>

For more detailed information, see the Statement of Net Assets (page 11).

The largest portion of the Town's net assets in the governmental activities represents invested in capital assets net of related debt (79.3%), with the remainder classified as restricted (1.0%) and unrestricted (19.7%). Capital assets for the Town decreased by \$.1 million from the prior year as annual depreciation expense slightly exceeded new capital outlay during the year. Although the Town investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

**TOWN OF WESTON, CONNECTICUT  
CHANGES IN NET ASSETS**

	Year Ended June 30, 2011			Year Ended June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program Revenues:						
Charge for services	\$ 3,277	\$ 853	\$ 4,130	\$ 2,775	\$ 890	\$ 3,665
Operating grants and contributions	4,933	-	4,933	4,706	-	4,706
Capital grants and contributions	2,263	-	2,263	501	-	501
General Revenues:						
Property Taxes	62,780	-	62,780	61,765	-	61,765
Grants, contributions not restricted to specific programs	119	-	119	94	-	94
Unrestricted investment earnings	166	-	166	177	-	177
Other	(102)	102	-	(156)	156	-
<b>Total Revenues</b>	<b>73,436</b>	<b>955</b>	<b>74,391</b>	<b>69,862</b>	<b>1,046</b>	<b>70,908</b>
<b>Expenses:</b>						
<b>Program Activities</b>						
<b>Primary Government:</b>						
General Government	6,432	-	6,432	5,702	-	5,702
Public Safety	2,504	-	2,504	2,756	-	2,756
Public Works	1,993	-	1,993	1,993	-	1,993
Health and Welfare	411	-	411	410	-	410
Culture and Recreation	1,303	-	1,303	1,245	-	1,245
Education	55,255	-	55,255	53,062	-	53,062
Interest on long-term debt	2,400	-	2,400	1,401	-	1,401
<b>Business-Type Activities:</b>						
Water supply system	-	37	37	-	37	37
Self-funded recreation programs	-	490	490	-	445	445
Recycling and transfer station	-	453	453	-	505	505
<b>Total Expenses</b>	<b>70,298</b>	<b>980</b>	<b>71,278</b>	<b>66,569</b>	<b>987</b>	<b>67,556</b>
<b>Change in net assets</b>	<b>3,138</b>	<b>(25)</b>	<b>3,113</b>	<b>3,293</b>	<b>59</b>	<b>3,352</b>
<b>Net assets – beginning</b>	<b>58,756</b>	<b>211</b>	<b>58,967</b>	<b>55,463</b>	<b>152</b>	<b>55,615</b>
<b>Net assets - ending</b>	<b>\$ 61,894</b>	<b>\$ 186</b>	<b>\$ 62,080</b>	<b>\$ 58,756</b>	<b>\$ 211</b>	<b>\$ 58,967</b>

**Governmental activities** - Governmental activities increased the Town's net assets by more than \$3.1 million, thereby accounting for a 5.3% increase.

Major revenue factors impacting net assets include the following:

- Property tax revenues recorded for the fiscal year 2011 reflect an increase of approximately \$1.0 million over the prior year due to a modest increase in the mill rate and increases in back taxes and interest.
- Capital grants and contributions increased by approximately \$1.8 million due to FEMA reimbursements toward the Valley Forge Bridge Project and ARRA funding toward the paving of Old Hyde Road. These grants and contributions are categorized under public works for GASB 34 reporting purposes.

Major expense factors include:

- For Governmental Activities, approximately \$55.3 million of the Town's expenditures relate to education, \$2.5 million relates to public safety, \$6.4 million for general government, \$2.0 million for public works, \$2.4 million for interest on long-term debt while other expenditures total approximately \$1.7 million.
- Educational expenses increased by \$2.2 million and interest increased by \$1.0 million. The increase in interest expense was primarily due to the refunding of debt in the 2009-10 fiscal year, which resulted in lower debt interest in that fiscal year.

**Business-type activities** - The Town's three business-type activities accounted for a decrease of approximately \$25 thousand in net assets due principally to the recreation program transferring funds back to the general fund. Expenses exceeded revenues for these funds by approximately \$128 thousand after the general fund covered the deficits in these funds with transfers amounting to approximately \$102 thousand. Historically, the Town has covered such operating deficits in the Water Supply System and Transfer Station operations through transfers that are included in the Town's annual operating budget.

### **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$15.4 million. Approximately 53% of this total amount (\$8.1 million) constitutes unassigned fund balance. The remainder of fund balance is categorized among the remaining four new classifications of fund balance depending on the level of commitment on these funds.

**General fund.** At the end of the current fiscal year, unassigned fund balance of the general fund was approximately \$8.1 million, while total general fund balance totaled approximately \$9.8 million. 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 approximately 11.8% of total general fund expenditures and uses of funds, while total fund balance represents approximately 14.2% of that same amount. We need to point out that \$283 thousand of the assigned and total general fund balance is attributable to the Board of Education's Miscellaneous Donations fund which had been presented as a special revenue fund in the past, but has now been collapsed into the general fund based upon the provisions of GASB Statement No. 54.

The fund balance of the Town's general fund increased by approximately \$.6 million during the current fiscal year as the Town experienced actual revenue collections over budget.

Major expense factors include:

- Education increased by approximately \$1.8 million due primarily to an increase in budgeted operating expenses of \$900 thousand.
- Public Works increased by \$130 thousand due to additional snow removal costs experienced as a result of the harsh 2010-11 winter season.

### **Capital Improvement Fund**

At the end of the current fiscal year, the Capital Improvement Fund had a decrease in fund balance of \$2.1 million. This decrease was due to the spending down of bond proceeds received in May, 2010 for various capital projects.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was approximately \$.4 million attributable primarily to supplemental appropriations over the course of the year approved by the Boards of Selectmen and Finance.

The Town's budgetary fund balance increased by nearly \$600 thousand as revenues exceeded budget by \$759 thousand.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental as of June 30, 2011, amounts to approximately \$107 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, roads, highways, bridges, machinery, furniture, vehicles and equipment, as well as construction in progress.

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

- The Middle School's new roof project was completed and more than \$1.8 million was spent toward it.
- \$308 thousand was spent toward new boilers at Hurlbutt Elementary and the Middle School.
- The Town expended nearly \$1.8 million toward the renovation of Valley Forge Road Bridge. A significant amount of these costs are reimbursed through FEMA.
- The Town spent \$237 thousand toward replacing a section of roofing at the Library building.

**TOWN OF WESTON, CONNECTICUT**  
**CAPITAL ASSETS, NET OF DEPRECIATION**

	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 10,149	\$ -	\$ 10,149	\$ 10,149	\$ -	\$ 10,149
Land Improvements	3,564	-	3,564	3,811	-	3,811
Buildings and improvements	75,489	106	75,595	76,202	111	76,313
Machinery and equipment	6,012	15	6,027	6,276	19	6,295
Infrastructure	8,961	-	8,961	9,082	-	9,082
Construction in Progress	2,468	-	2,468	1,252	-	1,252
<b>Total</b>	<b>\$ 106,643</b>	<b>\$ 121</b>	<b>\$ 106,764</b>	<b>\$ 106,772</b>	<b>\$ 130</b>	<b>\$ 106,902</b>

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

**Debt Obligations.** At the end of the current fiscal year, the Town had total long-debt obligations outstanding of approximately \$64.5 million. Of this amount, approximately \$60.4 million comprises long-term debt backed by the full faith and credit of the Town. The balance of the debt is comprised mostly of short-term notes payable and compensated absences. The Town has not issued any debt secured solely by specified revenue sources (i.e., revenue bonds). The following summarizes the changes in the Town's debt:

**TOWN OF WESTON, CONNECTICUT**  
**CHANGES IN TOWN DEBT**

	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 60,395	\$ -	\$ 60,395	\$ 64,945	\$ -	\$ 64,945
<b>Total</b>	<b>\$ 60,395</b>	<b>\$ -</b>	<b>\$ 60,395</b>	<b>\$ 64,945</b>	<b>\$ -</b>	<b>\$ 64,945</b>

The Town's total debt decreased by approximately \$4.5 million during the current fiscal year due to amortization of prior bonds.

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 approximately \$437 million which is significantly in excess of the Town's outstanding general obligation debt of approximately \$60.4 million.

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

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Town as of June 30, 2011 was 6.0 percent, which compares favorably to the State's average unemployment rate of 9.1 percent and the Stamford Labor Market of 8.3 percent.

- The Town's fiscal year 2010-2011 budget resulted in an increase in the mill rate of just 1.06%.
- The Town was able to increase investment income through the use of alternative investment strategies deployed through three advisory firms.
- Inflationary trends in the region are similar to national indices.
- The Town receives relatively little State aid in comparison to other Connecticut municipalities. As a result, the Town is considerably insulated from the impact of State revenue shortfalls and corresponding cuts in State grants to municipalities.
- Conservative fiscal policies, particularly in budgeting for revenue, have significantly aided in the Town maintaining an unassigned general fund balance consistently in excess of 11% of the total Town budget.
- Primarily a residential community, wealth and income indicators for the Town are among the strongest in the state. Median family income and per capita income for the Town are approximately twice that of the same categories for Fairfield County as a whole based on the latest census figures.
- The Town utilizes a financial forecasting model to project the tax consequences associated with funding annual budget projections as well as the financing of large capital expenditures (school construction) over a ten year period. The model enables Town administration, Boards and the general public to be aware of these consequences by utilizing various assumptions and projections related to bonded debt issuance, annual growth in operating revenues and expenditures, capital non-recurring plans, tax collection rates and grand list growth.
- The Town continues to feel the effects of the national and regional economic downturn during this past fiscal year. Building permit activity and Town Clerk conveyance tax revenue continue to drop, or remain well below their pre-recession levels. Unemployment rates and foreclosures have also increased, and the Town will continue to monitor such activity in planning future budgets.

Most of these factors were considered in preparing the Town of Weston's annual budget.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 56 Norfield Road, Weston, CT 06883.

## **Basic Financial Statements**



TOWN OF WESTON, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
<b>Assets</b>			
Cash and cash equivalents	\$ 11,483,605	\$ 73,590	\$ 11,557,195
Investments	9,009,385	-	9,009,385
Receivables, net of allowances for collection losses:			
Property taxes	1,772,226	-	1,772,226
Other	-	24,032	24,032
Inventories and prepaids	125,388	-	125,388
Intergovernmental receivables	1,532,595	-	1,532,595
Net OPEB asset	756,670	-	756,670
Capital assets, non-depreciable	12,616,729	-	12,616,729
Capital assets, net of accumulated depreciation	94,026,029	120,604	94,146,633
<b>Total assets</b>	<b>131,322,627</b>	<b>218,226</b>	<b>131,540,853</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	2,738,651	156,124	2,894,775
Internal balances	123,669	(123,669)	-
Accrued interest payable	1,120,741	-	1,120,741
Taxes collected in advance	580,413	-	580,413
Unearned revenues	318,894	-	318,894
Noncurrent liabilities:			
Due within one year	4,505,908	-	4,505,908
Due in more than one year	60,040,571	-	60,040,571
<b>Total liabilities</b>	<b>69,428,847</b>	<b>32,455</b>	<b>69,461,302</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	49,112,548	120,604	49,233,152
Restricted	510,657	-	510,657
Unrestricted	12,270,575	65,167	12,335,742
<b>Total net assets</b>	<b>\$ 61,893,780</b>	<b>\$ 185,771</b>	<b>\$ 62,079,551</b>

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

\* After internal balances have been eliminated.

TOWN OF WESTON, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ (6,432,017)	\$ 983,703	\$ 15,400	\$ 202,435	\$ (5,230,479)	\$ -	\$ (5,230,479)
Public safety	(2,503,734)	4,427	-	-	(2,499,307)	-	(2,499,307)
Public works	(1,993,367)	217,938	-	1,985,397	209,968	-	209,968
Public health	(410,655)	-	-	-	(410,655)	-	(410,655)
Education	(55,255,068)	2,071,217	4,917,597	74,980	(48,191,274)	-	(48,191,274)
Culture and recreation	(1,303,272)	-	-	-	(1,303,272)	-	(1,303,272)
Interest on long-term debt	(2,399,929)	-	-	-	(2,399,929)	-	(2,399,929)
<b>Total governmental activities</b>	<b>(70,298,042)</b>	<b>3,277,285</b>	<b>4,932,997</b>	<b>2,262,812</b>	<b>(59,824,948)</b>	<b>-</b>	<b>(59,824,948)</b>
Business-type activities:							
Water supply system	(37,047)	18,368	-	-	-	(18,679)	(18,679)
Self-funded recreation programs	(490,873)	508,816	-	-	-	17,943	17,943
Recycling and transfer station	(452,944)	325,730	-	-	-	(127,214)	(127,214)
<b>Total business-type activities</b>	<b>(980,864)</b>	<b>852,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127,950)</b>	<b>(127,950)</b>
<b>Total primary government</b>	<b>\$ (71,278,906)</b>	<b>\$ 4,130,199</b>	<b>\$ 4,932,997</b>	<b>\$ 2,262,812</b>	<b>(59,824,948)</b>	<b>(127,950)</b>	<b>(59,952,898)</b>
General revenues:							
Property taxes					62,780,053	-	62,780,053
Grants and contributions not restricted to specific programs					118,642	-	118,642
Unrestricted investment earnings					165,794	18	165,812
Transfers					(102,485)	102,485	-
Total general revenues					62,962,004	102,503	63,064,507
Change in net assets					3,137,056	(25,447)	3,111,609
Net assets - beginning					58,756,724	211,218	58,967,942
Net assets - ending					\$ 61,893,780	\$ 185,771	\$ 62,079,551

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

TOWN OF WESTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 10,823,355	\$ -	\$ 660,250	\$ 11,483,605
Investments	9,009,385	-	-	9,009,385
Receivables, net of allowances for collection losses:				
Property taxes	1,772,226	-	-	1,772,226
Intergovernmental and other	1,194,169	-	338,426	1,532,595
Inventories and prepaids	118,291	-	7,097	125,388
Due from other funds	606,996	4,019,555	2,084,610	6,711,161
Advances to other funds	582,550	-	-	582,550
<b>Total assets</b>	<b>\$ 24,106,972</b>	<b>\$ 4,019,555</b>	<b>\$ 3,090,383</b>	<b>\$ 31,216,910</b>
<b>Liabilities</b>				
Accounts payable and accruals	2,532,867	-	72,844	2,605,711
Advances from other funds	-	582,550	-	582,550
Due to other funds	9,427,717	10,651	525,761	9,964,129
Deferred revenue	1,776,524	-	-	1,776,524
Unearned revenues	-	296,310	22,584	318,894
Taxes collected in advance	580,413	-	-	580,413
<b>Total liabilities</b>	<b>14,317,521</b>	<b>889,511</b>	<b>621,189</b>	<b>15,828,221</b>
<b>Fund balances:</b>				
Nonspendable	700,841	-	7,097	707,938
Restricted	-	3,130,044	510,657	3,640,701
Committed	329,500	-	1,951,490	2,280,990
Assigned	646,392	-	-	646,392
Unassigned	8,112,718	-	(50)	8,112,668
<b>Total fund balances</b>	<b>9,789,451</b>	<b>3,130,044</b>	<b>2,469,194</b>	<b>15,388,689</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,106,972</b>	<b>\$ 4,019,555</b>	<b>\$ 3,090,383</b>	

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

Capital assets purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	106,642,758
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenues in the funds.	1,776,524
Net OPEB asset	756,670
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,996,359
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(64,546,479)
Accrued interest payable	(1,120,741)
<b>Net assets of governmental activities</b>	<b>\$ 61,893,780</b>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2011

	General Fund	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 62,190,509	\$ -	\$ -	\$ 62,190,509
Intergovernmental	4,602,203	31	2,712,216	7,314,450
Income from investments	234,661	-	1,367	236,028
Net depreciation in fair value of investments	(70,234)	-	-	(70,234)
Charges for services	1,511,063	-	1,637,788	3,148,851
Other revenues	47,186	-	137,086	184,272
<b>Total revenues</b>	<b>68,515,388</b>	<b>31</b>	<b>4,488,457</b>	<b>73,003,876</b>
<b>EXPENDITURES</b>				
Current:				
General government	5,575,461	-	401,673	5,977,134
Public safety	2,393,076	-	-	2,393,076
Public works	1,824,973	-	-	1,824,973
Health and welfare	406,718	-	7,963	414,681
Culture and recreation	1,018,162	-	-	1,018,162
Education	48,587,207	-	2,065,831	50,653,038
Debt service:				
Principal retirements	4,550,000	-	-	4,550,000
Interest and other charges	2,582,769	-	-	2,582,769
Capital outlay	827,435	2,143,965	3,116,857	6,088,257
<b>Total expenditures</b>	<b>67,765,801</b>	<b>2,143,965</b>	<b>5,592,324</b>	<b>75,502,090</b>
<b>Revenues over (under) expenditures</b>	<b>749,587</b>	<b>(2,143,934)</b>	<b>(1,103,867)</b>	<b>(2,498,214)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	135,000	-	799,029	934,029
Transfers out	(936,514)	-	(100,000)	(1,036,514)
Proceeds from capital lease	625,000	-	-	625,000
<b>Total other financing sources (uses)</b>	<b>(176,514)</b>	<b>-</b>	<b>699,029</b>	<b>522,515</b>
<b>Net change in fund balance</b>	<b>573,073</b>	<b>(2,143,934)</b>	<b>(404,838)</b>	<b>(1,975,699)</b>
<b>FUND BALANCES</b> , beginning, as restated (Note 11)	<b>9,216,378</b>	<b>5,273,978</b>	<b>2,874,032</b>	<b>17,364,388</b>
<b>FUND BALANCES</b> , ending	<b>\$ 9,789,451</b>	<b>\$ 3,130,044</b>	<b>\$ 2,469,194</b>	<b>\$ 15,388,689</b>

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

**TOWN OF WESTON, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2011**

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

Net change in fund balances – total governmental funds	\$ (1,975,699)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(129,721)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	533,707
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,470,815
The net revenue of certain activities of internal service funds is reported with governmental activities	60,446
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.	<u>177,508</u>
Change in net assets of governmental activities	<u><u>\$ 3,137,056</u></u>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 73,590	\$ -
Accounts receivable	24,032	-
Due from other funds	215,376	3,162,827
<b>Total current assets</b>	<b>312,998</b>	<b>3,162,827</b>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	120,604	-
<b>Total noncurrent assets</b>	<b>120,604</b>	<b>-</b>
<b>Total assets</b>	<b>433,602</b>	<b>3,162,827</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	156,124	166,468
Due to other funds	91,707	-
<b>Total current liabilities</b>	<b>247,831</b>	<b>166,468</b>
<b>NET ASSETS</b>		
Invested in capital assets	120,604	-
Unrestricted	65,167	2,996,359
<b>Total net assets</b>	<b>\$ 185,771</b>	<b>\$ 2,996,359</b>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS-  
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
<b>OPERATING REVENUES</b>		
Charges for services	\$ 852,914	\$ 7,676,913
<b>Total operating revenues</b>	<b>852,914</b>	<b>7,676,913</b>
<b>OPERATING EXPENSES</b>		
Costs of services	970,968	7,616,467
Depreciation	9,896	-
<b>Total operating expenses</b>	<b>980,864</b>	<b>7,616,467</b>
<b>Operating (loss) income</b>	<b>(127,950)</b>	<b>60,446</b>
<b>NONOPERATING REVENUES</b>		
Interest income	18	-
<b>Total nonoperating revenues</b>	<b>18</b>	<b>-</b>
<b>Net (loss) income before transfers</b>	<b>(127,932)</b>	<b>60,446</b>
<b>TRANSFERS</b>		
Transfers In	137,485	-
Transfers out	(35,000)	-
<b>Total transfers in (out)</b>	<b>102,485</b>	<b>-</b>
<b>Change in net assets</b>	<b>(25,447)</b>	<b>60,446</b>
<b>FUND NET ASSETS, beginning</b>	<b>211,218</b>	<b>2,935,913</b>
<b>FUND NET ASSETS, ending</b>	<b>\$ 185,771</b>	<b>\$ 2,996,359</b>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2011

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 830,107	\$ 7,524,999
Payments to suppliers and personnel	(938,782)	(7,524,999)
<b>Net cash (used in) operating activities</b>	<b>(108,675)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>		
Interest received on investments	18	-
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Transfers from other funds	137,485	-
Transfers to other funds	(35,000)	-
<b>Net cash provided by non-capital financing activities</b>	<b>102,485</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,172)</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>		
Beginning	79,762	-
Ending	<u>\$ 73,590</u>	<u>\$ -</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash Used in Operating Activities</b>		
Operating (loss) income	\$ (127,950)	\$ 60,446
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	9,896	-
Changes in assets and liabilities:		
Decrease in other receivables	12,228	-
Decrease in prepaid expenses	-	23,504
Decrease in due from other funds	(44,930)	(175,418)
Increase in accounts payable	38,393	91,468
Increase in due to other funds	3,688	-
<b>Net cash used in operating activities</b>	<b>\$ (108,675)</b>	<b>\$ -</b>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2011

	Other Post- Employment Benefit	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,099	\$ 124,549	\$ 392,648
Investments, at fair value	3,287,477	-	-
<b>Total assets</b>	<b>3,297,576</b>	<b>124,549</b>	<b>392,648</b>
<b>LIABILITIES</b>			
Due to student groups	-	-	387,445
Due to others	-	-	5,203
Due to other funds	33,528	-	-
<b>Total liabilities</b>	<b>33,528</b>	<b>-</b>	<b>392,648</b>
<b>Net Assets Held in Trust</b>	<b>\$ 3,264,048</b>	<b>\$ 124,549</b>	<b>\$ -</b>

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

TOWN OF WESTON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
FIDUCIARY FUNDS

For the Year Ended June 30, 2011

	Other Post- Employment Benefit Trust Fund	Private Purpose Trust Fund
<b>Additions</b>		
Plan members and reimbursements	\$ 616,011	\$ -
Contributions	1,959,011	-
Investment income:		
Net appreciation in fair value of investments	383,890	-
Dividend and interest	73,585	3,765
<b>Total additions</b>	<u>3,032,497</u>	<u>3,765</u>
<b>Deductions</b>		
Health claims and premiums	1,976,553	-
Other deductions	-	64,940
	<u>1,976,553</u>	<u>64,940</u>
<b>Change in net assets</b>	1,055,944	(61,175)
<b>Net Assets</b>		
Beginning of year	<u>2,208,104</u>	<u>185,724</u>
End of year	<u>\$ 3,264,048</u>	<u>\$ 124,549</u>

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

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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#### Note 1. Significant Accounting Policies

##### Reporting entity

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

##### Government-wide and Fund Financial Statements

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

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

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, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, other post-employment obligations, claims and judgments and expenditures related to compensated absences and other compensation related transactions are recorded only when payment is due (matured).

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

The Town reports the following major governmental funds.

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

The *Capital Improvement Fund* is used to account for capital improvements done by the Town.

Additionally, the Town reports the following fund type:

Proprietary Funds:

The *Enterprise Funds* - are used to account for operations:

- (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The *Enterprise Fund* is used to account for the revenues and expenditures of the Town's water supply system, park and recreation programs and the recycling and transfer station.

The *Internal Service Fund* is used to account for revenues and related expenses of the health insurance plan for employees of the Board of Education.

Fiduciary Funds:

The *Other Post-employment Benefit Trust Fund* accounts for resources for pension and retirement benefit payments to qualified employees.

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

The *Agency Funds* account for monies held as a custodian for outside groups and agencies and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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business-type activities and enterprise fund financial statements, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

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 the fund's principal ongoing operations. The principal operating revenues of the funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance and depreciation on capital assets. 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 Town's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Accounting estimates**

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

#### **Property taxes**

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

#### **Cash equivalents**

The Town considers all certificates of deposit and highly liquid short-term investment funds with original maturities of three months or less when purchased to be cash equivalents.

#### **Receivables and payables**

For "Advances To/From Other Funds," the assets reported in the governmental fund financial statements are offset by a fund balance reserve to indicate that they are not available for appropriation and are not expendable financial resources.

#### **Allowances for doubtful accounts**

Accounts, including property taxes, for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay.

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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#### **Investments**

Investments are stated at fair value based upon quoted market prices. Fixed income funds are reported at fair value based on the unit prices quoted by the fund representing the fair value of the underlying investment. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to 2a-7. These investments are stated at amortized cost.

#### **Inventories**

Inventories are stated at lower of cost (first-in, first-out) or market.

#### **Long-term obligations**

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

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

#### **Net other post-employment benefit obligations**

In fiscal year 2009, the Town implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.*" This pronouncement required the Town to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The Town makes annual contributions based upon committee decisions using the actuarial valuation. The net OPEB asset is recorded as a non-current asset in the government-wide financial statements.

#### **Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the enterprise fund financial statement. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for all asset categories and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings and improvements	50
Infrastructure	20-65
Vehicles	8
Machinery and equipment	5-15

In the governmental fund financial statements, capital outlay (assets) is reported as an expenditure and no depreciation expense is recorded.

#### **Compensated absences**

The Town employees are granted vacation leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and sick time based upon their respective bargaining unit contract. Non-union Town Hall employees are limited to 30 days with respect to accumulated vacation time.

The Board of Education has employee contracts which provide for the accrual of sick pay based on length of service.

The liability for accrued compensated absences at June 30, 2011 has been recorded in the government-wide statement of net assets. Compensated absences are generally liquidated by the General Fund. A liability for these amounts is reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements.

#### **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 assign that portion of the applicable appropriation, is utilized in the budgeted governmental fund types. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

#### **Fund Equity and Net Assets**

In the Government-Wide and Proprietary Fund Financial Statements, net assets are classified in the following categories:

***Invested in Capital Assets, Net of Related Debt*** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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**Restricted Net Assets** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets** – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the government fund financial statements, the Town classified fund balances as follows:

- Nonspendable Fund Balance – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Weston Board of Finance).
- Assigned Fund Balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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.

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

##### **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

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

Bonds payable	\$ (60,395,000)
Deferred refunding amounts, net	(2,595,276)
Capital leases payable	(463,311)
Compensated absences	(1,076,104)
Early retirement incentive	<u>(16,788)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (64,546,479)</u></u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

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

Capital outlay	\$ 5,068,127
Depreciation expense	<u>(5,197,848)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (129,721)</u>

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

Debt issued or incurred:	
Financing through capital leases	\$ (625,000)
Amortization of deferred refunding amounts, net	224,126
Principal repayments:	
General obligation debt and notes	4,550,000
Payment of capital lease	<u>321,689</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,470,815</u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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

Compensated absences	\$	199,600
Early retirement incentive		15,427
Accrued interest		(41,286)
Other Post Employment Asset		<u>3,767</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>177,508</u>

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

Deposits: The Town has adopted deposit and cash management policies such that deposits include savings accounts and certificates of deposit. The Town also follows the State of Connecticut policy that requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Town has adopted investment policies that conform to the policies as set forth by the State of Connecticut. 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 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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Interest rate risk: The Town's 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.

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

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, approximately \$9,092,000 of the Town's bank balance of approximately \$12,084,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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Cash and investments of the Town consist of the following at June 30, 2011:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 11,615,575
State of Connecticut Short-Term Investment fund	270,717
Cutwater Asset Management-Connecticut Class Plus	198,199
<b>Total cash and cash equivalents</b>	<u>12,084,491</u>
<b>Investments</b>	
General Fund	
Municipal Bonds	1,837,070 *
US Government Securities	7,172,315 *
	<u>9,009,385</u>
Trust Fund	
Fixed Income Funds	1,637,385 *
Equity Funds	1,650,092 *
	<u>3,287,477</u>
<b>Total Investments</b>	<u>12,296,862</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 24,381,353</u>

\* These investments are uninsured and unregistered, with securities held by the Town's agent, in the Town's name.

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

<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 11,557,195
Investments	9,009,385
	<u>20,566,580</u>
<b>Fiduciary Funds:</b>	
Cash and cash equivalents	527,296
Investments	3,287,477
	<u>3,814,773</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 24,381,353</u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Over 10 Years
Pooled Fixed Income	\$ 468,916	468,916	-	-	-
Municipal Bonds	1,837,070	-	429,783	1,407,287	-
U.S. Government Securities	7,172,315	-	3,180,668	2,031,155	1,960,492
Fixed Income Funds	1,637,385	491,216	409,346	573,085	163,738
<b>TOTAL</b>	<b>\$ 11,115,686</b>	<b>\$ 960,132</b>	<b>\$ 4,019,797</b>	<b>\$ 4,011,527</b>	<b>\$ 2,124,230</b>

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

Presented below is the rating as required for each debt type investment as rated by Moody's.

Average Rating	Pooled Fixed Income	Municipal Bonds	Fixed Income Funds
AAAm	\$ 468,916	\$ -	\$ 307,425
AAA	-	941,035	-
AA1	-	107,441	-
AA2	-	685,184	-
AA3	-	103,410	-
Unrated	-	-	1,329,960
	<b>\$ 468,916</b>	<b>\$ 1,837,070</b>	<b>\$ 1,637,385</b>

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Note 4. Deferred/Unearned Revenue**

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

	Deferred Revenue	Unearned Revenue
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 1,687,755	\$ -
Other receivables	88,769	-
<b>Capital Improvements Fund:</b>		
Intergovernmental and other revenues	-	296,310
<b>Nonmajor Funds:</b>		
Intergovernmental and other revenues	-	22,584
	<u>\$ 1,776,524</u>	<u>\$ 318,894</u>

**Note 5. Interfund Accounts**

As of June 30, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 606,996	\$ 9,427,717
Capital Improvements	4,019,555	10,651
Non-Major Governmental and Other Funds	5,462,813	650,996
<b>Totals</b>	<u>\$ 10,089,364</u>	<u>\$ 10,089,364</u>

All balances resulted from the time lag between the dates payments occur between funds for various activities.

The General Fund has an advance of \$582,550 to the Capital Improvements Fund that is not expected to be paid from current financial resources.

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

Interfund transfers during the year ended June 30, 2011 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 135,000	\$ 936,514
Non-Major Governmental and Other Funds	936,514	135,000
<b>Totals</b>	<b>\$ 1,071,514</b>	<b>\$ 1,071,514</b>

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,148,899	\$ -	\$ -	\$ 10,148,899
Construction in progress	1,251,791	1,991,537	(775,498)	2,467,830
Total capital assets, not being depreciated	<u>11,400,690</u>	<u>1,991,537</u>	<u>(775,498)</u>	<u>12,616,729</u>
Capital assets, being depreciated:				
Buildings and improvements	108,213,857	3,369,918	-	111,583,775
Land improvements	4,953,997	-	-	4,953,997
Machinery and equipment	12,485,177	392,596	(133,922)	12,743,851
Infrastructure	15,166,257	89,574	(147,236)	15,108,595
Total capital assets being depreciated	<u>140,819,288</u>	<u>3,852,088</u>	<u>(281,158)</u>	<u>144,390,218</u>
Less accumulated depreciation for:				
Building and improvements	32,011,204	4,083,604	-	36,094,808
Land improvements	1,142,181	247,700	-	1,389,881
Machinery and equipment	6,209,881	655,550	(133,922)	6,731,509
Infrastructure	6,084,233	210,994	(147,236)	6,147,991
Total accumulated depreciation	<u>45,447,499</u>	<u>5,197,848</u>	<u>(281,158)</u>	<u>50,364,189</u>
Total capital assets, being depreciated, net	<u>95,371,789</u>	<u>(1,345,760)</u>	<u>-</u>	<u>94,026,029</u>
Governmental activities capital assets, net	<u>\$ 106,772,479</u>	<u>\$ 645,777</u>	<u>\$ (775,498)</u>	<u>\$ 106,642,758</u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 232,950	\$ -	\$ -	\$ 232,950
Machinery and equipment	172,182			172,182
Total capital assets, being depreciated	<u>405,132</u>	<u>-</u>	<u>-</u>	<u>405,132</u>
Less accumulated depreciation for:				
Buildings and improvements	120,874	5,158		126,032
Machinery and equipment	153,758	4,738		158,496
Total accumulated depreciation	<u>274,632</u>	<u>9,896</u>	<u>-</u>	<u>284,528</u>
Total capital assets, being depreciated, net	<u>130,500</u>	<u>(9,896)</u>	<u>-</u>	<u>120,604</u>
Business-type capital assets, net	<u>\$ 130,500</u>	<u>\$ (9,896)</u>	<u>\$ -</u>	<u>\$ 120,604</u>

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

<b>Governmental activities:</b>	
General government	\$ 99,483
Public safety	256,622
Public works	200,968
Health and sanitation	2,764
Culture and recreation	302,429
Education	4,335,582
<b>Total depreciation expense – governmental activities</b>	<u>\$ 5,197,848</u>
<b>Business-type activities:</b>	
Water supply system	\$ 5,632
Self-funded recreation programs	237
Recycling and transfer station	4,027
<b>Total depreciation expense – business-type activities</b>	<u>\$ 9,896</u>

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

**Note 7. Long-Term Obligations**

A summary of changes in outstanding long-term debt during the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 64,945,000	\$ -	\$ 4,550,000	\$ 60,395,000	\$ 4,045,000
Deferred refunding amounts, net	2,819,402	-	224,126	2,595,276	224,126
Capital leases	160,000	625,000	321,689	463,311	150,894
Compensated absences	1,275,704	-	199,600	1,076,104	75,000
Early retirement incentive	32,215	-	15,427	16,788	10,888
<b>Governmental activity long-term liabilities</b>	<b>\$ 69,232,321</b>	<b>\$ 625,000</b>	<b>\$ 5,310,842</b>	<b>\$ 64,546,479</b>	<b>\$ 4,505,908</b>

**General obligation bonds**

As of June 30, 2011, the outstanding general obligation bonded indebtedness of the Town, payable from its governmental activities, was as follows:

	Outstanding Amount
\$12,000,000 General Obligation Bond; 4.15%; issue of August 2002; interest payable at rates from 4% to 5%; due in principal amounts ranging from \$525,000 to \$775,000 annually through August 2022	\$ 1,275,000
\$21,000,000 General Obligation Bond; 4.65%; issue of November 2004; interest payable at rates from 5% to 5.25%; due in principal amounts ranging from \$1,100,000 to \$1,600,000 annually through July 2015	6,200,000
\$6,000,000 General Obligation Bond; 4.02%; issue of May 2007; interest payable at rates from 3.55% to 4.10%; due in principal amounts ranging from \$250,000 to \$375,000 annually through May 2027	2,975,000
\$5,800,000 General Obligation Bond; 3.19% issue of April 2010; interest payable at rates from 3.0% to 4.0%, due in principal amounts ranging from \$400,000 to \$500,000 annually through August 2024	5,800,000
\$44,250,000 General Obligation Bond; 3.00% issue of April 2010; interest payable at rates from 3.0% to 5.0%, due in principal amounts ranging from \$105,000 to \$4,410,000 annually through August 2023	44,145,000
	<b>\$ 60,395,000</b>

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2011**

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The Town has pledged its full faith and credit as collateral for its bonded indebtedness. General obligation bonds will be paid from taxes levied on taxable property in the Town.

The following is a summary of general obligation bond debt and installment note payable maturities:

	Debt Service Requirement		
	Principal	Interest	Total
2012	\$ 4,045,000	\$ 2,703,200	\$ 6,748,200
2013	4,295,000	2,521,900	6,816,900
2014	4,260,000	2,341,019	6,601,019
2015	4,390,000	2,144,256	6,534,256
2016	4,510,000	1,927,350	6,437,350
2017	4,640,000	1,715,225	6,355,225
2018	4,780,000	1,503,600	6,283,600
2019	4,840,000	1,284,975	6,124,975
2020	4,960,000	1,062,600	6,022,600
2021	4,975,000	822,100	5,797,100
2022	5,020,000	580,225	5,600,225
2023	5,235,000	331,975	5,566,975
2024	2,870,000	138,225	3,008,225
2025	850,000	53,725	903,725
2026	350,000	29,550	379,550
2027	375,000	15,375	390,375
Total	<u>\$ 60,395,000</u>	<u>\$ 19,175,300</u>	<u>\$ 79,570,300</u>

In-Substance Defeasance – Prior Years

In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2011, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$45 million.

Overlapping indebtedness

Other than the Town, the Georgetown Fire District has the power to issue debt or cause taxes to be levied on taxable property in the Town. The Georgetown Fire District is made up of Weston, Wilton and Redding and provides fire protection services. Annually, funds from the Town budget are paid to the Georgetown Fire District for the Town's share of operating expenses. As of June 30, 2011, the Georgetown Fire District has approximately \$1,239,295 of outstanding indebtedness and the Town's share is estimated to be \$85,471.

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Capital leases**

The Town has a capital lease in which they acquired a capital asset. Original cost of capital assets under such lease agreements are as follows:

Machinery and equipment	\$ 625,000
Accumulated depreciation	(173,611)
Net book value	<u>\$ 451,389</u>

Future minimum lease payments under capital leases as of June 30, 2011 are as follows:

Year Ending June 30,	
2012	\$ 161,689
2013	161,689
2014	161,689
Less amount representing interest	(21,756)
	<u>\$ 463,311</u>

**School bond reimbursements**

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2011 was approximately \$71,517. Additional reimbursements of principal and interest aggregating approximately \$0 are expected to be received through the bonds' maturity dates.

**Bonds authorized but unissued**

Total authorized but unissued debt at June 30, 2011 consists of the following:

General purpose	\$ 6,000
Schools	802,040
Total	<u>\$ 808,040</u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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Debt limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 140,484,956	\$ 6,748,188	\$ 133,736,768
Schools	280,969,911	54,540,323	226,429,588
Sewers	234,141,593	-	234,141,593
Urban renewal	202,922,714	-	202,922,714
Pension deficit	187,313,274	-	187,313,274

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$437,064,306. All long-term debt obligations are retired through General Fund appropriations.

**Note 8. Retirement Plans**

**Connecticut Municipal Employee's Retirement System**

**A. Plan Description**

All Town employees participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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**B. Plan Provisions**

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3% and 5% are paid to those who have reached age 65 and effective January 1, 2002, increases of 2.5% are paid to those who have not yet reached age 65. For those retiring after December 31, 2001, increases between 2.5% and 6.0% are paid regardless of age. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the average of earnings for the three highest paid years of service not in excess of the year's breakpoint, plus 2% of the average of earnings for the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2011 is \$58,100.

**C. Funding Policy**

Covered employees are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid, plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. Employees not covered by Social Security are required to contribute 5% of all earnings.

The required and actual contribution for the past three years were as follows:

2009	\$	910,129
2010	\$	1,004,282
2011	\$	1,269,166

**Connecticut State Teachers Retirement System**

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$3,175,000 for the year ended June 30, 2011.

**Post retirement benefits**

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2009. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 10 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	122
Active plan members	<u>458</u>
Total	<u><u>580</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
6/30/11	\$ 1,900,000	\$ 1,959,011	100.19%	\$ (756,670)
6/30/10	\$ 1,835,700	\$ 1,820,750	96.66%	\$ (752,903)
6/30/09	\$ 1,760,700	\$ 2,576,600	146.34%	\$ (815,900)

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

OPEB (Asset)

Annual required contribution	\$ 1,900,000
Interest on net pension obligation	(60,232)
Adjustment to ARC	115,476
Annual OPEB cost	<u>1,955,244</u>
Contributions made	<u>(1,959,011)</u>
Increase in net OPEB asset	(3,767)
Net OPEB asset, beginning of year	<u>(752,903)</u>
Net OPEB asset, end of year	<u><u>\$ (756,670)</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2009 is estimated to be \$11,900,000.

(000's)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a)/c)
July 1, 2009	\$ 1,518	\$ 11,900	\$ 10,382	13%	N/A	N/A

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

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

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**June 30, 2011**

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

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent
Remaining Amortization Period:	10 Years
Actuarial Assumptions:	
Investment rate of return	8%
Inflation rate	N/A
Salary Increases	4%
Medical trend rate	6.6% graded to 4.4% at a rate of 0.044% per year over 50 years
Dental cost trend rate	4% graded to 3% at a rate of 0.50% per year over 2 years

**Teachers Retirement Incentive**

Professional staff members who retire under the contract between the Weston Board of Education and the Weston Teachers' Association for the period July 1, 1994 through June 30, 2006, whose age and years of teaching total 75, who are at the top step of the Weston teacher salary schedule, and who will be at least 55 years old as of the date of retirement are eligible to retire early. "Years of teaching" shall be that service recognized by the Connecticut Retirement System. The maximum number of professional staff who may elect to retire early for any school year shall be 7.5% of the professional staff employed for the preceding school year, rounded down to the next lower whole number. Compensation is at an annual rate as set forth in the agreements by and between the Weston Board of Education and the Weston Teacher's Association.

Any administrator who becomes eligible for normal retirement under the Teacher Retirement Act, Section 10-183a, of the Connecticut General Statutes and who has fifteen (15) years of service as a Weston administrator, whichever occurs last (or at the option of the administrator, first), is eligible for early retirement benefits. A maximum of two administrators may elect to retire early for any school year. Compensation is based upon a percentage of last salary. The percentage of years of payment are determined by the year following eligibility that retirement is elected.

The total number of retirees participating in the above program at June 30, 2011 is 3, with an amount owed of \$16,788. The liability is reported in the government-wide statements, and is liquidated by the general fund.

**TOWN OF WESTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Note 9. Risk Management**

**Town**

The Town is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes, for liability-automobile, property pool (of which 37 are municipalities) and workers compensation. The Town pays annual premiums for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. The Town has retained various self-insured deductibles ranging from \$500 to \$50,000. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws. Coverage has not been reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; employee health or acts of God. The Town purchases commercial insurance for all risks of loss. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in the past three years. There has been no reduction in any insurance coverage from coverage in the prior year.

**Board of Education**

The Board of Education is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and medical; and natural disasters. During Fiscal 2011, the Board of Education purchased commercial insurance for all risks other than dental claims. Effective July 1, 2011, the Board of Education purchases commercial insurance for all risks other than employee medical, dental and prescription claims. The Plan is funded monthly by Board of Education budget appropriations and employee contributions as required.

**Note 10. Contingent Liabilities**

The Town is currently involved in several litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial condition of the Town.

**Note 11. Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented as of July 1, 2010. The effect of fund type reclassification is as follows:

	General	Nonmajor Governmental Funds
Fund balance, June 30, 2010, as previously reported	\$ 8,934,332	\$ 3,156,078
Change in fund type classification per implementation of GASB Statement No. 54	282,046	(282,046)
Fund balance, July 1, 2010, as restated	<u>\$ 9,216,378</u>	<u>\$ 2,874,032</u>

TOWN OF WESTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 12. Fund Balance**

Below is a table of fund balance categories and classifications at June 30, 2011 for the Town governmental funds:

	General Fund	Capital Improvements	Nonmajor Governmental Funds
<b>Fund balances:</b>			
<b>Non-spendable:</b>			
Inventory and prepaids	\$ 118,291	\$ -	\$ 7,097
Capital outlay	582,550	-	-
<b>Total Non-spendable</b>	<u>700,841</u>	<u>-</u>	<u>7,097</u>
<b>Restricted:</b>			
General government	-	-	184,318
Culture and recreation	-	-	187,850
Education	-	-	138,489
Capital outlay	-	3,130,044	-
<b>Total Restricted</b>	<u>-</u>	<u>3,130,044</u>	<u>510,657</u>
<b>Committed:</b>			
General government	329,500	-	405,995
Health and welfare	-	-	123,380
Education	-	-	15,252
Capital outlay	-	-	1,406,863
<b>Total Committed</b>	<u>329,500</u>	<u>-</u>	<u>1,951,490</u>
<b>Assigned:</b>			
General government	23,998	-	-
Public works	40,000	-	-
Culture and recreation	1,620	-	-
Education	580,774	-	-
<b>Total Assigned</b>	<u>646,392</u>	<u>-</u>	<u>-</u>
<b>Unassigned:</b>			
General government	8,112,718	-	(50)
<b>Total Unassigned</b>	<u>8,112,718</u>	<u>-</u>	<u>(50)</u>
<b>Total fund balance</b>	<u>\$ 9,789,451</u>	<u>\$ 3,130,044</u>	<u>\$ 2,469,194</u>

**Note 13. Governmental Accounting Standards Board (GASB) Statements**

The Town adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.** This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 11 and 12 to the basic financial statements, the Town reclassified the fund balances for governmental funds and restated the General Fund and Nonmajor Governmental Funds fund balance by \$282,046 as a result of the implementation of this Statement.

- **GASB Statement No. 59, *Financial Instruments Omnibus*.** This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

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

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

- **GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*,** was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2012.
- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*,** issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*,** issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of

## TOWN OF WESTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the Town beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

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**Required Supplementary  
Information**



**TOWN OF WESTON, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
June 30, 2011**

*SCHEDULE OF FUNDING PROGRESS - OPEB (000's)*

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/09	\$ 1,518	\$ 11,900	\$ 10,382	13.00%	N/A	N/A
7/1/07	-	11,063	11,063	0.00%	N/A	N/A

*SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB*

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 1,760,000	146.3%
2010	1,835,700	99.2%
2011	1,900,000	103.1%

TOWN OF WESTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
BUDGETARY BASIS - GENERAL FUND

For the Year Ended June 30, 2011

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes, interest and lien fees	\$ 61,624,256	\$ 61,624,256	\$ 62,190,509	\$ 566,253
Intergovernmental	1,062,066	1,062,066	1,224,768	162,702
Income from investments	200,000	200,000	164,427	(35,573)
Charges for services	656,100	656,100	721,338	65,238
<b>Total revenues</b>	<b>63,542,422</b>	<b>63,542,422</b>	<b>64,301,042</b>	<b>758,620</b>
<b>EXPENDITURES</b>				
General government	5,494,071	5,633,074	5,630,455	2,619
Public safety and protection	2,154,548	2,256,014	2,256,014	-
Public works	1,801,025	1,869,689	1,829,689	40,000
Health and sanitation	409,125	406,718	406,718	-
Parks and recreation	912,572	946,861	945,241	1,620
Education	44,697,023	44,697,023	44,665,030	31,993
Debt service	7,132,768	7,132,768	7,132,768	-
<b>Total expenditures</b>	<b>62,601,132</b>	<b>62,942,147</b>	<b>62,865,915</b>	<b>76,232</b>
<b>Revenues over (under) expenditures</b>	<b>941,290</b>	<b>600,275</b>	<b>1,435,127</b>	<b>834,852</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	135,000	135,000
Transfers out	(941,290)	(996,607)	(996,607)	-
<b>Total other financing sources (uses)</b>	<b>(941,290)</b>	<b>(996,607)</b>	<b>(861,607)</b>	<b>135,000</b>
<b>Revenues and other financing sources over (under) expenditures and other financing (uses)</b>	<b>\$ -</b>	<b>\$ (396,332)</b>	<b>573,520</b>	<b>\$ 969,852</b>
<b>BUDGETARY FUND BALANCE, beginning</b>			7,909,028	
Change in GAAP expenditures not recognized for budget purposes, reserves for advances, inventories and prepaids			(40,330)	
<b>BUDGETARY FUND BALANCE, ending</b>			<b>\$ 8,442,218</b>	

See note to required supplementary information.

**TOWN OF WESTON, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2011**

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**Note 1. Budgets and Budgetary Accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The Board of Finance submits a proposed General Fund operating budget for the fiscal year commencing July 1, to the annual Town budget meeting, at which taxpayer comments are obtained. The General Fund operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally adopted.
- Additional appropriations for \$5,000 or less must be approved by the Board of Selectmen.
- All transfers within or between departments and additional appropriations of over \$5,000 must be made by the Board of Selectmen with the approval of the Board of Finance.
- Additional appropriations by the Board of Selectmen cannot exceed \$50,000.
- Supplemental appropriations beyond those approved under additional appropriations, shall not exceed 2% of the current tax levy.
- 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 legally exceed appropriations) is at the department level.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Selectmen and Board of Finance during the course of the year.
- Supplemental and additional appropriations of \$396,332 were approved during the year by the Board of Selectmen, Board of Finance and Town Meeting.

A reconciliation of General Fund budgetary basis is as follows:

	General Fund	
	Revenues and Transfers in	Expenditures and Transfers Out
Budgetary basis	\$ 64,436,042	\$ 63,862,522
On-behalf payments for state teachers retirement	3,175,000	3,175,000
ARRA highway reimbursed grant	202,435	202,435
Changes in reserves for encumbrances and liquidation of encumbrances	-	20,028
Reclassification to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54	836,911	817,330
Capital leases	625,000	625,000
GAAP Basis	<u>\$ 69,275,388</u>	<u>\$ 68,702,315</u>

**TOWN OF WESTON, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued**  
**June 30, 2011**

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**Special revenue funds**

The Town has legally adopted budgets for the youth services, senior center, capital non-recurring, and dog registration funds, but not for any of the other special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

**Capital project funds**

Legal authorization for expenditures of the capital project funds is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

**Supplemental and Combining Individual  
Nonmajor Fund Statements and Schedules**



**General Fund**



TOWN OF WESTON, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>TAXES, INTEREST AND LIEN FEES:</b>				
Property taxes	\$ 61,394,256	\$ 61,394,256	\$ 61,846,243	\$ 451,987
Interest and lien fees	230,000	230,000	344,266	114,266
<b>Total</b>	<b>61,624,256</b>	<b>61,624,256</b>	<b>62,190,509</b>	<b>566,253</b>
<b>INTERGOVERNMENTAL:</b>				
Capital Improvement Grants	52,994	52,994	66,084	13,090
Education	729,422	729,422	838,948	109,526
School construction	90,000	90,000	74,980	(15,020)
Highway maintenance	100,870	100,870	126,116	25,246
Property tax relief	18,700	18,700	26,535	7,835
Telecommunications personal property tax	50,000	50,000	15,679	(34,321)
Boat registration refund	3,280	3,280	2,654	(626)
Mashantucket Pequot grant	-	-	6,033	6,033
Other	16,800	16,800	67,739	50,939
<b>Total</b>	<b>1,062,066</b>	<b>1,062,066</b>	<b>1,224,768</b>	<b>162,702</b>
<b>INCOME FROM INVESTMENTS:</b>				
Income from investments	200,000	200,000	164,427	(35,573)
<b>CHARGES FOR SERVICES:</b>				
Building inspections	190,000	190,000	209,384	19,384
ZBA hearing fees	1,000	1,000	1,060	60
Town Clerk fees	400,000	400,000	414,840	14,840
Planning and Zoning Commission fees	10,000	10,000	7,494	(2,506)
Conservation Commission fees	12,000	12,000	19,158	7,158
Police report fees and fines	5,000	5,000	4,427	(573)
Selectman's Office fees	2,500	2,500	1,000	(1,500)
Public library receipts	8,500	8,500	7,236	(1,264)
Miscellaneous Town and BOE receipts	20,000	20,000	50,661	30,661
Assessor's copier receipts	1,100	1,100	757	(343)
Meals on Wheels	6,000	6,000	5,321	(679)
<b>Total</b>	<b>656,100</b>	<b>656,100</b>	<b>721,338</b>	<b>65,238</b>
<b>Total revenues</b>	<b>63,542,422</b>	<b>63,542,422</b>	<b>64,301,042</b>	<b>758,620</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in:				
Self Funded Recreation Program	-	-	35,000	35,000
Communication Center	-	-	100,000	100,000
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>135,000</b>	<b>135,000</b>
<b>Total revenues and other financing sources</b>	<b>\$ 63,542,422</b>	<b>\$ 63,542,422</b>	<b>\$ 64,436,042</b>	<b>\$ 893,620</b>

TOWN OF WESTON, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS -  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT:</b>				
Administration	\$ 661,814	\$ 609,761	\$ 609,761	\$ -
General administration	3,695,623	3,786,929	3,784,310	2,619
Information systems	230,137	249,564	249,564	-
Probate Court	4,000	7,590	7,590	-
Elections / registrars	41,758	45,968	45,968	-
Board of Finance	50,000	41,900	41,900	-
Assessor	116,845	116,860	116,860	-
Tax Collector	112,467	114,199	114,199	-
Board of Assessment Appeals	295	-	-	-
Legal counsel	234,600	312,976	312,976	-
Town Clerk	122,630	123,376	123,376	-
Planning and Zoning Commission	103,918	104,358	104,358	-
Historic District Commission	300	116	116	-
Zoning Board of Appeals	2,500	1,203	1,203	-
Building Inspector	116,584	118,274	118,274	-
Building Committee	600	-	-	-
<b>Total</b>	<b>5,494,071</b>	<b>5,633,074</b>	<b>5,630,455</b>	<b>2,619</b>
<b>PUBLIC SAFETY AND PROTECTION:</b>				
Police services	1,628,967	1,724,205	1,724,205	-
Fire Marshal	41,819	42,825	42,825	-
Weston Volunteer Fire Department	212,174	212,174	212,174	-
Communications Center	271,588	276,810	276,810	-
<b>Total</b>	<b>2,154,548</b>	<b>2,256,014</b>	<b>2,256,014</b>	<b>-</b>
<b>PUBLIC WORKS:</b>				
Highway	1,761,375	1,840,582	1,800,582	40,000
Water System Schools	39,650	29,107	29,107	-
<b>Total</b>	<b>1,801,025</b>	<b>1,869,689</b>	<b>1,829,689</b>	<b>40,000</b>
<b>HEALTH AND WELFARE:</b>				
Westport / Weston Health District	183,748	178,396	178,396	-
Southwestern Connecticut Emergency	1,340	1,200	1,200	-
Medical Services	12,105	12,104	12,104	-
Regional Paramedic	130,392	136,034	136,034	-
Human Services	81,540	78,984	78,984	-
<b>Total</b>	<b>409,125</b>	<b>406,718</b>	<b>406,718</b>	<b>-</b>

(Continued)

TOWN OF WESTON, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS -  
 BUDGET AND ACTUAL - GENERAL FUND, Continued  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECREATION:</b>				
Conservation Commission	55,944	55,024	55,024	-
Weston Public Library	383,797	403,226	401,606	1,620
Commission on Aging	86,026	84,678	84,678	-
Recreation Department programs	185,756	187,351	187,351	-
Park and school field maintenance	112,475	134,780	134,780	-
Middle School pool	88,574	81,802	81,802	-
<b>Total</b>	<b>912,572</b>	<b>946,861</b>	<b>945,241</b>	<b>1,620</b>
<b>DEBT SERVICE</b>				
Interest	2,282,768	2,282,768	2,282,768	-
Principal	4,850,000	4,850,000	4,850,000	-
	<b>7,132,768</b>	<b>7,132,768</b>	<b>7,132,768</b>	<b>-</b>
<b>BOARD OF EDUCATION</b>				
	44,697,023	44,697,023	44,665,030	31,993
<b>Total expenditures</b>	<b>62,601,132</b>	<b>62,942,147</b>	<b>62,865,915</b>	<b>76,232</b>
<b>OTHER FINANCING USES</b>				
Transfers out:				
Recycling and Transfer Station	106,920	121,465	121,465	-
Youth Service Bureau	26,057	1,029	1,029	-
Reserve fund for capital and nonrecurring expenditures	732,200	798,000	798,000	-
Water supply system	16,020	16,020	16,020	-
Dog Registration	60,093	60,093	60,093	-
<b>Total other financing uses</b>	<b>941,290</b>	<b>996,607</b>	<b>996,607</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 63,542,422</b>	<b>\$ 63,938,754</b>	<b>\$ 63,862,522</b>	<b>\$ 76,232</b>

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## **Nonmajor Governmental Funds**

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***SPECIAL REVENUE FUNDS***

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a specific purpose.

**School Lunch Fund** - is used to account for the operations of the schools' cafeterias, including the receipt and expenditure of related state funding.

**Board of Education Grants** - is used to account for revenue from federal and state grants for education.

**Youth Service Bureau** - is used to account for the operations of the Youth Service Bureau.

**Library Board Fund** – is used to account for the operations of the Town's library that are not funded through the annual Town operating budget.

**Senior Citizens Center** – is used to account for the operations of the Senior Citizens Center.

**Communications Tower** – is used to account for rental fees from various cellular phone companies.

**Weston High School Fund** – is used to account for revenues from other sources for the Weston High School.

**Horace B. Hurlbutt Memorial Trust** – is used to account for revenue from the Horace B. Hurlbutt Memorial Trust.

**Morehouse Elderly Assistance** – is used to account for programs specific to elderly assistance.

**Social Services Fund** – is used to account for programs for individuals and families residing in Weston that meet income criteria.

**Gifts and Grants** – is used to account for various Town initiatives and programs.

**Greyledge Fund** – is used to account for planting and maintenance of trees, shrubs, and plants alongside Weston's public roadways.

### ***CAPITAL PROJECTS FUNDS***

Capital Project Funds are used to account for the acquisition of major capital facilities or improvements other than those financed by proprietary funds.

**Reserve Fund for Capital and Nonrecurring Expenditures** - is used to account for projects to be funded from bond proceeds.

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TOWN OF WESTON, CONNECTICUT

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue Funds			
	School Lunch	Board of Education Grants	Youth Service Bureau	Library Board Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 148,904	\$ 98,153	\$ -	\$ 187,850
Other receivables	12,959	324,171	1,096	-
Inventories	7,097	-	-	-
Due from other funds	-	106,519	112,779	-
<b>Total assets</b>	<b>\$ 168,960</b>	<b>\$ 528,843</b>	<b>\$ 113,875</b>	<b>\$ 187,850</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 46,322	\$ 25,887	\$ -	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	490,581	-	-
<b>Total liabilities</b>	<b>46,322</b>	<b>516,468</b>	<b>-</b>	<b>-</b>
Fund Balances (Deficits)				
Nonspendable	7,097	-	-	-
Restricted	115,541	12,375	-	187,850
Committed	-	-	113,875	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>122,638</b>	<b>12,375</b>	<b>113,875</b>	<b>187,850</b>
<b>Total liabilities and fund balances</b>	<b>\$ 168,960</b>	<b>\$ 528,843</b>	<b>\$ 113,875</b>	<b>\$ 187,850</b>

Special Revenue Funds						
Senior Citizens Center	Communications Tower	Weston High School Fund	Horace B. Hurlbutt Memorial Trust	Morehouse Elderly Assistance	Social Services Fund	Gifts and Grants
\$ 34,210	\$ -	\$ 15,252	\$ 10,573	\$ 151,723	\$ 13,585	\$ -
200	-	-	-	-	-	-
-	-	-	-	-	-	-
-	393,738	-	-	-	-	22,534
<u>\$ 34,410</u>	<u>\$ 393,738</u>	<u>\$ 15,252</u>	<u>\$ 10,573</u>	<u>\$ 151,723</u>	<u>\$ 13,585</u>	<u>\$ 22,534</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635	\$ -
-	-	-	-	-	-	22,584
22,153	-	-	-	9,582	3,445	-
<u>22,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,582</u>	<u>4,080</u>	<u>22,584</u>
-	-	-	-	-	-	-
-	-	-	10,573	142,141	-	-
12,257	393,738	15,252	-	-	9,505	-
-	-	-	-	-	-	(50)
<u>12,257</u>	<u>393,738</u>	<u>15,252</u>	<u>10,573</u>	<u>142,141</u>	<u>9,505</u>	<u>(50)</u>
<u>\$ 34,410</u>	<u>\$ 393,738</u>	<u>\$ 15,252</u>	<u>\$ 10,573</u>	<u>\$ 151,723</u>	<u>\$ 13,585</u>	<u>\$ 22,534</u>

(Continued)

TOWN OF WESTON, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Capital Projects Fund	Permanent Fund	
	Reserve Fund for Capital and Nonrecurring Expenditures	Greyledge Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 660,250
Other receivables	-	-	338,426
Inventories	-	-	7,097
Due from other funds	1,406,863	42,177	2,084,610
<b>Total assets</b>	<u>\$ 1,406,863</u>	<u>\$ 42,177</u>	<u>\$ 3,090,383</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 72,844
Unearned revenues	-	-	22,584
Due to other funds	-	-	525,761
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>621,189</u>
Fund Balances (Deficits)			
Nonspendable	-	-	7,097
Restricted	-	42,177	510,657
Committed	1,406,863	-	1,951,490
Unassigned	-	-	(50)
<b>Total fund balances (deficits)</b>	<u>1,406,863</u>	<u>42,177</u>	<u>2,469,194</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,406,863</u>	<u>\$ 42,177</u>	<u>\$ 3,090,383</u>

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TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS)  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	School Lunch	Board of Education Grants	Youth Service Bureau	Library Board Fund
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 903,649	\$ 15,400	\$ -
Income from investments	-	-	-	-
Charges for services	1,190,106	-	206,951	38,055
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>1,190,106</b>	<b>903,649</b>	<b>222,351</b>	<b>38,055</b>
<b>EXPENDITURES</b>				
General government	-	-	223,150	12,248
Health and Welfare	-	-	-	-
Education	1,152,319	903,732	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,152,319</b>	<b>903,732</b>	<b>223,150</b>	<b>12,248</b>
<b>Revenues over (under) expenditures</b>	<b>37,787</b>	<b>(83)</b>	<b>(799)</b>	<b>25,807</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,029	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,029</b>	<b>-</b>
<b>Net change in fund balance (deficits)</b>	<b>37,787</b>	<b>(83)</b>	<b>230</b>	<b>25,807</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>84,851</b>	<b>12,458</b>	<b>113,645</b>	<b>162,043</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 122,638</b>	<b>\$ 12,375</b>	<b>\$ 113,875</b>	<b>\$ 187,850</b>

Special Revenue Funds						
Senior Citizens Center	Communications Tower	Weston High School Fund	Horace B. Hurlbutt Memorial Trust	Morehouse Elderly Assistance	Social Services Fund	Gifts and Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,367	-	-
-	199,483	21	3,172	-	-	-
36,809	-	-	-	-	30,230	34,595
36,809	199,483	21	3,172	1,367	30,230	34,595
36,892	60,758	-	-	4,298	31,667	30,567
-	-	-	-	-	-	7,963
-	-	9,075	705	-	-	-
-	-	-	-	-	-	-
36,892	60,758	9,075	705	4,298	31,667	38,530
(83)	138,725	(9,054)	2,467	(2,931)	(1,437)	(3,935)
-	-	-	-	-	-	-
-	(100,000)	-	-	-	-	-
-	(100,000)	-	-	-	-	-
(83)	38,725	(9,054)	2,467	(2,931)	(1,437)	(3,935)
12,340	355,013	24,306	8,106	145,072	10,942	3,885
\$ 12,257	\$ 393,738	\$ 15,252	\$ 10,573	\$ 142,141	\$ 9,505	\$ (50)

(Continued)

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS), Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2011

	Capital Projects Fund	Permanent Fund	
	Reserve Fund for Capital and Nonrecurring Expenditures	Greyledge Fund	Totals
<b>REVENUES</b>			
Intergovernmental	\$ 1,793,167	\$ -	\$ 2,712,216
Income from investments	-	-	1,367
Charges for services	-	-	1,637,788
Other revenues	-	35,452	137,086
<b>Total revenues</b>	<b>1,793,167</b>	<b>35,452</b>	<b>4,488,457</b>
<b>EXPENDITURES</b>			
General government	-	2,093	401,673
Health and Welfare	-	-	7,963
Education	-	-	2,065,831
Capital outlay	3,116,857	-	3,116,857
<b>Total expenditures</b>	<b>3,116,857</b>	<b>2,093</b>	<b>5,592,324</b>
<b>Revenues over (under) expenditures</b>	<b>(1,323,690)</b>	<b>33,359</b>	<b>(1,103,867)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	798,000	-	799,029
Transfers out	-	-	(100,000)
<b>Total other financing sources (uses)</b>	<b>798,000</b>	<b>-</b>	<b>699,029</b>
<b>Net change in fund balance (deficits)</b>	<b>(525,690)</b>	<b>33,359</b>	<b>(404,838)</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>1,932,553</b>	<b>8,818</b>	<b>2,874,032</b>
<b>FUND BALANCES (DEFICITS) ending</b>	<b>\$ 1,406,863</b>	<b>\$ 42,177</b>	<b>\$ 2,469,194</b>

**Nonmajor Enterprise Funds**

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

**Water Supply System** - is used to account for revenues and expenditures related to the Town's portion of the water supply system.

**Self-Funded Recreation Program** - is used to account for revenues and expenditures related to the Town's Park and Recreation programs.

**Recycling and Transfer Station** - is used to account for revenues and expenditures related to the Town's recycling and transfer station.

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS

June 30, 2011

	Business-Type Activities - Enterprise Funds			Total
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 24,300	\$ 49,290	\$ -	\$ 73,590
Accounts receivable	7,133	-	16,899	24,032
Due from other funds	4,362	193,845	17,169	215,376
<b>Total current assets</b>	<b>35,795</b>	<b>243,135</b>	<b>34,068</b>	<b>312,998</b>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	82,038	1,768	36,798	120,604
<b>Total noncurrent assets</b>	<b>82,038</b>	<b>1,768</b>	<b>36,798</b>	<b>120,604</b>
<b>Total assets</b>	<b>117,833</b>	<b>244,903</b>	<b>70,866</b>	<b>433,602</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	-	156,124	-	156,124
Due to other funds	73,022	-	18,685	91,707
<b>Total current liabilities</b>	<b>73,022</b>	<b>156,124</b>	<b>18,685</b>	<b>247,831</b>
<b>NET ASSETS</b>				
Invested in capital assets	82,038	1,768	36,798	120,604
Unrestricted (deficit)	(37,227)	87,011	15,383	65,167
<b>Total net assets</b>	<b>\$ 44,811</b>	<b>\$ 88,779</b>	<b>\$ 52,181</b>	<b>\$ 185,771</b>

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 18,368	\$ 508,816	\$ 325,730	\$ 852,914
<b>Total operating revenues</b>	<b>18,368</b>	<b>508,816</b>	<b>325,730</b>	<b>852,914</b>
<b>OPERATING EXPENSES</b>				
Costs of services	31,415	490,636	448,917	970,968
Depreciation	5,632	237	4,027	9,896
<b>Total operating expenses</b>	<b>37,047</b>	<b>490,873</b>	<b>452,944</b>	<b>980,864</b>
<b>Operating (loss) income</b>	<b>(18,679)</b>	<b>17,943</b>	<b>(127,214)</b>	<b>(127,950)</b>
<b>NONOPERATING REVENUES</b>				
Interest income	18	-	-	18
<b>Total nonoperating revenues</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>Net (loss) income before transfers</b>	<b>(18,661)</b>	<b>17,943</b>	<b>(127,214)</b>	<b>(127,932)</b>
<b>TRANSFERS</b>				
Transfers in	16,020	-	121,465	137,485
Transfers out	-	(35,000)	-	(35,000)
<b>Total transfers in (out)</b>	<b>16,020</b>	<b>(35,000)</b>	<b>121,465</b>	<b>102,485</b>
<b>Change in net assets</b>	<b>(2,641)</b>	<b>(17,057)</b>	<b>(5,749)</b>	<b>(25,447)</b>
<b>FUND NET ASSETS, beginning</b>	<b>47,452</b>	<b>105,836</b>	<b>57,930</b>	<b>211,218</b>
<b>FUND NET ASSETS, ending</b>	<b>\$ 44,811</b>	<b>\$ 88,779</b>	<b>\$ 52,181</b>	<b>\$ 185,771</b>

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 16,905	\$ 485,653	\$ 327,549	\$ 830,107
Payments to suppliers and personnel	(37,288)	(452,480)	(449,014)	(938,782)
<b>Net cash provided by (used in) operating activities</b>	<b>(20,383)</b>	<b>33,173</b>	<b>(121,465)</b>	<b>(108,675)</b>
<b>Cash Flows From Investing Activities</b>				
Interest income	18	-	-	18
<b>Net cash provided by investing activities</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Transfers:				
From other funds	16,020	-	121,465	137,485
To other funds	-	(35,000)	-	(35,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>16,020</b>	<b>(35,000)</b>	<b>121,465</b>	<b>102,485</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,345)</b>	<b>(1,827)</b>	<b>-</b>	<b>(6,172)</b>
<b>Cash and Cash Equivalents</b>				
Beginning	28,645	51,117	-	79,762
Ending	<u>\$ 24,300</u>	<u>\$ 49,290</u>	<u>\$ -</u>	<u>\$ 73,590</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used in) Operating Activities</b>				
Operating (loss) income	\$ (18,679)	\$ 17,943	\$ (127,214)	\$ (127,950)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation	5,632	236	4,028	9,896
Changes in assets and liabilities:				
(Decrease) increase in other receivables	(2,732)	-	14,960	12,228
(Decrease) in due from other funds	(4,362)	(23,399)	(17,169)	(44,930)
Increase in accounts payable	-	38,393	-	38,393
Increase (decrease) in due to other funds	(242)	-	3,930	3,688
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (20,383)</b>	<b>\$ 33,173</b>	<b>\$ (121,465)</b>	<b>\$ (108,675)</b>

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**Fiduciary Funds**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts and Agency Funds.

**Private Purpose Trust Funds** - are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments. The Town's Private Purpose Trust Fund is listed below:

**Staples Guardian  
Mariana L. Clark**

**Agency Funds** - are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

The Town's agency funds are as follows:

**Student Activity Fund  
Police Survivors  
School Accounts  
School Athletic**

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS NET ASSETS -  
FIDUCIARY FUNDS

June 30, 2011

	Private Purpose Trust Funds		
	Staples Guardian	Mariana L. Clark	Total Private Purpose
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 124,549	\$ 124,549
<b>Total assets</b>	-	124,549	124,549
<b>Net Assets Held in Trust</b>			
For donors' intentions	-	124,549	124,549
<b>Total net assets</b>	\$ -	\$ 124,549	\$ 124,549

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN NET ASSETS -  
PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2011

	Private Purpose Trust Funds		
	Staples Guardian	Mariana L. Clark	Total Private Purpose Trust Funds
<b>Additions</b>			
Investment Income:			
Interest and dividends	\$ -	\$ 3,765	\$ 3,765
<b>Total additions</b>	-	3,765	3,765
<b>Deductions</b>			
Other	64,940	-	64,940
<b>Total deductions</b>	64,940	-	64,940
<b>Net change in net assets</b>	(64,940)	3,765	(61,175)
<b>Net Assets Held in Trust</b>			
Beginning of year	64,940	120,784	185,724
End of year	\$ -	\$ 124,549	\$ 124,549

TOWN OF WESTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS

For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>STUDENT ACTIVITY FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 344,799	\$ 518,736	\$ 506,158	\$ 357,377
<b>Liabilities</b>				
Other liabilities	\$ 344,799	\$ 518,736	\$ 506,158	\$ 357,377
<b>POLICE SURVIVOR</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,194	\$ 9	\$ -	\$ 5,203
<b>Liabilities</b>				
Other liabilities	\$ 5,194	\$ 9	\$ -	\$ 5,203
<b>SCHOOL ATHLETIC</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 11,898	\$ 129,351	\$ 111,181	\$ 30,068
<b>Liabilities</b>				
Other liabilities	\$ 11,898	\$ 129,351	\$ 111,181	\$ 30,068
<b>TOTALS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 361,891	\$ 648,096	\$ 617,339	\$ 392,648
<b>Liabilities</b>				
Other liabilities	\$ 361,891	\$ 648,096	\$ 617,339	\$ 392,648

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**Capital Assets Used in the Operation  
of Governmental Funds**



TOWN OF WESTON, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -  
SCHEDULE BY CATEGORY - HISTORICAL COST

June 30, 2011

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Governmental funds capital assets:

Land	\$ 10,148,899
Buildings and improvements	111,583,775
Land Improvements	4,953,997
Machinery, equipment and vehicle	12,743,851
Infrastructure	15,108,595
Construction in progress	2,467,830
<b>Total</b>	<b>\$ 157,006,947</b>

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**Other Schedules**



TOWN OF WESTON, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND  
 June 30, 2011

	General Fund	Dog Registration	BOE Miscellaneous	Elimination 1	Elimination 2	General Combined
<b>Assets</b>						
Cash and cash equivalents	\$ 10,638,636	\$ 2,655	\$ 182,064	\$ -	\$ -	\$ 10,823,355
Investments	9,009,385	-	-	-	-	9,009,385
Receivables, net of allowances for collection losses:						
Property taxes	1,772,226	-	-	-	-	1,772,226
Intergovernmental and other	996,176	-	197,993	-	-	1,194,169
Inventories and prepaids	118,291	-	-	-	-	118,291
Due from other funds	704,524	16,443	-	(97,528)	(16,443)	606,996
Advances to other funds	582,550	-	-	-	-	582,550
<b>Total assets</b>	<b>\$ 23,821,788</b>	<b>\$ 19,098</b>	<b>\$ 380,057</b>	<b>\$ (97,528)</b>	<b>\$ (16,443)</b>	<b>\$ 24,106,972</b>
<b>Liabilities</b>						
Accounts payable and accruals	2,532,867	-	-	-	-	2,532,867
Due to other funds	9,444,160	-	97,528	(97,528)	(16,443)	9,427,717
Deferred revenue	1,776,524	-	-	-	-	1,776,524
Taxes collected in advance	580,413	-	-	-	-	580,413
<b>Total liabilities</b>	<b>14,333,964</b>	<b>-</b>	<b>97,528</b>	<b>(97,528)</b>	<b>(16,443)</b>	<b>14,317,521</b>
<b>Fund balances:</b>						
Nonspendable	700,841	-	-	-	-	700,841
Committed	329,500	-	-	-	-	329,500
Assigned	344,765	19,098	282,529	-	-	646,392
Unassigned	8,112,718	-	-	-	-	8,112,718
<b>Total fund balances</b>	<b>9,487,824</b>	<b>19,098</b>	<b>282,529</b>	<b>-</b>	<b>-</b>	<b>9,789,451</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,821,788</b>	<b>\$ 19,098</b>	<b>\$ 380,057</b>	<b>\$ (97,528)</b>	<b>\$ (16,443)</b>	<b>\$ 24,106,972</b>

TOWN OF WESTON, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND  
 June 30, 2011

	General Fund	Dog Registration	BOE Miscellaneous	Elimination	General Combined
<b>REVENUES</b>					
Property taxes	\$ 62,190,509	\$ -	\$ -	\$ -	\$ 62,190,509
Intergovernmental	4,602,203	-	-	-	4,602,203
Income from investments	234,661	-	-	-	234,661
Net depreciation in fair value of investments	(70,234)	-	-	-	(70,234)
Charges for services	674,152	9,654	827,257	-	1,511,063
Other revenues	47,186	-	-	-	47,186
<b>Total revenues</b>	<b>67,678,477</b>	<b>9,654</b>	<b>827,257</b>	<b>-</b>	<b>68,515,388</b>
<b>EXPENDITURES</b>					
Current:					
General government	5,509,137	66,324	-	-	5,575,461
Public safety	2,393,076	-	-	-	2,393,076
Public works	1,824,973	-	-	-	1,824,973
Health and welfare	406,718	-	-	-	406,718
Culture and recreation	1,018,162	-	-	-	1,018,162
Education	47,776,108	-	811,099	-	48,587,207
Debt service:					
Principal retirements	4,550,000	-	-	-	4,550,000
Interest and other charges	2,582,769	-	-	-	2,582,769
Capital outlay	827,435	-	-	-	827,435
<b>Total expenditures</b>	<b>66,888,378</b>	<b>66,324</b>	<b>811,099</b>	<b>-</b>	<b>67,765,801</b>
<b>Revenues over (under) expenditures</b>	<b>790,099</b>	<b>(56,670)</b>	<b>16,158</b>	<b>-</b>	<b>749,587</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	135,000	60,093	-	(60,093)	135,000
Transfers out	(996,607)	-	-	60,093	(936,514)
Proceeds from capital lease	625,000	-	-	-	625,000
<b>Total other financing sources (uses)</b>	<b>(236,607)</b>	<b>60,093</b>	<b>-</b>	<b>-</b>	<b>(176,514)</b>
<b>Net change in fund balance</b>	<b>553,492</b>	<b>3,423</b>	<b>16,158</b>	<b>-</b>	<b>573,073</b>
<b>FUND BALANCES, beginning</b>	<b>8,934,332</b>	<b>15,675</b>	<b>266,371</b>	<b>-</b>	<b>9,216,378</b>
<b>FUND BALANCES, ending</b>	<b>\$ 9,487,824</b>	<b>\$ 19,098</b>	<b>\$ 282,529</b>	<b>\$ -</b>	<b>\$ 9,789,451</b>

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TOWN OF WESTON, CONNECTICUT

**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND  
OUTSTANDING - GENERAL FUND  
For the Year Ended June 30, 2011**

Grand List Year	Taxes Receivable July 1, 2010	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected
			Additions	Deletions		
2009	\$ -	\$ 62,266,177	\$ 78,331	\$ 151,809	\$ -	\$ 62,192,699
2008	804,854	-	6,927	41,555	351	769,875
2007	344,228	-	3,740	3,962	1,269	342,737
2006	131,430	-	1,601	547	12,285	120,199
2005	66,601	-	463	2,205	4,302	60,557
2004	12,253	-	40	198	42	12,053
2003	23,920	-	-	-	207	23,713
2002	6,713	-	279	-	-	6,992
2001	-	-	-	-	-	-
2000	-	-	-	-	-	-
1999	-	-	-	-	-	-
1998	4,522	-	-	-	-	4,522
1997	888	-	-	-	-	888
	<u>\$ 1,395,409</u>	<u>\$ 62,266,177</u>	<u>\$ 91,381</u>	<u>\$ 200,276</u>	<u>\$ 18,456</u>	<u>\$ 63,534,235</u>

Refund Adjustments	Collections				Balance Uncollected June 30, 2011	Refund Balance June 30, 2011	Taxes Receivable June 30, 2011
	Taxes	Interest	Fees	Total			
\$ 100,680	\$ 61,454,010	\$ 172,962	\$ 9,140	\$ 61,636,112	\$ 839,369	\$ 69,011	\$ 908,380
(44,290)	476,384	87,784	7,329	571,497	249,201	57,460	306,661
(35,861)	129,304	51,781	1,510	182,595	177,572	35,425	212,997
(36,206)	6,498	10,124	-	16,622	77,495	30,745	108,240
(17,564)	(217)	2,533	24	2,340	43,210	10,294	53,504
198	341	600	-	941	11,910	-	11,910
-	135	166	-	301	23,578	-	23,578
-	502	313	-	815	6,490	-	6,490
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,522	-	4,522
-	-	-	-	-	888	-	888
<u>\$ (33,043)</u>	<u>\$ 62,066,957</u>	<u>\$ 326,263</u>	<u>\$ 18,003</u>	<u>\$ 62,411,223</u>	<u>\$ 1,434,235</u>	<u>\$ 202,935</u>	<u>\$ 1,637,170</u>

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