

TOWN OF WESTON, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2016

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Independent Auditors' Report

To the Board of Finance
Town of Weston, Connecticut

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Weston, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Weston, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Prior Period Adjustments

As discussed in Note 7 to the financial statements, during the fiscal year ended June 30, 2016, prior period adjustments were made with respect to the Town's participation in the State of Connecticut Municipal Employees' Retirement System. The System changed its method of accounting for receivables and the Town recognized the amount payable to the System for prior service costs. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on pages 51 through 53, the pension schedules on pages 54 through 56, and the other post-employment benefits schedules on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Weston, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 7, 2016

Town of Weston, Connecticut
Management's Discussion and Analysis - *unaudited*
June 30, 2016

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, 2016. 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 position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, 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 recycling and 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 13-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of 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, as well as other governmental funds which consists of 13 special revenue funds, the capital non-recurring reserve fund, the capital improvement fund, the police special vehicle 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 position. On page 17 there is a reconciliation of the total change in fund balances for all governmental funds to the change in net position 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 15-18 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 19-21 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 22-23 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 24-50 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, general fund budgetary information and information regarding participation in cost sharing pension plans.

Financial Highlights - Primary Government

The assets and deferred outflows of resources of the Town of Weston exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$63.5 million (net position). Of this amount, approximately \$15.5 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's total net position increased by \$1.8 million from operations.

As of the close of the fiscal year, the Town of Weston's governmental funds reported combined ending fund balances of approximately \$18.9 million, an increase of approximately \$1.6 million. The general fund reflects a total fund balance of approximately \$13.8 million, or an increase of approximately \$623 thousand 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 \$12.5 million, or approximately 17.0% of general fund expenditures and other financing 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 position may serve over time as a useful indicator of a government's financial position. For the Town of Weston, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$63.5 million at the close of the fiscal year. The Town's overall financial position is summarized as follows:

Town of Weston, Connecticut Summary Statement of Net Position (000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 28,211	\$ 27,815	\$ 151	\$ 145	\$ 28,363	\$ 27,960
Capital assets, net of accumulated depreciation	89,504	93,684	130	139	89,635	93,823
Total assets	<u>117,716</u>	<u>121,499</u>	<u>282</u>	<u>284</u>	<u>117,997</u>	<u>121,783</u>
Deferred outflows of resources	<u>2,795</u>	<u>3,041</u>			<u>2,795</u>	<u>3,041</u>
Current liabilities	9,937	4,745	6	35	9,944	4,780
Long-term liabilities outstanding	47,389	55,597			47,389	55,597
Total liabilities	<u>57,326</u>	<u>60,342</u>	<u>6</u>	<u>35</u>	<u>57,332</u>	<u>60,377</u>
Deferred inflows of resources		<u>2,802</u>				<u>2,802</u>
Net Position:						
Invested in						
capital assets	47,689	48,047	130	139	47,819	48,186
Restricted	131	130			131	130
Unrestricted	<u>15,365</u>	<u>13,219</u>	<u>145</u>	<u>110</u>	<u>15,510</u>	<u>13,329</u>
Total Net Position	\$ <u>63,184</u>	\$ <u>61,396</u>	\$ <u>275</u>	\$ <u>249</u>	\$ <u>63,459</u>	\$ <u>61,645</u>

For more detailed information, see the Statement of Net Position (page 13).

The largest portion of the Town's net position in the governmental activities represents its net investment in capital assets (75.4%), with the remainder classified as restricted (0.2%) and unrestricted (24.4%). Capital assets for the Town decreased by \$4.2 million from the prior year as annual depreciation expense 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 position 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 position, both for the government as a whole, as well as for its separate governmental activities.

Town of Weston, Connecticut
Summary Statement of Activities (000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 914	\$ 3,882	\$ 727	\$ 747	\$ 1,641	\$ 4,629
Operating grants and contributions	9,141	8,655			9,141	8,655
Capital grants and contributions	1,058	789			1,058	789
General revenues:						
Property taxes	67,591	66,630			67,591	66,630
Grants not restricted to specific programs	905	71			905	71
Unrestricted investment earnings	374	193		1	374	194
Miscellaneous	73				73	
Total revenues	<u>80,056</u>	<u>80,220</u>	<u>727</u>	<u>748</u>	<u>80,783</u>	<u>80,968</u>
Expenses:						
General government	6,809	7,268			6,809	7,268
Public safety	3,073	3,100			3,073	3,100
Public works	2,423	2,716			2,423	2,716
Health and welfare	445	502			445	502
Culture and recreation	1,335	1,365			1,335	1,365
Education	62,086	60,372			62,086	60,372
Interest and fiscal charges	1,994	1,744			1,994	1,744
Water Supply System			40	39	40	39
Self-funded recreation programs			372	374	372	374
Recycling and transfer station			390	407	390	407
Total expenses	<u>78,166</u>	<u>77,067</u>	<u>802</u>	<u>820</u>	<u>78,968</u>	<u>77,887</u>
Change in net position before transfers	1,890	3,153	(76)	(72)	1,814	3,081
Transfers	(102)	(110)	102	110	-	-
Change in net position	<u>1,788</u>	<u>3,043</u>	<u>26</u>	<u>38</u>	<u>1,814</u>	<u>3,081</u>
Net Position at Beginning of Year	<u>61,396</u>	<u>58,353</u>	<u>249</u>	<u>211</u>	<u>61,645</u>	<u>58,564</u>
Net Position at End of Year	\$ <u>63,184</u>	\$ <u>61,396</u>	\$ <u>275</u>	\$ <u>249</u>	\$ <u>63,459</u>	\$ <u>61,645</u>

Governmental activities - Governmental activities increased the Town's net position by approximately \$1.788 million.

Major revenue factors impacting the change in net position include the following:

- Capital grants and contributions increased by approximately \$269,000 (not rounded) as a result of an increase in school construction progress payments from the State.
- Charges for services decreased by \$2.9 million due to a re-categorization of Education related revenues.
- Unrestricted investment earnings increased by \$181,000 due to the fact that the Town experienced market value unrealized gains as of June, 2016 in the Town's fixed income portfolio.

Grants not restricted to specific programs increased by \$834,000 due mainly to the ECS grant being reflected here instead of under Education.

Major expense factors include:

- For Governmental Activities, approximately \$62.1 million of the Town's expenses relate to education, \$3.0 million relates to public safety, \$6.8 million for general government, \$2.4 million for public works, \$2.0 million for interest on long-term debt while other expenses total approximately \$1.7 million.

Business-type activities - The Town's three business-type activities accounted for an increase of approximately \$26 thousand in net position primarily due to a transfer from the General Fund to cover operating deficits. Expenses exceeded revenues for these funds by approximately \$75 thousand. The general fund covered the deficits in these funds with a net transfer 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$18.9 million. Approximately 66.3% of this total amount (\$12.5 million) constitutes unassigned fund balance. The remainder of fund balance is categorized among the remaining four 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 \$12.5 million, while total general fund balance totaled approximately \$13.8 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 17% of total general fund expenditures and uses of funds, while total fund balance represents approximately 18.8% of that same amount. We need to point out that \$194 thousand of the assigned and total general fund balance is attributable to the Board of Education's Miscellaneous Donations fund.

The fund balance of the Town's general fund increased by approximately \$435 thousand during the current fiscal year as the Town experienced actual revenue collections over budget, somewhat offset by supplemental appropriations on the expenditure side.

Major expenditure factors include:

- Debt principal payments decreased as a result of scheduled debt amortization.
- Public Safety expenses were up by \$361 thousand primarily due to retroactive wage settlements after over two years of union contracts expiring.
- Education expenses increased by \$2 million chiefly due to the annual increase in the approved budget driven by salary increases.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was approximately \$126 thousand and attributable primarily due to supplemental appropriations over the course of the year approved by the Boards of Selectmen and Finance.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental funds as of June 30, 2016, amounts to approximately \$89.5 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:

- \$131,000 was spent to complete a Sprinkler System project at the Public Works facility.
- The Town spent a total of \$271 thousand toward a new loader and snow removal truck for DPW.
- The Town spent \$385,000 on bridge projects with the majority of the expenses toward the replacement of Godfrey Road Bridge.
- \$147,000 was spent toward oil tank removal at Hurlbutt Elementary School.

Town of Weston, Connecticut Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,149	\$ 10,149	\$	\$	\$ 10,149	\$ 10,149
Land improvements	2,844	2,742			2,844	2,742
Infrastructure	10,602	10,092			10,602	10,092
Buildings and improvements	60,347	64,156	81	86	60,427	64,242
Machinery and equipment	5,257	5,492	49	53	5,307	5,545
Construction in progress	306	1,053			306	1,053
Total	\$ 89,504	\$ 93,684	\$ 130	\$ 139	\$ 89,635	\$ 93,823

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

Debt Obligations. At the end of the current fiscal year, the Town had total long-term debt obligations outstanding of approximately \$48.1 million. Of this amount, approximately \$39.0 million comprises long-term debt backed by the full faith and credit of the Town. The balance of the debt is comprised mostly of OPEB liability, pension liability 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**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
	General Obligation Bonds \$	38,965	43,475	-	-	38,965

The Town's total debt decreased by approximately \$4.5 million during the current fiscal year due to the 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 \$469 million, which is significantly in excess of the Town's outstanding general obligation debt of approximately \$39 million.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town as of June 30, 2016 was 5.0 percent, which compares favorably to the State's average unemployment rate of 5.9 percent and the Stamford Labor Market of 5.7 percent.
- The Town's fiscal year 2015-2016 Budget resulted in a mill rate increase of 1.5% due to operating budget increases. The 2016-2017 budget saw a modest decrease in the mill rate of (0.4)%.
- 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 12% 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.
- Similar to regional and national conditions, the Town's overall economic indicators remain sluggish as unemployment rates and foreclosures remain at similar levels compared to recent years. Building Permits and Town Clerk receipts also slightly declined in 2015-16. 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.

TOWN OF WESTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 11,844,368	\$ 112,191	\$ 11,956,559
Investments	12,955,801		12,955,801
Due from Fiduciary Funds	103,461		103,461
Receivables, net:			
Property taxes, current	2,103,197		2,103,197
Other	1,124,689	39,109	1,163,798
Inventories and prepaids	79,812		79,812
Capital assets, nondepreciable	10,454,852		10,454,852
Capital assets, net of accumulated depreciation	79,049,598	130,232	79,179,830
Total assets	<u>117,715,778</u>	<u>281,532</u>	<u>117,997,310</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	566,318		566,318
Changes in projected pension investment earnings	567,157		567,157
Employer contributions made subsequent to the measurement date	1,661,121		1,661,121
Total deferred outflows	<u>2,794,596</u>	<u>-</u>	<u>2,794,596</u>
Liabilities:			
Accounts payable and accrued items	2,717,236		2,717,236
Accrued interest payable	716,015		716,015
Internal balances	48,206	(48,206)	
Due to Fiduciary Funds	152,626		152,626
Unearned revenue	925,642	54,626	980,268
Noncurrent liabilities:			
Due within one year	5,377,525		5,377,525
Due in more than one year	47,388,828		47,388,828
Total liabilities	<u>57,326,078</u>	<u>6,420</u>	<u>57,332,498</u>
Net Position:			
Invested in capital assets	47,688,574	130,232	47,818,806
Restricted for trust purposes	130,630		130,630
Unrestricted	15,365,092	144,880	15,509,972
Total Net Position	<u>\$ 63,184,296</u>	<u>\$ 275,112</u>	<u>\$ 63,459,408</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 6,808,684	\$ 850,753	\$ 116,270	\$ 25,396	\$ (5,816,265)		\$ (5,816,265)
Public safety	3,073,362	63,214			(3,010,148)		(3,010,148)
Public works	2,423,260			382,082	(2,041,178)		(2,041,178)
Health and welfare	445,157		292,217		(152,940)		(152,940)
Culture and recreation	1,335,420		69,449		(1,265,971)		(1,265,971)
Education	62,085,796		8,663,075	650,308	(52,772,413)		(52,772,413)
Interest on long-term debt	1,994,193				(1,994,193)		(1,994,193)
Total governmental activities	<u>78,165,872</u>	<u>913,967</u>	<u>9,141,011</u>	<u>1,057,786</u>	<u>(67,053,108)</u>	<u>-</u>	<u>(67,053,108)</u>
Business-type activities:							
Water Supply System	39,854	19,266				(20,588)	(20,588)
Self-funded recreation programs	372,008	434,910				62,902	62,902
Recycling and transfer station	390,484	272,606				(117,878)	(117,878)
Total business-type activities	<u>802,346</u>	<u>726,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,564)</u>	<u>(75,564)</u>
Total	<u>\$ 78,968,218</u>	<u>\$ 1,640,749</u>	<u>\$ 9,141,011</u>	<u>\$ 1,057,786</u>	<u>(67,053,108)</u>	<u>(75,564)</u>	<u>(67,128,672)</u>
General revenues:							
Property taxes					67,590,780		67,590,780
Grants and contributions not restricted to specific programs					905,042		905,042
Unrestricted investment earnings					374,227	467	374,694
Miscellaneous					73,035		73,035
Transfers					(101,564)	101,564	-
Total general revenues and transfers					<u>68,841,520</u>	<u>102,031</u>	<u>68,943,551</u>
Change in net position					1,788,412	26,467	1,814,879
Net Position at Beginning of Year, as Restated					<u>61,395,884</u>	<u>248,645</u>	<u>61,644,529</u>
Net Position at End of Year					<u>\$ 63,184,296</u>	<u>\$ 275,112</u>	<u>\$ 63,459,408</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 8,796,591	\$ 3,047,777	\$ 11,844,368
Investments	12,955,801		12,955,801
Receivables, net of allowance for collection losses:			
Property taxes receivable, net	2,103,197		2,103,197
Intergovernmental and other	1,101,106	23,583	1,124,689
Inventories and prepaids	66,421	13,391	79,812
Due from other funds	699,057	3,627,116	4,326,173
Advances to other funds	540,185		540,185
	<u>26,262,358</u>	<u>6,711,867</u>	<u>32,974,225</u>
Total Assets	\$ <u>26,262,358</u>	\$ <u>6,711,867</u>	\$ <u>32,974,225</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued items	\$ 1,774,063	\$ 75,211	\$ 1,849,274
Due to other funds	7,576,902	507,846	8,084,748
Advances to other funds		540,185	540,185
Unearned revenue	385,508	540,134	925,642
Total liabilities	<u>9,736,473</u>	<u>1,663,376</u>	<u>11,399,849</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	<u>2,714,757</u>		<u>2,714,757</u>
Fund Balances:			
Nonspendable	606,606	113,391	719,997
Restricted		2,077,931	2,077,931
Committed	544,403	2,857,169	3,401,572
Assigned	148,347		148,347
Unassigned	12,511,772		12,511,772
Total fund balances	<u>13,811,128</u>	<u>5,048,491</u>	<u>18,859,619</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>26,262,358</u>	\$ <u>6,711,867</u>	\$ <u>32,974,225</u>

(Continued on next page)

TOWN OF WESTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 18,859,619
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 166,026,383	
Less accumulated depreciation	<u>(76,521,933)</u>	
Net capital assets		89,504,450

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

Property tax receivables greater than 30 days	1,887,913
Interest receivable on property taxes	826,844
Deferred outflows for contributions made subsequent to measurement date	1,661,121
Deferred outflows related to projected pension investment earnings	567,157

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

2,793,242

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(38,965,000)
Bonds premium	(2,961,903)
Deferred charge on refunding	566,318
Interest payable on bonds	(716,015)
Capital lease	(455,291)
Net OPEB obligation	(1,006,958)
Compensated absences	(1,618,329)
MERS prior service costs	(280,058)
Net pension liability	<u>(7,478,814)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 63,184,296</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes, interest and lien fees	\$ 66,993,811	\$	\$ 66,993,811
Intergovernmental revenues	6,964,897	899,401	7,864,298
Income from investments	372,233	1,994	374,227
Charges for services	1,353,975	1,703,332	3,057,307
Other revenues	70,594	1,098,643	1,169,237
Total revenues	<u>75,755,510</u>	<u>3,703,370</u>	<u>79,458,880</u>
Expenditures:			
Current:			
General government	6,085,372	512,660	6,598,032
Public safety	2,921,908	70,494	2,992,402
Public works	2,070,663		2,070,663
Health and welfare	442,393		442,393
Culture and recreation	1,003,413		1,003,413
Education	55,344,610	2,303,708	57,648,318
Debt service:			
Principal retirement	4,510,000		4,510,000
Interest and other charges	1,880,963		1,880,963
Capital outlay		1,686,240	1,686,240
Total expenditures	<u>74,259,322</u>	<u>4,573,102</u>	<u>78,832,424</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,496,188</u>	<u>(869,732)</u>	<u>626,456</u>
Other Financing Sources (Uses):			
Capital lease proceeds	481,280		481,280
Transfers in	168,000	1,390,555	1,558,555
Transfers out	(1,522,119)	(138,000)	(1,660,119)
Total other financing sources (uses)	<u>(872,839)</u>	<u>1,252,555</u>	<u>379,716</u>
Net Change in Fund Balances	623,349	382,823	1,006,172
Fund Balances at Beginning of Year, as Restated	<u>13,187,779</u>	<u>4,665,668</u>	<u>17,853,447</u>
Fund Balances at End of Year	<u>\$ 13,811,128</u>	<u>\$ 5,048,491</u>	<u>\$ 18,859,619</u>

(Continued on next page)

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 1,006,172
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,464,433
Depreciation expense	(5,643,518)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 30 days	(229,875)
Interest receivable on property taxes	826,844

Change in deferred outflows related to contributions made subsequent to the measurement date	105,994
Change in deferred outflows/inflows related to changes in projected investment earnings	2,345,635

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.

Capital lease proceeds	(481,280)
Principal payments on bonds payable	4,510,000
Principal payments on capital lease	223,262

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.

Amortization of deferred charge on refunding	(919,636)
Amortization of premium	488,757
Accrued interest	94,386
Change in net OPEB obligation	(154,527)
Change in long-term compensated absences	56,479
MERS prior service costs	138,306
Change in net pension liability	(2,133,371)

The net expense of the internal service funds is reported with governmental activities.	<u>90,351</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 1,788,412</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 112,191	\$
Accounts receivable, net	39,109	
Due from other funds	<u>135,956</u>	<u>3,661,204</u>
Total current assets	287,256	3,661,204
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>130,232</u>	
Total assets	<u>417,488</u>	<u>3,661,204</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued items		867,962
Due to other funds	87,750	
Unearned revenue	<u>54,626</u>	
Total current liabilities	<u>142,376</u>	<u>867,962</u>
Net Position:		
Invested in capital assets	130,232	
Unrestricted	<u>144,880</u>	<u>2,793,242</u>
Total Net Position	<u>\$ 275,112</u>	<u>\$ 2,793,242</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:		
Charges for services	\$ <u>726,782</u>	\$ <u>8,235,655</u>
Operating Expenses:		
Salaries, wages and employee benefits	793,528	
Medical claims		8,145,304
Depreciation expense	<u>8,818</u>	
Total operating expenses	<u>802,346</u>	<u>8,145,304</u>
Operating Income (Loss)	(75,564)	90,351
Nonoperating Revenues:		
Income on investments	<u>467</u>	
Income (Loss) Before Transfers	(75,097)	90,351
Transfers In	131,564	
Transfers Out	<u>(30,000)</u>	
Change in Net Position	26,467	90,351
Net Position at Beginning of Year	<u>248,645</u>	<u>2,702,891</u>
Net Position at End of Year	<u>\$ <u>275,112</u></u>	<u>\$ <u>2,793,242</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WESTON, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 703,926	\$
Payments to employees	(803,755)	
Net cash provided by (used in) operating activities	<u>(99,829)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Transfers in from other funds	131,564	
Transfers out to other funds	(30,000)	
Net cash provided by (used in) noncapital financing activities	<u>101,564</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	467	
Net cash provided by (used in) investing activities	<u>467</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,202	-
Cash and Cash Equivalents at Beginning of Year	<u>109,989</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 112,191</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (75,564)	\$ 90,351
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	8,818	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(4,824)	
(Increase) in due from other funds	8,018	(184,690)
Increase (decrease) in due to other funds	(18,245)	
Increase (decrease) in unearned revenue	(18,032)	
Increase (decrease) in accounts payable and accrued items		94,339
Total adjustments	<u>(24,265)</u>	<u>(90,351)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (99,829)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WESTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016

	Other Post- Employment Benefit Trust Fund	Greyledge Private Purpose Trust Fund	Agency Funds
Assets:			
Cash and cash equivalents	\$ 2,315	\$	\$ 320,348
Investments, at fair value:			
Mutual funds	7,422,649		
Due from other funds		152,626	
	<u>7,424,964</u>	<u>152,626</u>	<u>320,348</u>
Total assets			
Liabilities:			
Due to other funds	103,461		
Fiduciary deposits			320,348
Total liabilities	<u>103,461</u>	<u>-</u>	<u>320,348</u>
Net Position:			
Restricted for pensions	7,321,503		
Restricted for Trust		152,626	
Total Net Position	<u>\$ 7,321,503</u>	<u>\$ 152,626</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Other Post- Employment Benefit Trust Fund	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 857,702	\$
Plan members	519,961	
Total contributions	<u>1,377,663</u>	<u>-</u>
Investment earnings:		
Net change in fair value of investments	30,467	
Dividend and interest	<u>151,972</u>	<u>51,000</u>
Total investment gain (loss)	<u>182,439</u>	<u>51,000</u>
Total additions	<u>1,560,102</u>	<u>51,000</u>
Deductions:		
Health claims and premiums	1,107,989	
Other deductions	<u>5,050</u>	<u>22,099</u>
	<u>1,113,039</u>	<u>22,099</u>
Change in Net Position	447,063	28,901
Net Position at Beginning of Year	<u>6,874,440</u>	<u>123,725</u>
Net Position at End of Year	<u>\$ 7,321,503</u>	<u>\$ 152,626</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Weston, Connecticut (the Town) was incorporated in 1787. It operates under the provisions of its charter and the general statutes of the State of Connecticut. The Town operates under a Board of Selectman and Board of Finance form of government and provides a full range of services including: public safety (police and fire), roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 61 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

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

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government. 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. The Town's major individual governmental fund is reported as a separate column in the fund financial statements.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following fund types:

The *Enterprise Funds* are 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 the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. The self-insurance fund is the Town's only internal service fund and is used to account for the medical insurance benefits provided to employees of the Board of Education.

The *Other Post-Employment Benefit Trust Fund* is used to account for the resources for retirees' health benefits.

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

The *Agency Funds* account for monies from various self-funding school activity programs, police survivor benefits and school athletic activities.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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 and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses 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 government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

E. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

F. Investments

Investments are stated at fair value.

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**TOWN OF WESTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

All trade and property tax receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon analysis of creditor’s ability to pay.

I. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. 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 lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land	-
Construction in progress	-
Buildings and improvements	25-50
Land improvements	20
Machinery and equipment	5-15
Vehicles	10
Infrastructure	20-65

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual pension investment earnings. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

K. Compensated Absences

Based on union or employment contracts, certain employees may accumulate a certain amount of unused sick and vacation leave until retirement, termination or death, at which time the accumulated amounts become vested and the employee is paid a percentage of the accumulated leave. The amount recorded as a liability is based upon current salary levels. Vacation time earned during the fiscal year may, in some situations, be carried over to the next fiscal year. All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Net Pension Liability

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

M. Net Other Post-Employment Benefit (OPEB) Obligation

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plan. These amounts are calculated on an actuarial basis and are recorded as noncurrent liability, in the government-wide financial statements.

N. Long-Term Obligations

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

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

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O. Equity

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

Invested in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The primary government currently has no assets under restriction.

Unrestricted

This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Weston Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned Fund Balance

This includes amounts constrained for the intent to be used for a specific purpose by a Board of Finance that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

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

P. 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. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of June 30 following the payable date.

**TOWN OF WESTON, CONNECTICUT
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Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 30 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

Q. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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 \$126,815, of which \$125,519 came from unexpected revenues, were approved during the year by the Board of Selectmen, Board of Finance and Town Meeting.

**TOWN OF WESTON, CONNECTICUT
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The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

B. Deficit Fund Equity

For the year ended June 30, 2016, the following funds had deficit balances:

Lachat Community Farm	\$	10,576
Gifts and Grants		2,114

These amounts will be funded through contributions and future revenues.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

**TOWN OF WESTON, CONNECTICUT
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Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$8,929,603 of the Town's bank balance of \$10,729,308 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,787,216
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,042,387</u>
Total Amount Subject to Custodial Risk	<u>\$ 8,829,603</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, the Town's cash equivalents amounted to \$2,274,606. The following table provides summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor's</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Multi bank securities	**
Janney	**
UBS Financial	**
Flynn	**

** Not rated

Investments

As of June 30, 2016, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More than 10</u>
Interest-bearing investments:					
Certificates of Deposit	*	\$ 2,048,385	\$	\$ 2,048,385	\$
U.S. Government Securities	N/A	3,031,575	504,558	2,313,828	213,189
U.S. Government Agencies	Aaa	1,539,793		1,539,793	
U.S. Government Agencies	**	<u>3,944,060</u>		<u>204,230</u>	<u>3,739,830</u>
Total		10,563,813	<u>\$ 504,558</u>	<u>\$ 6,106,236</u>	<u>\$ 3,953,019</u>
Other investments:					
Mutual Funds	N/A	<u>9,814,637</u>			
Total Investments		<u>\$ 20,378,450</u>			

* Subject to coverage by Federal Depository Insurance and Collateralization

** Not available

N/A - not applicable

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

Credit Risk

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

Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

Interest Rate Risk

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

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	June 30, 2016	Fair Value Measurements Using Level 1
Investments by fair value level:		
U.S. Government securities	\$ 3,031,575	\$ 3,031,575
U.S. Government agencies	5,483,853	5,483,853
Mutual funds	9,814,637	9,814,637
	<hr/>	<hr/>
Total investments by fair value level	18,330,065	\$ <u>18,330,065</u>
Other investments:		
Certificate of deposit	<u>2,048,385</u>	
	<hr/>	
Total	\$ <u>20,378,450</u>	

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

B. Receivables

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

	<u>Property Taxes</u>	<u>Interest and Lien Fees</u>	<u>Due From State</u>	<u>Other Receivables</u>	<u>Total</u>
Accounts receivable	\$ 2,345,250	\$ 826,844	\$ 22,285	\$ 314,669	\$ 3,509,048
Less allowance for uncollectible accounts	<u>(242,053)</u>				<u>(242,053)</u>
Net Accounts Receivable	<u>\$ 2,103,197</u>	<u>\$ 826,844</u>	<u>\$ 22,285</u>	<u>\$ 314,669</u>	<u>\$ 3,266,995</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,148,899	\$	\$	\$ 10,148,899
Construction in progress	<u>1,052,580</u>	<u>132,417</u>	<u>879,044</u>	<u>305,953</u>
Total capital assets not being depreciated	<u>11,201,479</u>	<u>132,417</u>	<u>879,044</u>	<u>10,454,852</u>
Capital assets being depreciated:				
Buildings and improvements	116,446,966	517,096		116,964,062
Land improvements	5,147,219	365,558		5,512,777
Machinery and equipment	14,432,044	437,603	276,845	14,592,802
Infrastructure	<u>17,611,087</u>	<u>890,803</u>		<u>18,501,890</u>
Total capital assets being depreciated	<u>153,637,316</u>	<u>2,211,060</u>	<u>276,845</u>	<u>155,571,531</u>
Less accumulated depreciation for:				
Buildings and improvements	52,290,856	4,326,657		56,617,513
Land improvements	2,405,331	263,454		2,668,785
Machinery and equipment	8,940,199	671,975	276,845	9,335,329
Infrastructure	<u>7,518,874</u>	<u>381,432</u>		<u>7,900,306</u>
Total accumulated depreciation	<u>71,155,260</u>	<u>5,643,518</u>	<u>276,845</u>	<u>76,521,933</u>
Total capital assets being depreciated, net	<u>82,482,056</u>	<u>(3,432,458)</u>	<u>-</u>	<u>79,049,598</u>
Governmental Activities Capital Assets, Net	<u>\$ 93,683,535</u>	<u>\$ (3,300,041)</u>	<u>\$ 879,044</u>	<u>\$ 89,504,450</u>

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 232,950	\$	\$	\$ 232,950
Machinery and equipment	<u>228,919</u>	<u> </u>	<u> </u>	<u>228,919</u>
Total capital assets being depreciated	<u>461,869</u>	<u>-</u>	<u>-</u>	<u>461,869</u>
Less accumulated depreciation for:				
Buildings and improvements	146,901	5,158		152,059
Machinery and equipment	<u>175,918</u>	<u>3,660</u>	<u> </u>	<u>179,578</u>
Total accumulated depreciation	<u>322,819</u>	<u>8,818</u>	<u>-</u>	<u>331,637</u>
Business-Type Activities Capital Assets, Net	<u>\$ 139,050</u>	<u>\$ (8,818)</u>	<u>\$ -</u>	<u>\$ 130,232</u>

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

Governmental activities:	
General Government	\$ 105,496
Public Safety	207,553
Public Works	407,933
Health and Sanitation	2,764
Culture and recreation	332,007
Utility	780
Education	<u>4,586,985</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,643,518</u>
Business-type activities:	
Water supply system	\$ 5,158
Recycling and transfer station	<u>3,660</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,818</u>

Construction Commitments

The government has no active construction projects as of June 30, 2016.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

D. Interfund Receivables, Payables and Transfers

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 3,627,116
Internal Service Fund	General Fund	3,661,204
Nonmajor Enterprise Funds	General Fund	135,956
Fiduciary Funds	General Fund	152,626
General Fund	Fiduciary Funds	103,461
General Fund	Nonmajor Enterprise Funds	87,750
General Fund	Nonmajor Governmental Funds	<u>507,846</u>
	Total	<u>\$ 8,275,959</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Business-Type Funds</u>	
Transfers out:				
General Fund	\$	\$ 1,390,555	\$ 131,564	\$ 1,522,119
Nonmajor Enterprise Funds	30,000			30,000
Nonmajor Governmental Funds	<u>138,000</u>			<u>138,000</u>
Total	<u>\$ 168,000</u>	<u>\$ 1,390,555</u>	<u>\$ 131,564</u>	<u>\$ 1,690,119</u>

As of June 30, 2106, there were advances from the General Fund to the Capital Improvements Fund in the amount of \$540,185 in order to finance school construction projects that will later be reimbursed from the State of Connecticut.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 43,475,000	\$	\$ 4,510,000	\$ 38,965,000	\$ 4,640,000
Unamortized premium	3,450,660		488,757	2,961,903	
Total bonds payable	46,925,660	-	4,998,757	41,926,903	4,640,000
Capital leases	197,273	481,280	223,262	455,291	215,840
Compensated absences	1,674,808	36,713	93,192	1,618,329	410,403
Net pension liability	5,345,443	2,133,371		7,478,814	
MERS prior service costs	418,364		138,306	280,058	111,282
Net OPEB obligation	852,431	154,527		1,006,958	
Total Governmental Activities					
Long-Term Liabilities	\$ <u>55,413,979</u>	\$ <u>2,805,891</u>	\$ <u>5,453,517</u>	\$ <u>52,766,353</u>	\$ <u>5,377,525</u>

For the governmental activities, compensated absences, net pension liability and net OPEB obligations are generally liquidated by the General Fund.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2016</u>
General purpose:						
General obligation	4/1/10	8/1/24	3-4.00%	\$ 5,800,000	various	\$ 4,200,000
General obligation	4/1/10	8/1/23	3.00%	44,250,000	various	31,970,000
General obligation	4/1/12	5/1/27	2.125-2.375%	2,795,000	various	2,795,000
Total Outstanding				\$ <u>52,845,000</u>		\$ <u>38,965,000</u>

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,640,000	\$ 1,668,838
2018	4,780,000	1,457,213
2019	4,840,000	1,238,588
2020	4,990,000	1,016,213
2021	5,000,000	780,725
2022-2026	14,350,000	1,009,013
2027	<u>365,000</u>	<u>8,669</u>
	<u>\$ 38,965,000</u>	<u>\$ 7,179,259</u>

Capital Leases

The Town has entered into multi-year capital leases for the purchase of various capital items including machinery and equipment.

The net book value approximates the capital lease principal balance payable at June 30, 2016.

The following is a summary of capital lease commitments as of June 30, 2016:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 248,505
2018	123,105
2019	123,105
Less amount for interest	<u>(39,424)</u>
	<u>\$ 455,291</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2016 is \$808,040. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**TOWN OF WESTON, CONNECTICUT
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 JUNE 30, 2016**

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>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 150,610,757	\$ 2,601,154	\$ 148,009,603
Schools	301,221,513	37,235,140	263,986,373
Sewers	251,017,928	-	251,017,928
Urban renewal	217,548,871	-	217,548,871
Pension deficit	200,814,342	-	200,814,342

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, the funds from the Town budget are paid to the Georgetown Fire District for the Town's share of operating expenses. As of June 30, 2016, the Georgetown Fire District has approximately \$956,135 of outstanding indebtedness and the Town's share is estimated to be \$63,254.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:			
Nonspendable:			
Inventory	\$ 66,421	\$ 13,391	\$ 79,812
Permanent Fund - Education		100,000	100,000
School Construction	540,185		540,185
Restricted for:			
Grants		2,077,931	2,077,931
Committed to:			
General government		233,591	233,591
Public safety		25,243	25,243
Education	214,903	159,820	374,723
Elderly services		119,932	119,932
Other community services		74,903	74,903
Youth services		106,050	106,050
Insurance reserves	329,500		329,500
Various capital projects		2,137,630	2,137,630
Assigned to:			
General government encumbrances	746		746
Public safety encumbrances	5,600		5,600
Culture and recreation encumbrances	6,755		6,755
Education enumbrances	135,246		135,246
Unassigned	<u>12,511,772</u>		<u>12,511,772</u>
 Total Fund Balances	 <u>\$ 13,811,128</u>	 <u>\$ 5,048,491</u>	 <u>\$ 18,859,619</u>

4. EMPLOYEE RETIREMENT PLAN

Municipal Employees' Retirement System

A. Plan Description

All full-time employees, except teachers who are eligible to participate in the State of Connecticut Teachers' Retirement System, participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

B. Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

Employees who are totally and permanently disabled and such disability has arisen out of an in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability. are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement - Non-Service Connected

Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit

Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and reduced 50% joint and survivor allowance.

C. Contributions

Member - Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Employer - Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

At June 30, 2016, the Town reports a total liability of \$7,478,814 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2014. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2016, the Town's proportion was 3.88%. The decrease in proportion from June 30, 2015 was .12%.

For the year ended June 30, 2016, the Town recognized pension expense of \$1,418,051. At June 30, 2016, the Town reported deferred inflows of resources and deferred outflows of resources related to pension from the following sources:

<u>Governmental Activities</u>	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 567,157
Town contributions subsequent to the measurement date	<u>1,661,121</u>
Total	<u>\$ 2,228,278</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2017	\$ 30,635
2018	30,635
2019	30,635
2020	<u>475,252</u>
	<u>\$ 567,157</u>

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 - 11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table for annuitants and nonannuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	0.4%
Total	<u>100%</u>	

E. Discount Rate

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

**TOWN OF WESTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

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

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

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's proportionate share of the net pension liability	\$ 13,565,653	\$ 7,478,814	\$ 2,339,122

G. Plan Fiduciary Net Position

For the fiscal year ended June 30, 2015, the fiduciary net position of the MERS plan was restated to change the method of accounting for contributions receivable from a present value method to a gross method. The result of the restatement was to decrease the net pension liability and increase the July 1, 2014 fiduciary net position of the MERS plan by \$139,565,000. The effect on the Town of Weston's financial statements was to decrease the net pension liability and increase the government activities' net position as shown in Note 7.

H. Payable to MERS

In addition, the Town has also recorded \$280,058 as a long-term payable to MERS at June 30, 2016. This amount represents prior service costs calculated when the Town entered the plan, as such, the Town has restated beginning net position. The effect of the restatement was to decrease beginning net position and increase accounts payable to MERS as shown in Note 7.

Teachers Retirement

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

**TOWN OF WESTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

Employees

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

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>60,087,491</u>
Total	\$	<u><u>60,087,491</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, the Town has no proportionate share of the net pension liability.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$4,814,522 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (Non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

**TOWN OF WESTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

F. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

5. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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, 2015. The Town does not issue a stand-alone financial report for the plan.

At July 1, 2015, plan membership consisted of the following:

	Retiree Benefit Program
Retirees and beneficiaries receiving benefits	75
Active plan members	467
	<u>542</u>

Funding Policy

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.

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Annual OPEB Cost and Net OPEB Obligations

The Town's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (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 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	Retiree Benefit Program
Annual required contribution (ARC)	\$ 1,067,000
Interest on net OPEB obligation	57,539
Adjustment to annual required contribution	<u>(112,310)</u>
Annual OPEB cost	1,012,229
Contributions made	<u>857,702</u>
Change in net OPEB obligation	154,527
Net OPEB obligation, beginning of year	<u>852,431</u>
Net OPEB Obligation, End of Year	<u><u>\$ 1,006,958</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended June 30, 2016 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2014	\$ 1,470,918	\$ 1,019,244	69.3%	\$ 333,593
6/30/2015	1,030,407	511,569	49.6%	852,431
6/30/2016	1,012,229	857,702	84.7%	1,006,958

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 accrual results are compared with past expectations and new estimates are made about the future.

**TOWN OF WESTON, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

Projections for 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 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.

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 6.75% discount rate. The annual healthcare cost trend rate varies by age and between the various groups and was 8.5% for 2015, decreasing .5% per year to an ultimate rate of 5.0% for 2021 and later. The general inflation assumption is 3%. Projected salary increases were 4%. The UAAL will be amortized using a 10-year open-ended amortization period as a level percentage of projected payroll.

6. OTHER INFORMATION

A. Risk Management

Town

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2016.

The Town purchases commercial insurance for all other 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 loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; employee health and medical; and natural disasters. 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. Claims payable are reported as a component of accounts payables and accruals in the statement of net position.

Changes in the claims liability for the past two years are as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2014-15	\$ 725,000	\$ 7,163,269	\$ 7,114,647	\$ 773,622
2015-16	773,622	8,145,304	8,050,964	867,962

**TOWN OF WESTON, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

B. Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town’s financial position.

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

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

7. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

Prior period adjustments were made with respect to the Town’s participation in the State of Connecticut Municipal Employees’ Retirement System as noted in Note 4G. In addition, the Town reclassified fund types for Mariana Clark Trust and Greyledge Fund and restated the General Fund to include accrued payroll not previously reported.

	Governmental Activities Net Position	Net Pension Liability	General Fund	Payable to MERS	Nonmajor Governmental Funds	Net Position Held in Trust
Balance - June 30, 2015, as previously reported	\$ 61,667,291	\$ 5,674,590	\$ 13,376,308	\$	\$ 4,659,329	\$ 130,064
Adjustments:						
Change in fund type - Mariana Clark Trust	130,064				130,064	(130,064)
Change in fund type - Greyledge Fund	(123,725)				(123,725)	123,725
Change in method of accounting for contributions	329,147	(329,147)				
Accrued payroll	(188,529)		(188,529)			
Payable related to prior service costs	(418,364)			418,364		
Balance - July 1, 2015, as Restated	<u>\$ 61,395,884</u>	<u>\$ 5,345,443</u>	<u>\$ 13,187,779</u>	<u>\$ 418,364</u>	<u>\$ 4,665,668</u>	<u>\$ 123,725</u>

**TOWN OF WESTON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes, Interest and Lien Fees:				
Property taxes	\$ 66,109,943	\$ 66,109,943	\$ 66,709,942	\$ 599,999
Interest and lien fees	275,000	275,000	283,869	8,869
Total	<u>66,384,943</u>	<u>66,384,943</u>	<u>66,993,811</u>	<u>608,868</u>
Intergovernmental revenues:				
Education	965,364	965,364	846,846	(118,518)
Highway maintenance	125,997	251,516	251,636	120
Property tax relief	20,000	20,000	20,651	651
Telecommunications personal property tax	25,000	25,000	28,049	3,049
Local Capital Improvement Grant	66,051	66,051	130,446	64,395
Mashantucket Pequot grant			9,496	9,496
Municipal Video Competition	12,000	12,000		(12,000)
Total	<u>1,214,412</u>	<u>1,339,931</u>	<u>1,287,124</u>	<u>(52,807)</u>
Income from Investments	<u>250,000</u>	<u>250,000</u>	<u>372,233</u>	<u>122,233</u>
Charges for Services:				
Building inspections	220,000	220,000	205,422	(14,578)
Town Clerk fees	450,000	450,000	424,519	(25,481)
ZBA hearing fees	1,500	1,500	1,998	498
Planning and Zoning Commission fees	23,000	23,000	19,777	(3,223)
Conservation Commission fees	14,000	14,000	18,811	4,811
Rental income			2,220	2,220
Police report fees and fines	4,000	4,000	4,694	694
Selectman's Office fees	1,500	1,500	680	(820)
Public library receipts			260	260
Miscellaneous Town and Board of Education	15,000	15,000	70,594	55,594
Animal Control Fees	10,000	10,000	11,844	1,844
Booster Barn Repayment	19,000	19,000	12,540	(6,460)
Assessor's copier receipts	700	700	484	(216)
Freedom of information			411	411
Total	<u>758,700</u>	<u>758,700</u>	<u>774,254</u>	<u>15,554</u>
Total revenues	68,608,055	68,733,574	69,427,422	693,848
Other Financing Sources:				
Transfers In	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>	<u>-</u>
Total Revenue and Other Financing Sources	\$ <u>68,776,055</u>	\$ <u>68,901,574</u>	69,595,422	\$ <u>693,848</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	4,814,522
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	863,251
Proceeds from capital lease not budgeted	481,280
BOE miscellaneous fund included in General Fund for GAAP purposes, but separate for budgetary purposes	<u>650,315</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 76,404,790

TOWN OF WESTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General government:				
Administration	\$ 876,863	\$ 559,518	\$ 559,514	\$ 4
General administration	4,465,100	4,265,687	4,265,687	-
Information systems	186,772	217,759	217,759	-
Probate court	4,000	1,837	1,837	-
Election/registrars	49,701	55,196	55,196	-
Board of Finance	53,500	53,700	53,700	-
Assessor	123,820	130,809	130,809	-
Tax Collector	100,444	109,474	109,474	-
Legal counsel	263,580	172,084	172,084	-
Town clerk	129,953	135,980	135,980	-
Land Use Department	356,996	379,029	379,029	-
Total	<u>6,610,729</u>	<u>6,081,073</u>	<u>6,081,069</u>	<u>4</u>
Public safety:				
Police services	1,799,730	2,118,479	2,118,479	-
Fire Marshal	55,769	56,906	56,906	-
Weston Volunteer Fire Department	231,473	227,677	227,677	-
Communications Center	369,856	418,326	418,326	-
Dog registration	77,124	78,168	78,168	-
Total	<u>2,533,952</u>	<u>2,899,556</u>	<u>2,899,556</u>	<u>-</u>
Public works:				
Highway	1,820,468	2,029,071	2,029,071	-
Water System Schools	36,200	30,052	30,052	-
Total	<u>1,856,668</u>	<u>2,059,123</u>	<u>2,059,123</u>	<u>-</u>
Health and welfare:				
Westport/Weston Health District	209,485	209,483	209,483	-
Westport/Weston Paramedic	136,987	136,987	136,987	-
Southwestern Connecticut Emergency	13,116	13,116	13,116	-
Human Services	77,969	79,404	79,404	-
Total	<u>437,557</u>	<u>438,990</u>	<u>438,990</u>	<u>-</u>
Recreation				
Weston Public Library	431,060	445,179	445,179	-
Commission for the elderly	117,376	122,032	122,032	-
Recreation department expenditures	194,017	225,150	225,150	-
Park and school field maintenance	153,507	134,954	134,954	-
Middle School pool	81,325	79,949	79,949	-
Total	<u>977,285</u>	<u>1,007,264</u>	<u>1,007,264</u>	<u>-</u>

(Continued on next page)

TOWN OF WESTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service:				
Principal	\$ 4,510,000	\$ 4,510,000	\$ 4,510,000	\$ -
Interest	1,880,963	1,880,963	1,880,963	-
Total	<u>6,390,963</u>	<u>6,390,963</u>	<u>6,390,963</u>	<u>-</u>
Education:				
Board of Education	<u>48,503,782</u>	<u>48,503,782</u>	<u>48,502,576</u>	<u>1,206</u>
Total expenditures	<u>67,310,936</u>	<u>67,380,751</u>	<u>67,379,541</u>	<u>1,210</u>
Other Financing Uses:				
Transfers out:				
Capital Nonrecurring Fund	1,304,558	1,336,558	1,336,558	-
Solid Waste Disposal	88,104	113,104	113,104	-
Water Supply System	18,460	18,460	18,460	-
Senior Citizens Center	18,891	18,891	18,891	-
Youth Service Bureau	35,106	35,106	35,106	-
Total other financing uses	<u>1,465,119</u>	<u>1,522,119</u>	<u>1,522,119</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 68,776,055</u>	<u>\$ 68,902,870</u>	68,901,660	<u>\$ 1,210</u>
Budgetary expenditures are different than GAAP expenditures because:				
Encumbrances outstanding at June 30, 2016			(148,347)	
Liquidation of prior year encumbrances			188,305	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			4,814,522	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			863,251	
Capital outlay for lease not budgeted			481,280	
The Town does not budget for accrued payroll services at year end, the accrued liability is charged to the subsequent year's budget			50,848	
BOE miscellaneous fund included in General Fund for GAAP purposes, but separate for budgetary purposes			<u>629,922</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 75,781,441</u>	

TOWN OF WESTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT FUND
LAST TWO FISCAL YEARS

	(As Restated)	
	2015	2016
Town's proportion of the net pension liability	4.00%	3.88%
Town's proportionate share of the net pension liability	\$ 5,345,443	\$ 7,478,814
Town's covered-employee payroll	\$ 11,677,979	\$ 12,749,412
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.77%	58.66%
Plan fiduciary net position as a percentage of the total pension liability	90.48%	92.72%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

**TOWN OF WESTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ N/A	\$ 1,798,012	\$ 1,555,127	\$ 1,661,121						
Contributions in relation to the actuarially determined contribution	N/A	1,798,012	1,555,127	1,661,121						
Contribution Deficiency (Excess)	\$ <u>N/A</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>						
Covered-employee payroll	N/A	11,677,979	11,677,979	12,749,412						
Contributions as a percentage of covered-employee payroll	N/A	15.4%	13.3%	13.0%						

Notes to Schedule

Valuation date: June 30, 2014
 Measurement date: June 30, 2015
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age
 Amortization method: Level dollar, closed
 Single equivalent amortization period: 27 years
 Asset valuation method: 5 years smoothed market (20% write up)
 Inflation: 3.25%
 Salary increases: 4.25% - 11%, including inflation
 Investment rate of return: 8%, net of investment related expense
 Changes in assumptions: In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

N/A - not available

TOWN OF WESTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2016</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>55,466,917</u>	<u>60,087,491</u>
Total	<u>\$ 55,466,917</u>	<u>\$ 60,087,491</u>
Town's covered-employee payroll	\$ 16,700,777	\$ 17,382,579
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%

**TOWN OF WESTON, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS
JUNE 30, 2016**

Schedule of Funding Progress (in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2011	\$ 3,297	\$ 10,436	\$ (7,139)	31.59%	\$ 28,888	-24.7%
7/1/2013	5,062	10,921	(5,859)	46.35%	29,899	-19.6%
7/1/2015	6,964	10,916	(3,952)	63.80%	31,074	-12.7%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2011	\$ 1,900,000	\$ 1,958,900	103.1%
6/30/2012	1,975,000	1,916,000	97.0%
6/30/2013	1,403,000	934,926	66.7%
6/30/2014	1,461,000	1,019,244	69.8%
6/30/2015	1,051,000	511,569	48.7%
6/30/2016	1,067,000	857,702	80.4%

**TOWN OF WESTON, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2016**

	<u>General Fund</u>	<u>BOE Miscellaneous</u>	<u>Total General Fund</u>
ASSETS			
Cash and cash equivalents	\$ 8,115,038	\$ 681,553	\$ 8,796,591
Investments	12,955,801		12,955,801
Receivables, net of allowances:			
Property taxes	2,103,197		2,103,197
Intergovernmental and other	939,359	161,747	1,101,106
Inventories	66,421		66,421
Due from other funds	699,057		699,057
Advances to other funds	540,185		540,185
	<u>25,419,058</u>	<u>843,300</u>	<u>26,262,358</u>
Total Assets	\$ <u>25,419,058</u>	\$ <u>843,300</u>	\$ <u>26,262,358</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 1,774,063	\$	\$ 1,774,063
Due to other funds	6,948,505	628,397	7,576,902
Unearned revenue	385,508		385,508
Total liabilities	<u>9,108,076</u>	<u>628,397</u>	<u>9,736,473</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	<u>2,714,757</u>		<u>2,714,757</u>
Fund Balance:			
Nonspendable	606,606		606,606
Restricted			-
Committed	329,500	214,903	544,403
Assigned	148,347		148,347
Unassigned	12,511,772		12,511,772
Total fund balance	<u>13,596,225</u>	<u>214,903</u>	<u>13,811,128</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>25,419,058</u>	\$ <u>843,300</u>	\$ <u>26,262,358</u>

TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
JUNE 30, 2016

	<u>General Fund</u>	<u>BOE Miscellaneous</u>	<u>Total General Fund</u>
Revenues:			
Property taxes	\$ 66,993,811	\$	\$ 66,993,811
Intergovernmental	6,964,897		6,964,897
Income on investments	372,233		372,233
Charges for services	703,660	650,315	1,353,975
Miscellaneous	70,594		70,594
Total revenues	<u>75,105,195</u>	<u>650,315</u>	<u>75,755,510</u>
Expenditures:			
Current:			
General government	6,085,372		6,085,372
Public safety	2,921,908		2,921,908
Public works	2,070,663		2,070,663
Health and welfare	442,393		442,393
Culture and recreation	1,003,413		1,003,413
Education	54,714,688	629,922	55,344,610
Debt service:			
Principal retirement	4,510,000		4,510,000
Interest and other charges	1,880,963		1,880,963
Total expenditures	<u>73,629,400</u>	<u>629,922</u>	<u>74,259,322</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,475,795</u>	<u>20,393</u>	<u>1,496,188</u>
Other Financing Sources (Uses):			
Proceeds from leases	481,280		481,280
Transfers in	168,000		168,000
Transfers out	(1,522,119)		(1,522,119)
Total other financing sources (uses)	<u>(872,839)</u>	<u>-</u>	<u>(872,839)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	602,956	20,393	623,349
Fund Balance at Beginning of Year	<u>12,993,269</u>	<u>194,510</u>	<u>13,187,779</u>
Fund Balance at End of Year	<u>\$ 13,596,225</u>	<u>\$ 214,903</u>	<u>\$ 13,811,128</u>

TOWN OF WESTON, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Special Revenue Funds								
	<u>School Lunch</u>	<u>Board of Education Grants</u>	<u>Youth Service Bureau</u>	<u>Library Board Fund</u>	<u>Senior Citizens Center</u>	<u>Communications Tower</u>	<u>Weston High School Fund</u>	<u>Horace B. Hurlbutt Memorial Trust</u>	<u>Morehouse Elderly Assistance</u>
ASSETS									
Cash and cash equivalents	\$ 171,768	\$ 489,204	\$	\$ 2,023,055	\$ 16,587	\$	\$ 8,390	\$ 14,647	\$ 114,513
Other receivables, net			1,098		200				
Due from State	8,144	14,141							
Due from other funds			124,701			231,634			5,419
Inventory	<u>13,391</u>								
Total Assets	<u>\$ 193,303</u>	<u>\$ 503,345</u>	<u>\$ 125,799</u>	<u>\$ 2,023,055</u>	<u>\$ 16,787</u>	<u>\$ 231,634</u>	<u>\$ 8,390</u>	<u>\$ 14,647</u>	<u>\$ 119,932</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued items	\$ 59,112	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds		447,888			2,572				
Advances from other funds									
Unearned revenue		43,082	19,749						
Total liabilities	<u>59,112</u>	<u>490,970</u>	<u>19,749</u>	<u>-</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable	13,391								
Restricted		12,375		2,023,055	14,215				
Committed	120,800		106,050			231,634	8,390	14,647	119,932
Total fund balances	<u>134,191</u>	<u>12,375</u>	<u>106,050</u>	<u>2,023,055</u>	<u>14,215</u>	<u>231,634</u>	<u>8,390</u>	<u>14,647</u>	<u>119,932</u>
Total Liabilities and Fund Balances	<u>\$ 193,303</u>	<u>\$ 503,345</u>	<u>\$ 125,799</u>	<u>\$ 2,023,055</u>	<u>\$ 16,787</u>	<u>\$ 231,634</u>	<u>\$ 8,390</u>	<u>\$ 14,647</u>	<u>\$ 119,932</u>

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TOWN OF WESTON, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2016

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total
	Social Services Fund	Lachat Community Farm	Gifts and Grants	FEMA Storm Activity	Capital Improvements	Reservable Fund for Capital and Nonrecurring Expenditures	Police Special Duty Vehicle Fund	Mariana Clark Fund	
ASSETS									
Cash and cash equivalents	\$ 78,983	\$	\$	\$	\$	\$	\$	\$ 130,630	\$ 3,047,777
Other receivables, net									1,298
Due from State									22,285
Due from other funds			32,698	28,286	1,298,345	1,880,790	25,243		3,627,116
Inventory									13,391
Total Assets	\$ <u>78,983</u>	\$ <u>-</u>	\$ <u>32,698</u>	\$ <u>28,286</u>	\$ <u>1,298,345</u>	\$ <u>1,880,790</u>	\$ <u>25,243</u>	\$ <u>130,630</u>	\$ <u>6,711,867</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued items	\$ 635	\$	\$ 12,000	\$	\$	\$ 3,464	\$	\$	\$ 75,211
Due to other funds	3,445	10,576			43,365				507,846
Advances from other funds					540,185				540,185
Unearned revenue			22,812		454,491				540,134
Total liabilities	<u>4,080</u>	<u>10,576</u>	<u>34,812</u>	<u>-</u>	<u>1,038,041</u>	<u>3,464</u>	<u>-</u>	<u>-</u>	<u>1,663,376</u>
Fund Balances:									
Nonspendable								100,000	113,391
Restricted				28,286					2,077,931
Committed	74,903	(10,576)	(2,114)		260,304	1,877,326	25,243	30,630	2,857,169
Total fund balances	<u>74,903</u>	<u>(10,576)</u>	<u>(2,114)</u>	<u>28,286</u>	<u>260,304</u>	<u>1,877,326</u>	<u>25,243</u>	<u>130,630</u>	<u>5,048,491</u>
Total Liabilities and Fund Balances	\$ <u>78,983</u>	\$ <u>-</u>	\$ <u>32,698</u>	\$ <u>28,286</u>	\$ <u>1,298,345</u>	\$ <u>1,880,790</u>	\$ <u>25,243</u>	\$ <u>130,630</u>	\$ <u>6,711,867</u>

TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds								
	<u>School Lunch</u>	<u>Board of Education Grants</u>	<u>Youth Service Bureau</u>	<u>Library Board Fund</u>	<u>Senior Citizens Center</u>	<u>Communications Tower</u>	<u>Weston High School Fund</u>	<u>Horace B. Hurlbutt Memorial Trust</u>	<u>Morehouse Elderly Assistance</u>
Revenues:									
Intergovernmental revenues	\$ 110,634	\$ 767,351	\$ 18,653	\$	\$	\$	\$	\$	\$ 2,763
Other local revenues:									
Charges for services	1,455,246		1,027	69,189		176,114	502	1,254	
Interest and dividends									1,428
Other revenue			204,173		41,077				
Total revenues	<u>1,565,880</u>	<u>767,351</u>	<u>223,853</u>	<u>69,189</u>	<u>41,077</u>	<u>176,114</u>	<u>502</u>	<u>1,254</u>	<u>4,191</u>
Expenditures:									
General government			263,060	9,152	59,968	48,492			1,000
Public safety									
Education	1,533,857	767,351					2,500		
Capital outlay									
Total expenditures	<u>1,533,857</u>	<u>767,351</u>	<u>263,060</u>	<u>9,152</u>	<u>59,968</u>	<u>48,492</u>	<u>2,500</u>	<u>-</u>	<u>1,000</u>
Excess (Deficiency) of Revenues over Expenditures	32,023	-	(39,207)	60,037	(18,891)	127,622	(1,998)	1,254	3,191
Other Financing Sources:									
Transfers in			35,106		18,891				
Transfers out						(138,000)			
Net Change in Fund Balances	32,023	-	(4,101)	60,037	-	(10,378)	(1,998)	1,254	3,191
Fund Balances at Beginning of Year	<u>102,168</u>	<u>12,375</u>	<u>110,151</u>	<u>1,963,018</u>	<u>14,215</u>	<u>242,012</u>	<u>10,388</u>	<u>13,393</u>	<u>116,741</u>
Fund Balances at End of Year	<u>\$ 134,191</u>	<u>\$ 12,375</u>	<u>\$ 106,050</u>	<u>\$ 2,023,055</u>	<u>\$ 14,215</u>	<u>\$ 231,634</u>	<u>\$ 8,390</u>	<u>\$ 14,647</u>	<u>\$ 119,932</u>

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TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			Capital Project Funds				Permanent Fund	Total
	Social Services Fund	Lachat Community Farm	Gifts and Grants	FEMA Storm Activity	Capital Improvements	Reservable Fund for Capital and Nonrecurring Expenditures	Police Special Duty Vehicle Fund	Mariana Clark Trust	
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$ 899,401
Other local revenues:									
Charges for services									1,703,332
Interest and dividends								566	1,994
Other revenue	24,524	83,276	32,994		650,308	25,396	36,895		1,098,643
Total revenues	24,524	83,276	32,994	-	650,308	25,396	36,895	566	3,703,370
Expenditures:									
General government	7,839	90,155	32,994						512,660
Public safety							70,494		70,494
Education									2,303,708
Capital outlay					36,929	1,649,311			1,686,240
Total expenditures	7,839	90,155	32,994	-	36,929	1,649,311	70,494	-	4,573,102
Excess (Deficiency) of Revenues over Expenditures	16,685	(6,879)	-	-	613,379	(1,623,915)	(33,599)	566	(869,732)
Other Financing Sources:									
Transfers in						1,336,558			1,390,555
Transfers out									(138,000)
Net Change in Fund Balances	16,685	(6,879)	-	-	613,379	(287,357)	(33,599)	566	382,823
Fund Balances at Beginning of Year	58,218	(3,697)	(2,114)	28,286	(353,075)	2,164,683	58,842	130,064	4,665,668
Fund Balances at End of Year	\$ 74,903	\$ (10,576)	\$ (2,114)	\$ 28,286	\$ 260,304	\$ 1,877,326	\$ 25,243	\$ 130,630	\$ 5,048,491

**TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2016**

	<u>Water Supply System</u>	<u>Self- Funded Recreation Programs</u>	<u>Recycling and Transfer Station</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 10,193	\$ 101,998	\$	\$ 112,191
Due from other funds		135,956		135,956
Accounts receivable, net	6,408	1,932	30,769	39,109
Total current assets	<u>16,601</u>	<u>239,886</u>	<u>30,769</u>	<u>287,256</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>56,383</u>		<u>73,849</u>	<u>130,232</u>
Total assets	<u>72,984</u>	<u>239,886</u>	<u>104,618</u>	<u>417,488</u>
Liabilities:				
Current liabilities:				
Unearned revenue		54,626		54,626
Due to other funds	35,134		52,616	87,750
Total current liabilities	<u>35,134</u>	<u>54,626</u>	<u>52,616</u>	<u>142,376</u>
Net Position:				
Net investment in capital assets	56,383		73,849	130,232
Unrestricted	<u>(18,533)</u>	<u>185,260</u>	<u>(21,847)</u>	<u>144,880</u>
Total Net Position	<u>\$ 37,850</u>	<u>\$ 185,260</u>	<u>\$ 52,002</u>	<u>\$ 275,112</u>

TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Water Supply System</u>	<u>Self- Funded Recreation Programs</u>	<u>Recycling and Transfer Station</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 19,266	\$ 434,910	\$ 272,606	\$ 726,782
Operating Expenses:				
Salaries, wages, employee benefits	34,696	372,008	386,824	793,528
Depreciation expense	5,158		3,660	8,818
Total operating expenses	<u>39,854</u>	<u>372,008</u>	<u>390,484</u>	<u>802,346</u>
Operating Income (Loss)	(20,588)	62,902	(117,878)	(75,564)
Nonoperating Revenues:				
Income on investments	<u>170</u>	<u>297</u>		<u>467</u>
Income (Loss) Before Transfers	(20,418)	63,199	(117,878)	(75,097)
Transfers				
Transfers In	18,460		113,104	131,564
Transfers Out		<u>(30,000)</u>		<u>(30,000)</u>
Change in Net Position	(1,958)	33,199	(4,774)	26,467
Net Position at Beginning of Year	<u>39,808</u>	<u>152,061</u>	<u>56,776</u>	<u>248,645</u>
Net Position at End of Year	<u>\$ 37,850</u>	<u>\$ 185,260</u>	<u>\$ 52,002</u>	<u>\$ 275,112</u>

TOWN OF WESTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Water Supply System</u>	<u>Self- Funded Recreation Programs</u>	<u>Recycling and Transfer Station</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 19,449	\$ 416,876	\$ 267,601	\$ 703,926
Payments to employees	<u>(58,460)</u>	<u>(364,590)</u>	<u>(380,705)</u>	<u>(803,755)</u>
Net cash provided by (used in) operating activities	<u>(39,011)</u>	<u>52,286</u>	<u>(113,104)</u>	<u>(99,829)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in from other funds	18,460		113,104	131,564
Transfers out to other funds		<u>(30,000)</u>		<u>(30,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>18,460</u>	<u>(30,000)</u>	<u>113,104</u>	<u>101,564</u>
Cash Flows from Investing Activities:				
Interest on investments	170	297		467
Net cash provided by (used in) investing activities	<u>170</u>	<u>297</u>	<u>-</u>	<u>467</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(20,381)	22,583	-	2,202
Cash and Cash Equivalents at Beginning of Year	<u>30,574</u>	<u>79,415</u>	<u>-</u>	<u>109,989</u>
Cash and Cash Equivalents at End of Year	<u>\$ 10,193</u>	<u>\$ 101,998</u>	<u>\$ -</u>	<u>\$ 112,191</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (20,588)	\$ 62,902	\$ (117,878)	\$ (75,564)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	5,158		3,660	8,818
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	183	(2)	(5,005)	(4,824)
(Increase) decrease in due from other other funds		8,018		8,018
Increase (decrease) in unearned revenue		(18,032)		(18,032)
Increase (decrease) in due to other funds	<u>(23,764)</u>	<u>(600)</u>	<u>6,119</u>	<u>(18,245)</u>
Total adjustments	<u>(18,423)</u>	<u>(10,616)</u>	<u>4,774</u>	<u>(24,265)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (39,011)</u>	<u>\$ 52,286</u>	<u>\$ (113,104)</u>	<u>\$ (99,829)</u>

**TOWN OF WESTON, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Student Activities Fund				
Assets:				
Cash and cash equivalents	\$ <u>278,977</u>	\$ <u>697,069</u>	\$ <u>677,168</u>	\$ <u>298,878</u>
Liabilities:				
Fiduciary deposits	\$ <u>278,977</u>	\$ <u>697,069</u>	\$ <u>677,168</u>	\$ <u>298,878</u>
Police Survivor				
Assets:				
Cash and cash equivalents	\$ <u>5,199</u>	\$ <u>7</u>	\$ <u>-</u>	\$ <u>5,206</u>
Liabilities:				
Fiduciary deposits	\$ <u>5,199</u>	\$ <u>7</u>	\$ <u>-</u>	\$ <u>5,206</u>
School Athletic				
Assets:				
Cash and cash equivalents	\$ <u>12,671</u>	\$ <u>200,241</u>	\$ <u>196,648</u>	\$ <u>16,264</u>
Liabilities:				
Fiduciary deposits	\$ <u>12,671</u>	\$ <u>200,241</u>	\$ <u>196,648</u>	\$ <u>16,264</u>
Totals				
Assets:				
Cash and cash equivalents	\$ <u>296,847</u>	\$ <u>897,317</u>	\$ <u>873,816</u>	\$ <u>320,348</u>
Liabilities:				
Fiduciary deposits	\$ <u>296,847</u>	\$ <u>897,317</u>	\$ <u>873,816</u>	\$ <u>320,348</u>

**TOWN OF WESTON, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2016**

Grand List of October 1,	Uncollected Taxes June 30, 2015 and Current Levy	Certificates of Corrections	Refunds	Transfers to Suspense	Lawful Additions	Adjusted Tax Levy	Collections				Uncollected Taxes June 30, 2016
							Taxes	Interest	Liens	Total	
2014	\$ 67,141,496	\$ 109,959	\$ 61,794	\$	\$ 74,786	\$ 67,168,117	\$ 66,318,396	\$ 182,864	\$ 168	\$ 66,501,428	\$ 849,721
2013	751,822	15,875	(27,104)		502	709,345	231,005	44,869	463	276,337	478,340
2012	351,551	5,703	213		12	346,073	16,119	6,006	48	22,173	329,954
2011	261,404	5,751	677			256,330	31,404	32,534	120	64,058	224,926
2010	170,874	5,418	215			165,671	14,971	5,604	96	20,671	150,700
2009	110,060	5,400	215		2,568	107,443	7,035	3,406	72	10,513	100,408
2008	88,563	5,131			815	84,247	6,351	2,209	48	8,608	77,896
2007	66,786	5,226			623	62,183	3,475	1,540	48	5,063	58,708
2006	48,789	5,084			66	43,771	66	177		243	43,705
2005	20,877				147	21,024	147	228		375	20,877
2004	9				376	385	376	643		1,019	9
2003	10,006					10,006					10,006
2002 and prior		1,483			3,632	2,149	2,149	4,826		6,975	-
	<u>\$ 69,022,237</u>	<u>\$ 165,030</u>	<u>\$ 36,010</u>	<u>\$ -</u>	<u>\$ 83,527</u>	<u>\$ 68,976,744</u>	<u>\$ 66,631,494</u>	<u>\$ 284,906</u>	<u>\$ 1,063</u>	<u>\$ 66,917,463</u>	<u>\$ 2,345,250</u>

TOWN OF WESTON, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2016
(In Thousands)

Total tax collections, including interest and lien fees	\$ 66,917,463
State Reimbursement for Revenue Loss on Tax Relief for Elderly	<u>20,651</u>
BASE	<u>\$ 66,938,114</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 150,610,757	\$	\$	\$	\$
4-1/2 times base		301,221,513			
3-3/4 times base			251,017,928		
3-1/4 times base				217,548,871	
3 times base					<u>200,814,342</u>
Total debt limitation	<u>150,610,757</u>	<u>301,221,513</u>	<u>251,017,928</u>	<u>217,548,871</u>	<u>200,814,342</u>
Indebtedness:					
Bonds payable	2,531,900	36,433,100			
Authorized but Unissued Debt	6,000	802,040			
Overlapping debt:	63,254				
Net indebtedness	<u>2,601,154</u>	<u>37,235,140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 148,009,603</u>	<u>\$ 263,986,373</u>	<u>\$ 251,017,928</u>	<u>\$ 217,548,871</u>	<u>\$ 200,814,342</u>

Note (1): In no case shall total indebtedness exceed seven times annual receipts from taxation (\$468,566,798).