

Town of Weston, Connecticut

Financial Report
June 30, 2015

Contents

I. Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis - <i>unaudited</i>	5-12

Basic Financial Statements

Government-Wide Financial Statements:

Statement of net position	13
Statement of activities	14

Fund Financial Statements:

Balance sheet – governmental funds	15
Statement of revenues, expenditures and changes in fund balances – governmental funds	16
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	17
Statement of net position – proprietary funds	18
Statement of revenues, expenses and changes in fund net position - proprietary funds	19
Statement of cash flows – proprietary funds	20
Statement of fiduciary net position – fiduciary funds	21
Statement of changes in fiduciary net position – fiduciary funds	22
Notes to financial statements	23-54

Required Supplementary Information – (Unaudited)

Schedule of funding progress and employer contributions - OPEB	55
Statement of revenue, expenditures and changes in fund balance – budgetary basis – budget and actual – general fund	56
Schedule of contributions – MERS	57
Schedule of the Town's proportionate share of the net pension liability – MERS	58
Schedule of the Town's proportionate share of the net pension liability – teachers' retirement plan	59
Note to required supplementary information	60-61

Contents

Supplemental and Combining and Individual Fund Financial Statements and Other Schedules

General Fund

Schedule of revenues and other financing sources – budgetary basis – budget and actual	63
Schedule of expenditures and other financing uses – budgetary basis – budget and actual	64-65

Nonmajor Governmental Funds

Combining balance sheet	68-70
Combining statement of revenues, expenditures and changes in fund balances (deficits)	72-74

Nonmajor Enterprise Funds

Combining statement of net position	75
Combining statement of revenues, expenses and changes in fund net position	76
Combining statement of cash flows	77

Fiduciary Funds

Statement of private purpose trust fund net position	79
Statement of changes in net position - private purpose trust fund	80
Combining statement of changes in assets and liabilities - agency funds	81

Capital Assets Used in the Operation of Governmental Funds

Schedule By category – historical cost	83
--	----

Other Schedules

Balance sheet – by account – general fund	85
Schedule of revenues, expenditures and changes in fund balance – by account – general fund	86
Schedule of property taxes levied, collected and outstanding – general fund	88-89



Independent Auditor's Report

RSM US LLP

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 (the Town), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weston, Connecticut, as of June 30, 2015, 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.

Emphasis of Matter—Adoption of Standards

As discussed in the Summary of Significant Accounting Policies in Note 1 to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*, which resulted in the Town restating net position for recognition of the Town's pension related activity incurred prior to July 1, 2014. 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 Discussion and Analysis, schedule of funding progress and employer contributions-OPEB, budgetary comparison, information schedules of contributions and Town's proportionate share of the net pension liability – MERS, and the schedule of the Town's proportionate share of the net pension liability – Teachers' Retirement Plan, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 fund financial statements and other 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 30, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 30, 2015

This page intentionally left blank.

Town of Weston, Connecticut
Management's Discussion and Analysis - *unaudited*
June 30, 2015

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, 2015. 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 15-17 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 18-20 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 21-22 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 23-54 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 \$61.9 million (net position). Of this amount, approximately \$11.4 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 \$3,377 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 \$18.0 million, an increase of approximately \$261 thousand. The general fund reflects a total fund balance of approximately \$13.4 million or, an increase of approximately \$948 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 \$11.7 million, or approximately 15.9% of general fund expenditures and other financing uses of funds.

Total debt for the Town decreased by approximately \$4.4 million as prior outstanding debt was amortized.

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 \$61.9 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)

	June 30, 2015			June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 27,815	\$ 145	\$ 27,960	\$ 26,206	\$ 111	\$ 26,317
Capital Assets	93,684	139	93,823	96,646	146	96,792
Total assets	121,499	284	121,783	122,852	257	123,109
Deferred Outflow of Resources	3,041	-	3,041	1,708	-	1,708
Total deferred outflows of resources	3,041	-	3,041	1,708	-	1,708
Other Liabilities	4,745	35	4,780	5,350	46	5,396
Long-Term Liabilities	55,325	-	55,325	54,010	-	54,010
Total liabilities	60,070	35	60,105	59,360	46	59,406
Deferred Inflows of Resources	2,802	-	2,802	778	-	778
Total deferred inflows of resources	2,802	-	2,802	778	-	778
Net Position						
Net investment in capital assets	48,047	139	48,186	46,166	146	46,312
Restricted	2,351	-	2,351	3,035	-	3,035
Unrestricted	11,270	110	11,380	15,221	65	15,286
Total net position	\$ 61,668	\$ 249	\$ 61,917	\$ 64,422	\$ 211	\$ 64,633

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 (77.9%), with the remainder classified as restricted (3.8%) and unrestricted (18.3%). Capital assets for the Town decreased by \$2.9 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)

	Year Ended June 30, 2015			Year Ended June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues						
Program revenues:						
Charge for services	\$ 3,907	\$ 747	\$ 4,654	\$ 3,562	\$ 685	\$ 4,247
Operating grants and contributions	8,655	-	8,655	6,882	-	6,882
Capital grants and contributions	789	-	789	643	-	643
General revenues:						
Property taxes	66,630	-	66,630	63,673	-	63,673
Grants, contributions not restricted to specific programs	71	-	71	147	-	147
Unrestricted investment earnings	193	1	194	271	1	272
Other	(110)	110	-	(102)	102	-
Total revenues	80,135	858	80,993	75,076	788	75,864
Expenses						
Program activities:						
Primary government:						
General government	7,183	-	7,183	6,844	-	6,844
Public safety	3,038	-	3,038	3,047	-	3,047
Public works	2,672	-	2,672	2,656	-	2,656
Health and welfare	492	-	492	466	-	466
Culture and recreation	1,314	-	1,314	1,229	-	1,229
Education	60,353	-	60,353	58,478	-	58,478
Interest on long-term debt	1,744	-	1,744	2,225	-	2,225
Business-type activities:						
Water supply system	-	39	39	-	39	39
Self-funded recreation programs	-	374	374	-	382	382
Recycling and transfer station	-	407	407	-	408	408
Total expenses	76,796	820	77,616	74,945	829	75,774
Change in net position	3,339	38	3,377	131	(41)	90
Net Position – beginning, as restated*	58,329	211	58,540	64,291	252	64,543
Net Position - ending	\$ 61,668	\$ 249	\$ 61,917	\$ 64,422	\$ 211	\$ 64,633

*Restated for GASB No. 68

Governmental activities - Governmental activities increased the Town's net position by approximately \$3,337 million.

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

- Operating grants and contributions increased by \$1.8 million mainly due to an increase in Board of Education grants of \$1.4 million.

- Capital grants and contributions increased by approximately \$146,000 as a result of school construction progress payments from the State.
- Charges for services increased by \$407,000 due to modest increases in several areas of operation.
- Unrestricted investment earnings decreased by \$78,000 due to the fact that the Town experienced market value paper losses as of June, 2015 in the Town's fixed income portfolio.

Major expense factors include:

- For Governmental Activities, approximately \$60.4 million of the Town's expenses relate to education, \$3.0 million relates to public safety, \$7.2 million for general government, \$2.7 million for public works, \$1.7 million for interest on long-term debt while other expenses total approximately \$1.8 million.
- General government and public works expenses increased primarily due to health insurance costs, snow removal expenses and other public works related expenses.

Business-type activities - The Town's three business-type activities accounted for an increase of approximately \$38 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 \$72 thousand. The general fund covered the deficits in these funds with a net transfer amounting to approximately \$110 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 \$18.0 million. Approximately 63.3% of this total amount (\$11.4 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 \$11.7 million, while total general fund balance totaled approximately \$13.4 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 15.9% of total general fund expenditures and uses of funds, while total fund balance represents approximately 18.1% 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 \$948 thousand during the current fiscal year as the Town experienced actual revenue collections over budget.

Major expenditure factors include:

- Debt principal payments decreased as a result of scheduled debt amortization.
- General government expenses were up by \$328 thousand due mainly to health insurance costs.
- Public works expenses increased by \$9 thousand due mainly to additional snow removal costs, paving expenses, and general maintenance expenses.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was approximately \$1.0 million and attributable primarily due to supplemental appropriations over the course of the year approved by the Boards of Selectmen and Finance.

The Town's budgetary fund balance increased by approximately \$1.0 million as revenues exceeded budget by \$1.0 million. Supplemental Appropriations and changes in GAAP expenditures offset the revenue increase.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental funds as of June 30, 2015, amounts to approximately \$94 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:

- A Windows and Doors Replacement Project at the High School has been completed in 2014-2015 and approximately \$1.3 million was spent on the project.
- \$102,000 was spent toward Zenon septic plant facility.
- The Town spent \$208,000 on bridge projects with the majority of the expenses toward the replacement of Godfrey Road bridge.

Town of Weston, Connecticut Capital Assets, Net of Depreciation

	June 30, 2015			June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 10,149	\$ -	\$ 10,149	\$ 10,149	\$ -	\$ 10,149
Land Improvements	2,742	-	2,742	2,999	-	2,999
Buildings and improvements	64,156	86	64,242	66,341	91	66,432
Machinery and equipment	5,492	53	5,545	5,479	55	5,534
Infrastructure	10,092	-	10,092	10,371	-	10,371
Construction in progress	\$ 1,053	-	1,053	1,307	-	1,307
Total	\$ 93,684	\$ 139	\$ 93,823	\$ 96,646	\$ 146	\$ 96,792

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

Debt Obligations. At the end of the current fiscal year, the Town had total long-debt obligations outstanding of approximately \$51.8 million. Of this amount, approximately \$43.5 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**

	June 30, 2015			June 30, 2014		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 43,475	\$ -	\$ 43,475	\$ 47,865	\$ -	\$ 47,865
Total	\$ 43,475	\$ -	\$ 43,475	\$ 47,865	\$ -	\$ 47,865

The Town's total debt decreased by approximately \$4.4 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 \$464 million which is significantly in excess of the Town's outstanding general obligation debt of approximately \$43.5 million.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town as of June 30, 2015 was 4.2 percent, which compares favorably to the State's average unemployment rate of 5.7 percent and the Stamford Labor Market of 5.2 percent.
- The Town's fiscal year 2014-2015 Budget resulted in a mill rate increase of 18.2% due to revaluation which resulted in a decline in property values. The 2015-16 budget saw a modest increase in the mill rate of 1.5%.
- 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.
- The Town experienced some limited positive signs of economic recovery during FY 2014-2015. Building permit activity and Town Clerk conveyance tax revenue either increased slightly or remained about level compared to the prior year. Unemployment rates and foreclosures have decreased locally and regionally, and the Town will continue to monitor such activity with guarded optimism in planning future budgets.

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

Requests for Information

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

Basic Financial Statements

Town of Weston, Connecticut

Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 12,950,857	\$ 109,989	\$ 13,060,846
Investments	11,688,699	-	11,688,699
Receivables, net of allowances for collection losses:			
Property taxes	2,229,286	-	2,229,286
Other	870,667	34,285	904,952
Inventories and prepaids	75,039	-	75,039
Capital assets, non-depreciable	11,201,479	-	11,201,479
Capital assets, net of accumulated depreciation	82,482,056	139,050	82,621,106
Total assets	121,498,083	283,324	121,781,407
Deferred Outflows of Resources			
Deferred charge on refunding	1,485,954	-	1,485,954
Pension related amounts	1,555,127	-	1,555,127
Total deferred outflows of resources	3,041,081	-	3,041,081
Liabilities			
Accounts payable and accrued liabilities	2,888,385	-	2,888,385
Internal balances	37,979	(37,979)	-
Accrued interest payable	810,402	-	810,402
Unearned revenues	1,008,248	72,658	1,080,906
Long-term liabilities:			
Due within one year	5,084,862	-	5,084,862
Due in more than one year	50,239,900	-	50,239,900
Total liabilities	60,069,776	34,679	60,104,455
Deferred Inflows of Resources			
Property taxes collected in advance	1,023,619	-	1,023,619
Pension related amounts	1,778,478	-	1,778,478
Total deferred inflows of resources	2,802,097	-	2,802,097
Net Position			
Net investment in capital assets	48,046,556	139,050	48,185,606
Restricted	2,351,106	-	2,351,106
Unrestricted	11,269,629	109,595	11,379,224
Total net position	\$ 61,667,291	\$ 248,645	\$ 61,915,936

* After internal balances have been eliminated.

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities:							
General government	\$ (7,183,564)	\$ 1,252,628	\$ 18,937	\$ -	\$ (5,911,999)	\$ -	\$ (5,911,999)
Public safety	(3,038,008)	28,340	-	-	(3,009,668)	-	(3,009,668)
Public works	(2,671,661)	508,316	-	789,471	(1,373,874)	-	(1,373,874)
Health and Welfare	(491,617)	-	-	-	(491,617)	-	(491,617)
Education	(60,353,113)	2,117,680	8,619,401	-	(49,616,032)	-	(49,616,032)
Culture and recreation	(1,314,267)	-	16,406	-	(1,297,861)	-	(1,297,861)
Interest on long-term debt	(1,743,535)	-	-	-	(1,743,535)	-	(1,743,535)
Total governmental activities	(76,795,765)	3,906,964	8,654,744	789,471	(63,444,586)	-	(63,444,586)
Business-type activities:							
Water supply system	(39,474)	19,470	-	-	-	(20,004)	(20,004)
Self-funded recreation programs	(374,369)	431,238	-	-	-	56,869	56,869
Recycling and transfer station	(406,674)	296,764	-	-	-	(109,910)	(109,910)
Total business-type activities	(820,517)	747,472	-	-	-	(73,045)	(73,045)
Total primary government	\$ (77,616,282)	\$ 4,654,436	\$ 8,654,744	\$ 789,471	(63,444,586)	(73,045)	(63,517,631)
General revenues:							
Property taxes					66,629,900	-	66,629,900
Grants and contributions not restricted to specific programs					70,749	-	70,749
Unrestricted investment earnings					193,025	481	193,506
Transfers					(110,308)	110,308	-
Total general revenues and transfers					66,783,366	110,789	66,894,155
Change in net position					3,338,780	37,744	3,376,524
Net position - beginning, as restated (Note 1)					58,328,511	210,901	58,539,412
Net position - ending					\$ 61,667,291	\$ 248,645	\$ 61,915,936

See Notes to Financial Statements.

Town of Weston, Connecticut

Balance Sheet - Governmental Funds
June 30, 2015

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 9,621,341	\$ 3,329,516	\$ 12,950,857
Investments	11,688,699	-	11,688,699
Receivables, net of allowances for collection losses:			
Property taxes	2,229,286	-	2,229,286
Intergovernmental and other	293,049	488,483	781,532
Inventories and prepaids	66,439	8,600	75,039
Due from other funds	1,127,638	3,521,110	4,648,748
Advances to other funds	582,550	-	582,550
Total assets	\$ 25,609,002	\$ 7,347,709	\$ 32,956,711
Liabilities			
Accounts payable and accruals	\$ 2,047,738	\$ 67,025	\$ 2,114,763
Advances from other funds	-	582,550	582,550
Due to other funds	6,970,314	1,103,792	8,074,106
Unearned revenue	73,235	935,013	1,008,248
Total liabilities	9,091,287	2,688,380	11,779,667
Deferred Inflows of Resources			
Taxes collected in advance	1,023,619	-	1,023,619
Unavailable resources	2,117,788	-	2,117,788
Total deferred inflows of resources	3,141,407	-	3,141,407
Fund Balances			
Nonspendable	648,989	8,600	657,589
Restricted	-	2,351,106	2,351,106
Committed	329,500	2,580,617	2,910,117
Assigned	690,389	-	690,389
Unassigned	11,707,430	(280,994)	11,426,436
Total fund balances	13,376,308	4,659,329	18,035,637
Total liabilities, deferred inflows of resources and fund balances	\$ 25,609,002	\$ 7,347,709	

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

Capital assets purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	93,683,535
Other long-term assets are not available and therefore are not recognized as revenues in the funds.	2,117,788
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,702,892
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(55,324,762)
Deferred pension related items	1,555,127
Deferred pension related items	(1,778,478)
Deferred charge on refunding	1,485,954
Accrued interest payable	(810,402)
Net position of governmental activities	\$ 61,667,291

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2015

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 66,047,652	\$ -	\$ 66,047,652
Intergovernmental	6,815,652	2,699,312	9,514,964
Income from investments	193,025	-	193,025
Charges for services	1,360,653	1,889,671	3,250,324
Other revenues	66,807	589,833	656,640
Total revenues	74,483,789	5,178,816	79,662,605
Expenditures			
Current:			
General government	5,984,659	747,037	6,731,696
Public safety	2,630,868	-	2,630,868
Public works	2,114,953	-	2,114,953
Health and welfare	433,979	-	433,979
Culture and recreation	978,397	-	978,397
Education	53,337,314	3,716,827	57,054,141
Debt service:			
Principal retirements	4,390,000	-	4,390,000
Interest and other charges	2,097,869	-	2,097,869
Capital outlay	-	2,859,039	2,859,039
Total expenditures	71,968,039	7,322,903	79,290,942
Revenues over (under) expenditures	2,515,750	(2,144,087)	371,663
Other Financing Sources (Uses)			
Transfers in	200,000	1,700,116	1,900,116
Transfers out	(1,767,424)	(243,000)	(2,010,424)
Total other financing sources (uses)	(1,567,424)	1,457,116	(110,308)
Net change in fund balance	948,326	(686,971)	261,355
Fund Balances, beginning	12,427,982	5,346,300	17,774,282
Fund Balances, ending	\$ 13,376,308	\$ 4,659,329	\$ 18,035,637

See Notes to Financial Statements.

Town of Weston, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015**

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

Net Change in Fund Balances - Total Governmental Funds \$ 261,355

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (2,963,104)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 582,248

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 4,971,614

Change in deferred inflows/outflows due to pension related items (2,021,363)

The net revenue (expense) of certain activities of internal service funds is reported with governmental activities. 1,034,604

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. 1,473,426

Change in net position of governmental activities \$ 3,338,780

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 109,989	\$ -
Accounts receivable	34,285	-
Due from other funds	143,974	3,476,514
Total current assets	<u>288,248</u>	<u>3,476,514</u>
Noncurrent Assets		
Capital assets, net of accumulated depreciation	139,050	-
Total noncurrent assets	<u>139,050</u>	<u>-</u>
Total assets	<u>427,298</u>	<u>3,476,514</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	-	773,622
Unearned revenue	72,658	-
Due to other funds	105,995	-
Total current liabilities	<u>178,653</u>	<u>773,622</u>
Net Position		
Net Investment in capital assets	139,050	-
Unrestricted	109,595	2,702,892
Total net position	<u>\$ 248,645</u>	<u>\$ 2,702,892</u>

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund
Operating Revenues		
Charges for services	\$ 747,472	\$ 8,197,873
Total operating revenues	<u>747,472</u>	<u>8,197,873</u>
Operating Expenses		
Costs of services	813,152	7,163,269
Depreciation	7,365	-
Total operating expenses	<u>820,517</u>	<u>7,163,269</u>
Operating income (loss)	<u>(73,045)</u>	<u>1,034,604</u>
Nonoperating Revenues		
Interest income	481	-
Total nonoperating revenues	<u>481</u>	<u>-</u>
Net Income (loss) before transfers	<u>(72,564)</u>	<u>1,034,604</u>
Transfers		
Transfers In	152,308	-
Transfers out	(42,000)	-
	<u>110,308</u>	<u>-</u>
Change in net position	37,744	1,034,604
Fund Net Position, Beginning	<u>210,901</u>	<u>1,668,288</u>
Fund Net Position, Ending	<u>\$ 248,645</u>	<u>\$ 2,702,892</u>

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 758,166	\$ 7,114,647
Payments to suppliers and personnel	(830,308)	(7,114,647)
Net cash used in operating activities	(72,142)	-
Cash Flows From Investing Activities		
Interest received on investments	481	-
Cash Flows From Non-Capital Financing Activities		
Transfers from other funds	152,308	-
Transfers to other funds	(42,000)	-
Net cash provided by non-capital financing activities	110,308	-
Net increase in cash and cash equivalents	38,647	-
Cash and Cash Equivalents		
Beginning	71,342	-
Ending	\$ 109,989	\$ -
Reconciliation of Operating Income (Loss) to Net Cash		
Used in Operating Activities:		
Operating loss	\$ (73,045)	\$ 1,034,604
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation	7,365	-
Changes in assets and liabilities:		
Decrease in other receivables	5,126	-
Increase in unearned revenue	(30,698)	-
Decrease / (increase) in due from other funds	36,266	(1,083,226)
Increase in accounts payable	-	48,622
Decrease in due to other funds	(17,156)	-
Net cash used in operating activities	\$ (72,142)	\$ -

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2015

	Other Post- Employment Benefit Trust Fund	Private Purpose Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 2,363	\$ 130,064	\$ 296,847
Investments, at fair value	6,961,212	-	-
Total assets	6,963,575	130,064	296,847
Liabilities			
Due to student groups	-	-	291,648
Due to others	-	-	5,199
Due to other funds	89,135	-	-
Total liabilities	89,135	-	296,847
Net position held in trust	\$ 6,874,440	\$ 130,064	\$ -

See Notes to Financial Statements.

Town of Weston, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2015

	Other Post- Employment Benefit Trust Fund	Private Purpose Trust Fund
Additions		
Plan members and reimbursements	\$ 802,174	\$ -
Contributions	511,569	-
Investment income:		
Net appreciation in fair value of investments	70,750	-
Dividend and interest	144,201	631
Total additions	<u>1,528,694</u>	<u>631</u>
Deductions		
Health claims and premiums	973,543	-
Other deductions	5,060	-
	<u>978,603</u>	<u>-</u>
Change in net position	550,091	631
Net Position Held in Trust		
Beginning of year	<u>6,324,349</u>	<u>129,433</u>
End of year	<u>\$ 6,874,440</u>	<u>\$ 130,064</u>

See Notes to Financial Statements.

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

Accounting standards adopted in the current year: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB Statement No. 71, were implemented on July 1, 2014. These statement revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The effects of the implementation of these statements are as follows: The beginning net position was restated by \$6,093,235, a net pension liability of \$7,891,247 and a deferred pension credit of \$1,798,012 were reported. Details can be found in Note 8. The adoption of this GASB standard also provided additional disclosures for the State Teachers' Retirement Plan in which the Town has no liability as it is a special funding situation.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the Town's financial statements.

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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, other post-employment obligations, claims and judgments and expenditures related to compensated absences and other compensation related transactions are recorded only when payment is due (matured).

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

The Town reports the following major governmental fund.

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 other fund types:

Proprietary Funds:

The *Enterprise Funds* – may be used to report any activity for which a fee is charged to external users for goods or services. Activities are *required* to be reported as enterprise funds if any one of the following criteria is met.

- (a) The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges *and* the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity.
- (b) Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues.
- (c) The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

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

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

Fiduciary Funds:

The Other Post-employment Benefit Trust Fund accounts for resources for retirees' health benefits.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Allowance for doubtful accounts: Accounts receivable, including property taxes receivable, are reported net of allowance for doubtful accounts of approximately \$263,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon analysis of creditor's ability to pay.

Investments: Investments are stated at fair value based upon quoted market prices. Fixed income funds are reported at fair value based on the unit prices quoted by the fund representing the fair value of the underlying investment. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the pooled fixed income investments were invested in a pool similar to 2a-7. These investments are stated at amortized cost.

Inventories: Inventories are stated at lower of cost (first-in, first-out) or market. Except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Long-term obligations: In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

Net 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.

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Other Post Employment Obligations (OPEB) accounting:

OPEB plan: Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide contributions.

Governmental fund and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent asset in the government-wide financial statements.

Funding policy: The Town makes annual contributions based upon management's decisions.

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the enterprise fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for all asset categories and an estimated useful life in excess of 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 assets lives are not capitalized.

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

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

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

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

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until consumed. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt 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.

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

The Town also reports deferred outflows related to pension in the government-wide statement of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. 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).

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. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. 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).

Also, 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, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The town reports advance property tax collection in the government-wide statement of net position and in the governmental fund balance sheet. Advance property taxes represents taxes that inherently associated with a future period.

Compensated absences: The Town employees are granted vacation leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and sick time based upon their respective bargaining unit contract. Non-union Town Hall employees are limited to 30 days with respect to accumulated vacation time. The Board of Education has employee contracts which provide for the accrual of sick pay based on length of service. The liability for accrued compensated absences at June 30, 2015 has been recorded in the government-wide statement of net position. Compensated absences are generally liquidated by the General Fund. A liability for these amounts is reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements.

Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to assign that portion of the applicable appropriation, is utilized in the budgeted governmental fund types. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

Fund balance and net position: In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

Net investment in capital assets –The net investment in capital assets component of net position consists of capital assets ,net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Town of Weston, Connecticut

Notes to Financial Statements

Note 1. Significant Accounting Policies (Continued)

Restricted net position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

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

Nonspendable fund balance – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Board of Finance is the highest level of decision making authority for the Town and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

Unassigned fund balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

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

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

Bonds payable	\$ (43,475,000)
Bond premium	(3,450,660)
Capital leases payable	(197,273)
Compensated absences	(1,674,808)
Net Pension Liability	(5,674,590)
Other postemployment benefits	(852,431)
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	\$ (55,324,762)

Town of Weston, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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

Capital outlay	\$ 2,664,068
Depreciation expense	(5,585,854)
Loss on disposal	<u>(41,318)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (2,963,104)</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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.” The details of this difference are as follows:

Amortization of bond premium	\$ 485,350
Principal repayments	
General obligation debt and notes	4,390,000
Principal payments on capital lease	<u>96,264</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 4,971,614</u></u>

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

Change in	
Compensated absences	\$ (93,377)
Accrued interest and other charges	(131,016)
Net pension liability	2,216,657
Other Post Employment Asset	<u>(518,838)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 1,473,426</u></u>

Town of Weston, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

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

Investments: The Town has adopted investment policies that conform to the policies as set forth by the State of Connecticut. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Interest rate risk: The Town's practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

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

Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2015, approximately \$10,189,000 of the Town's bank balance of approximately \$13,941,500 was uninsured and uncollateralized.

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2015:

Cash and cash equivalents	
Deposits with financial institutions	\$ 11,994,503
State of Connecticut Short-Term Investment fund	1,495,617
Total cash and cash equivalents	<u>13,490,120</u>
Investments	
General fund:	
Municipal bonds	2,662,366
Corporate bonds	814,824
US Government Securities	8,211,509
	<u>11,688,699</u>
Trust fund:	
Equity mutual funds	4,263,970
Fixed income mutual funds	2,697,242
	<u>6,961,212</u>
Total investments	<u>18,649,911</u>
Total cash, cash equivalents and investments	<u><u>\$ 32,140,031</u></u>

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

Statement of net position	
Cash and cash equivalents	\$ 13,060,846
Investments	11,688,699
	<u>24,749,545</u>
Fiduciary funds	
Cash and cash equivalents	429,274
Investments	6,961,212
	<u>7,390,486</u>
Total cash, cash equivalents and investments	<u><u>\$ 32,140,031</u></u>

Town of Weston, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Over 10 Years
Pooled fixed income	\$ 1,495,617	\$ 1,495,617	\$ -	\$ -	\$ -
Corporate bonds	814,824	594,146	220,678	-	-
U.S. government securities	8,211,509	-	4,051,626	776,868	3,383,015
Municipal bonds	2,662,366	1,148,500	671,977	515,047	326,842
Fixed income mutual funds	2,697,242	-	1,101,917	366,146	1,229,179
Total	\$ 15,881,558	\$ 3,238,263	\$ 6,046,198	\$ 1,658,061	\$ 4,939,036

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

Presented below is the rating as required for each debt type investment as rated by Moody's Investor's Services, Inc.:

Average Rating	Pooled Fixed Income	Municipal Bonds	Corporate Bonds	Fixed Income Mutual Funds
AAAm	\$ 1,495,617	\$ -	\$ -	\$ -
AAA	-	1,148,500	814,824	1,986,921
AA	-	671,977	-	103,174
A	-	515,047	-	230,686
BBB	-	326,842	-	213,065
BB	-	-	-	41,114
B	-	-	-	16,954
Below B	-	-	-	100,665
Unrated	-	-	-	4,663
	\$ 1,495,617	\$ 2,662,366	\$ 814,824	\$ 2,697,242

Town of Weston, Connecticut

Notes to Financial Statements

Note 4. Deferred Inflows of Resources/Unearned Revenue

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

	Deferred Inflows	Unearned Revenues
General fund		
Property taxes	\$ 2,117,788	\$ -
Advance tax collections	1,023,619	-
Fees paid in advance	-	73,235
	<u>3,141,407</u>	<u>73,235</u>
Other nonmajor governmental funds		
Intergovernmental	-	935,013
	-	<u>935,013</u>
Total	<u>\$ 3,141,407</u>	<u>\$ 1,008,248</u>

Note 5. Interfund Accounts

As of June 30, 2015, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due to Other Funds
General fund	\$ 1,127,638	\$ 6,970,314
Non-major governmental funds	3,521,110	1,103,792
Fiduciary funds	-	89,135
Proprietary funds	3,620,488	105,995
	<u>\$ 8,269,236</u>	<u>\$ 8,269,236</u>

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

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

Interfund transfers during the year ended June 30, 2015 were as follows:

	Transfers In	Transfers Out
General fund	\$ 200,000	\$ 1,767,424
Non-major governmental funds	1,700,116	243,000
Other non-major enterprise funds	152,308	42,000
	<u>\$ 2,052,424</u>	<u>\$ 2,052,424</u>

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 10,148,899	\$ -	\$ -	\$ 10,148,899
Construction in progress	1,307,420	270,467	(525,307)	1,052,580
Total capital assets, not being depreciated	11,456,319	270,467	(525,307)	11,201,479
Capital assets, being depreciated:				
Buildings and improvements	114,443,172	2,132,914	(129,120)	116,446,966
Land improvements	5,147,219	-	-	5,147,219
Machinery and equipment	13,870,843	685,658	(124,457)	14,432,044
Infrastructure	17,510,751	100,336	-	17,611,087
Total capital assets being depreciated	150,971,985	2,918,908	(253,577)	153,637,316
Less accumulated depreciation for:				
Building and improvements	48,101,784	4,276,874	(87,802)	52,290,856
Land improvements	2,147,970	257,361	-	2,405,331
Machinery and equipment	8,392,150	672,506	(124,457)	8,940,199
Infrastructure	7,139,761	379,113	-	7,518,874
Total accumulated depreciation	65,781,665	5,585,854	(212,259)	71,155,260
Total capital assets, being depreciated, net	85,190,320	(2,666,946)	(41,318)	82,482,056
Governmental activities capital assets, net	\$ 96,646,639	\$ (2,396,479)	\$ (566,625)	\$ 93,683,535
Business-type activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 232,950	\$ -	\$ -	\$ 232,950
Machinery and equipment	228,919	-	-	228,919
Total capital assets, being depreciated	461,869	-	-	461,869
Less accumulated depreciation for:				
Buildings and improvements	141,742	5,159	-	146,901
Machinery and equipment	173,712	2,206	-	175,918
Total accumulated depreciation	315,454	7,365	-	322,819
Total capital assets, being depreciated, net	146,415	(7,365)	-	139,050
Business-type capital assets, net	\$ 146,415	\$ (7,365)	\$ -	\$ 139,050

Town of Weston, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities	
General government	\$ 106,018
Public safety	225,873
Public works	402,247
Health and sanitation	2,764
Culture and recreation	328,230
Education	4,520,722
Total depreciation expense – governmental activities	<u><u>\$ 5,585,854</u></u>
Business-type activities	
Water supply system	\$ 4,080
Recycling and transfer station	3,285
Total depreciation expense – business-type activities	<u><u>\$ 7,365</u></u>

Note 7. Long-Term Obligations

A summary of changes in outstanding long-term debt during the year ended June 30, 2015 is as follows:

	Beginning Balance *restated	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 47,865,000	\$ -	\$ 4,390,000	\$ 43,475,000	\$ 4,510,000
Bond premiums	3,936,010	-	485,350	3,450,660	-
Capital leases	293,537	-	96,264	197,273	97,862
Compensated absences	1,581,431	541,256	447,879	1,674,808	477,000
Net pension liability	7,891,247	-	2,216,657	5,674,590	-
Other post employment benefits	333,593	518,838	-	852,431	-
Governmental activity long-term liabilities	<u><u>\$ 61,900,818</u></u>	<u><u>\$ 1,060,094</u></u>	<u><u>\$ 7,636,150</u></u>	<u><u>\$ 55,324,762</u></u>	<u><u>\$ 5,084,862</u></u>

* Restated for GASB No. 68

Town of Weston, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

General obligation bonds: As of June 30, 2015, the outstanding general obligation bonded indebtedness of the Town, payable from its governmental activities, was as follows:

	<u>Outstanding Amount</u>
\$21,000,000 General Obligation Bond; 4.65%; issue of November 2004; interest payable at rates from 5% to 5.25%; due in principal amounts ranging from \$1,100,000 to \$1,600,000 annually through July 2015	\$ 1,300,000
\$5,800,000 General Obligation Bond; 3.19% issue of April 2010; interest payable at rates from 3.0% to 4.0%, due in principal amounts ranging from \$400,000 to \$500,000 annually through August 2024	4,600,000
\$44,250,000 General Obligation Bond; 3.00% issue of April 2010; interest payable at rates from 3.0% to 5.0%, due in principal amounts ranging from \$105,000 to \$4,410,000 annually through August 2023	34,780,000
\$2,795,000 General Obligation Bond; 2.25% issue of April 2012; interest payable at rates from 2.125% to 2.375%, due in principal amounts ranging from \$335,000 to \$365,000 annually from May 2020 through May 2027	2,795,000
	<u>\$ 43,475,000</u>

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

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

	<u>Debt Service Requirement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	4,510,000	1,880,963	6,390,963
2017	4,640,000	1,668,838	6,308,838
2018	4,780,000	1,457,213	6,237,213
2019	4,840,000	1,238,588	6,078,588
2020	4,990,000	1,016,213	6,006,213
2021 - 2025	19,005,000	1,773,304	20,778,304
2026 - 2027	710,000	25,100	735,100
Total	<u>\$ 43,475,000</u>	<u>\$ 9,060,219</u>	<u>\$ 52,535,219</u>

Town of Weston, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

In-substance defeasance – prior years: In prior years, the Town defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements.

Overlapping indebtedness: Other than the Town, the Georgetown Fire District has the power to issue debt or cause taxes to be levied on taxable property in the Town. The Georgetown Fire District is made up of Weston, Wilton and Redding and provides fire protection services. Annually, funds from the Town budget are paid to the Georgetown Fire District for the Town's share of operating expenses. As of June 30, 2015, the Georgetown Fire District has approximately \$1,003,955 of outstanding indebtedness and the Town's share is estimated to be \$63,119.

Capital leases: The Town has a capital lease in which they acquired a capital asset. Original cost and net book value of capital assets under such lease agreements are as follows:

Machinery and equipment	\$ 402,200
Accumulated depreciation	(204,927)
Net book value	<u>\$ 197,273</u>

Future minimum lease payments under capital leases as of June 30, 2015 are as follows:

Year Ending June 30,

2015	\$ 202,198
Less amount representing interest	(4,925)
	<u>\$ 197,273</u>

Bonds authorized but unissued: Total authorized but unissued debt at June 30, 2015 consists of the following:

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

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:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 149,156,487	\$ 4,984,119	\$ 144,172,368
Schools	298,312,974	39,362,040	258,950,934
Sewers	248,594,145	-	248,594,145
Urban renewal	215,448,259	-	215,448,259
Pension deficit	198,875,316	-	198,875,316

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$464,042,404. All long-term debt obligations are retired through General Fund appropriations.

Note 8. Retirement Plans

Connecticut Municipal Employees Retirement System:

Municipal employees' retirement fund

Plan description: Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan administered by the State of Connecticut Municipal Employees' Retirement System (MERS). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at www.ct.gov

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

Average final compensation: Average of the three highest paid years of service.

Normal form of benefit: life annuity.

Year's breakpoint: With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. For 2014, the breakpoint is \$69,200.

Service retirement allowance:

Condition for allowance: Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

Amount of allowance: For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include Workers Compensation and Social Security benefits. If any member covered by Social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

Disability retirement allowance:

Condition for allowance: 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the Municipality.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

Condition for allowance: Totally and permanently disabled from engaging in any gainful employment in the service of the Municipality provided such disability has arisen out of and in the course of his/her employment with the Municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of allowance: 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 the disability.

Vesting retirement allowance:

Condition for allowance: 5 years of continuous or 15 years of active aggregate service.

Amount of allowance: Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Death benefit:

Condition for benefit: Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

Amount of benefit: Computed on the basis of the member's average final compensation 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 the reduced 50% joint and survivor allowance.

Return of deductions: Upon the withdrawal of a member the amount of his accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

Optional benefits: Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of his retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

Cost-of-living adjustment: For those retired prior to January 1, 2002: (i) The benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Contributions by members: For members not covered by Social Security: 5% of compensation. For members covered by the Social Security: 2-1/4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

By Municipalities - Participating Municipalities 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 the System not met by member contributions.

Assumptions: The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	7/1/2014
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return	8.00%, net of investment related expense
Projected salary increases*	4.25% -11.00%
Social Security wage base	3.50%
*Includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

The long-term expected rate of return: the long-term expected rate of return on pension plan investments was determined using a lognormal 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 most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan

The annual money weighted rate of return net of investment expenses measured on monthly inputs was 7.32%.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Mutual Equity Fund	16%	5.8%
Developed Market International Stock Fund	14%	6.6%
Emerging Market International Stock Fund	7%	8.3%
Core Fixed Income Fund	8%	1.3%
Inflation Linked Bond Fund	5%	1.0%
Emerging Market Bonds	8%	3.7%
High Yield Bond Fund	14%	3.9%
Real Estate Fund	7%	5.1%
Private Equity	10%	7.6%
Alternative Investments	8%	4.1%
Liquidity Fund	3%	0.4%
	<u>100%</u>	

Discount rate: the discount rate used to measure the total pension liability was 8.00 percent. 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 rates in 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 Financial Statements

Note 8. Retirement Plans (Continued)

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Town's proportionate share of the net pension liability	\$ 11,547,540	\$ 5,674,590	\$ 718,851

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2015, the Town reported a liability of \$5,674,590 for its proportionate share of the net pension liability related to its participation in MERS. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on its share of contributions to the MERS for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014, the Town's proportion was 4.0%

For the year ended June 30, 2015, the Town recognized pension expense of \$(195,294). At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 1,555,127	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,778,478
Total	\$ 1,555,127	\$ 1,778,478

\$1,555,127 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016.

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

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

Year Ended June 30,

2016	\$	735,470
2017		144,674
2018		195,234
2019		381,089
2020		322,011
Thereafter		-
	\$	<u>1,778,478</u>

Connecticut state teachers' retirement system:

Description of system: Certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. The Town has no liability associated with the State Teachers' Retirement System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System.

For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$5,357,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability related to the System.

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member 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 is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. The Town is not required to contribute to the Plan.

Eligible employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$1,539,640 mandatory contributions were deducted from the salaries of the eligible employees who were participants of the System during that school year. The estimated covered payroll for the Town is \$21,236,000.

Actuarial assumptions: 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 total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 percent
Salary increases, including inflation	3.75-7.00 percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 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.

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

The long-term expected rate of return on pension 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 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 asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large Cap U.S. Equities	21%	7.3%
Developed Non-U.S. Equities	18%	7.5%
Emerging Markets (Non-U.S.)	9%	8.6%
Core Fixed Income Fund	7%	1.7%
Inflation Linked Bond Fund	3%	1.3%
Emerging Market Debt Fund	5%	4.8%
High Yield Bond Fund	5%	3.7%
Real Estate Fund	7%	5.9%
Private Equity	11%	10.9%
Alternative Investments	8%	0.7%
Liquidity Fund	6%	0.4%
	100%	

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

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate. The Town portion of the net pension liability is \$0.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's share of NPL associated with the Town	\$ 70,875,406	\$ 55,538,844	\$ 42,502,312

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$55,538,844 and 100% of the net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$4,167,000 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Other post-retirement benefits (OPEB): 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, 2013. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 as of July 1, 2008, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years was amortized over 10 years in the July 1, 2013 valuation.

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

Membership in the plan consisted of the following at July 1, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	97
Active plan members	479
Total	<u>576</u>

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability / (Asset)
6/30/2015	\$ 1,030,407	\$ 511,569	50%	\$ 852,431
6/30/2014	\$ 1,470,918	\$ 1,019,244	69%	\$ 333,593
6/30/2013	\$ 1,444,682	\$ 934,926	65%	\$ (118,081)

OPEB liability (asset):

Annual required contribution	\$ 1,051,000
Interest on net pension obligation	24,185
Adjustment to ARC	(44,778)
Annual OPEB cost	1,030,407
Contributions made	(511,569)
Increase in net OPEB asset	518,838
Net OPEB liability, beginning of year	333,593
Net OPEB liability, end of year	\$ 852,431

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability (AAL) as of July 1, 2013 is estimated to be \$10,921,000.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	(000's)		Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
			Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)		
July 1, 2013	\$ 5,062	\$ 10,921	\$ 5,859	46%	\$ 29,899	20%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits

Town of Weston, Connecticut

Notes to Financial Statements

Note 8. Retirement Plans (Continued)

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

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

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

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Amortization method	Level Dollar, Open
Remaining amortization period	10 Years
Actuarial assumptions	
Investment rate of return	7.25%
Inflation rate	N/A
Salary Increases	4%
Medical trend rate	9% for 2013, decreasing .5% per year to an ultimate rate of 5.0% for 2021 and later

Note 9. Risk Management

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

The Town 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.

Town of Weston, Connecticut

Notes to Financial Statements

Note 9. Risk Management (Continued)

Board of education: The Board of Education is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and medical; and natural disasters. 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.

The analysis of the activity in the claims is as follows:

	Claims Payable July 1,	Claims And Changes in Estimates	Claims Paid	Claims Payable June 30,
2013-2014	\$ 750,001	\$ 7,947,584	\$ 7,972,585	\$ 725,000
2014-2015	725,000	7,163,269	7,114,647	773,622

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

Town of Weston, Connecticut

Notes to Financial Statements

Note 10. Fund Balance

Below is a table of fund balance categories and classifications at June 30, 2015 for the Town governmental funds:

	General Fund	Nonmajor Governmental Funds
	<u> </u>	<u> </u>
Fund balances		
Non-spendable:		
Capital outlay	\$ 66,439	\$ -
Education	-	8,600
Advances to other funds	582,550	-
Total non-spendable	<u>648,989</u>	<u>8,600</u>
Restricted:		
General government	-	28,286
Public Works		123,725
Culture and recreation	-	2,079,759
Education	-	119,336
Total restricted	<u>-</u>	<u>2,351,106</u>
Committed:		
General government	329,500	242,012
Health and welfare	-	182,584
Education	-	10,388
Capital outlay	-	2,145,633
Total committed	<u>329,500</u>	<u>2,580,617</u>
Assigned:		
General government	45,730	-
Public safety	183,870	-
Public works	64,168	-
Education	396,621	-
Total assigned	<u>690,389</u>	<u>-</u>
Unassigned:		
General government	11,707,430	(280,994)
Total unassigned	<u>11,707,430</u>	<u>(280,994)</u>
Total fund balance	<u>\$ 13,376,308</u>	<u>\$ 4,659,329</u>

Town of Weston, Connecticut

Notes to Financial Statements

Note 11. Pronouncements Issued, Not Yet Effective

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Town of Weston, Connecticut

Notes to Financial Statements

Note 11. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

This page intentionally left blank.

**Required Supplementary
Information – *Unaudited***

Town of Weston, Connecticut

**Required Supplementary Information
Schedules of Funding Progress and Employer Contributions - OPEB
June 30, 2015
(Unaudited)**

Schedule of Funding Progress - OPEB (000's)

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2013	5,062	10,921	5,859	46%	29,899	20%
July 1, 2011	3,297	10,436	7,139	32%	28,888	25%
July 1, 2009	1,518	11,900	10,382	13%	N/A	N/A
July 1, 2007	-	11,063	11,063	0%	N/A	N/A

Schedule of Employer Contributions - OPEB

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 1,760,000	146.3%
2010	1,835,700	99.2%
2011	1,900,000	103.1%
2012	1,975,000	97.0%
2013	1,403,000	66.7%
2014	1,461,000	69.8%
2015	1,051,000	48.7%

Town of Weston, Connecticut

Required Supplementary Information
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Budgetary Basis - General Fund
For the Year Ended June 30, 2015
(unaudited)

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes, interest and lien fees	\$ 64,987,751	\$ 64,987,751	\$ 66,047,652	\$ 1,059,901
Intergovernmental	1,222,412	1,347,931	1,458,652	110,721
Income from investments	250,000	250,000	193,025	(56,975)
Charges for services	755,700	755,700	825,293	69,593
Total revenues	67,215,863	67,341,382	68,524,622	1,183,240
Expenditures				
General government	6,359,599	5,935,792	5,936,397	(605)
Public safety and protection	2,409,655	2,473,440	2,473,440	-
Public works	1,816,436	2,116,953	2,116,953	-
Health and sanitation	435,961	433,979	433,979	-
Parks and recreation	936,446	949,737	949,737	-
Education	47,364,856	47,364,856	47,361,900	2,956
Debt service	6,487,869	6,487,869	6,487,869	-
Total expenditures	65,810,822	65,762,626	65,760,275	2,351
Revenues over (under) expenditures	1,405,041	1,578,756	2,764,347	1,185,591
Other Financing Sources (Uses)				
Appropriation of fund balance	-	-	-	-
Transfers out	(1,405,041)	(1,623,815)	(1,749,334)	(125,519)
Total other financing sources (uses)	(1,405,041)	(1,623,815)	(1,749,334)	(125,519)
Revenues and other financing sources over (under) expenditures and other financing (uses)	\$ -	\$ (45,059)	1,015,013	\$ 1,060,072
Budgetary Fund Balance, beginning			11,027,073	
Change in GAAP expenditures not recognized for budget purposes, reserves for advances, inventories and prepaids			41,728	
Budgetary Fund Balance, ending			<u>\$ 12,083,814</u>	

See Note to Required Supplementary Information.

Town of Weston, Connecticut

**Required Supplementary Information - unaudited
Schedule of Contributions - Municipal Employees' Retirement System (MERS)**

	2015	2014
Actuarially Determined Contribution	\$ 1,555,127	\$ 1,798,012
Contribution in Relation to the Actuarially Determined Contribution	<u>1,555,127</u>	<u>1,798,012</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	<u>\$ 11,677,979</u>	<u>\$ 11,677,979</u>
Contributions as a Percentage of Covered-employee Payroll	13.32%	15.40%

Notes to Schedule

Change in benefit terms	None
Changes of assumptions	During 2011, rates of 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, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed marked

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Weston, Connecticut

**Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability -
Municipal Employees' Retirement System (MERS)
Measurement date of June 30, 2014**

	2014
Town's proportion of the net pension liability	4%
Town's proportionate share of the net pension liability	\$ 5,674,590
Town's covered-employee payroll	<u>\$ 11,677,979</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>48.59%</u>
System fiduciary net position as a percentage of the total pension liability	<u>90.48%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Weston, Connecticut

Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Measurement Date of June 30, 2014

	2014
Town's proportion of the net pension liability	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>
Total	<u><u>\$ 55,466,917</u></u>
Town's covered-employee payroll	<u><u>\$ 21,236,000</u></u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u><u>0.00%</u></u>
System fiduciary net position as a percentage of the total pension liability	<u><u>61.51%</u></u>

Notes to Schedule

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Investment rate of return	8.00%
Salary increases	4.25% - 11.00%, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market (20% write up)
Assumption changes	None
Benefit changes	None

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Weston, Connecticut

**Note to Required Supplementary Information
June 30, 2015
(Unaudited)**

Note 1. Budgets and Budgetary Accounting

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

- Prior to July 1, the budget is legally adopted.
- Additional appropriations for \$5,000 or less must be approved by the Board of Selectmen.
- All transfers within or between departments and additional appropriations of over \$5,000 must be made by the Board of Selectmen with the approval of the Board of Finance.
- Additional appropriations by the Board of Selectmen cannot exceed \$50,000.
- Supplemental appropriations beyond those approved under additional appropriations, shall not exceed 2% of the current tax levy.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Selectmen and Board of Finance during the course of the year.
- Supplemental and additional appropriations of \$359,249 were approved during the year by the Board of Selectmen, Board of Finance and Town Meeting.

A reconciliation of General Fund budgetary basis is as follows:

	General Fund	
	Revenues and Transfers in	Expenditures and Transfers Out
Budgetary basis	\$ 68,524,622	\$ 67,509,609
On-behalf payments for state teachers retirement	5,357,000	5,357,000
Transfer from Communications Tower Fund	138,000	138,000
Transfer from Self Funded Recreation Programs	30,000	30,000
Changes in reserves for encumbrances and liquidation of encumbrances	-	125,731
Grants and subsidies netted against expenses for budgetary purposes	32,000	32,000
Reclassification to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54	602,167	543,123
GAAP Basis	\$ 74,683,789	\$ 73,735,463

Town of Weston, Connecticut

Note to Required Supplementary Information (Continued)
June 30, 2015
(Unaudited)

Note 1. Budgets and Budgetary Accounting (Continued)

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

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

This page intentionally left blank.

**Supplemental and Combining and Individual
Fund Financial Statements and Other Schedules**

General Fund

Town of Weston, Connecticut

Schedule of Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual - General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Taxes, Interest and Lien Fees				
Property taxes	\$ 64,712,751	\$ 64,712,751	\$ 65,658,963	\$ 946,212
Interest and lien fees	275,000	275,000	388,689	113,689
Total	64,987,751	64,987,751	66,047,652	1,059,901
Intergovernmental				
Capital Improvement Grants	-	-	-	-
Education	948,564	948,564	1,071,022	122,458
Highway maintenance	125,997	251,516	251,516	-
Property tax relief	20,000	20,000	18,930	(1,070)
Telecommunications personal property tax	25,000	25,000	29,711	4,711
Local Capital Improvement Grant	66,051	66,051	65,365	(686)
Mashantucket Pequot grant	-	-	9,369	9,369
Municipal Video Competition	20,000	20,000	-	(20,000)
Other	16,800	16,800	12,739	(4,061)
Total	1,222,412	1,347,931	1,458,652	110,721
Income From Investments	250,000	250,000	193,025	(56,975)
Charges for Services				
Building inspections	220,000	220,000	262,283	42,283
Town Clerk fees	450,000	450,000	432,821	(17,179)
ZBA hearing fees	1,500	1,500	1,352	(148)
Planning and Zoning Commission fees	20,000	20,000	35,301	15,301
Conservation Commission fees	14,000	14,000	9,082	(4,918)
Rental income	-	-	2,220	2,220
Police report fees and fines	4,000	4,000	4,170	170
Police Special Duty	-	-	11,983	11,983
Insurance proceeds	-	-	9,014	9,014
Workers' Compensation reimbursements	-	-	8,649	8,649
Selectman's Office fees	1,500	1,500	760	(740)
Public library receipts	-	-	(2,671)	(2,671)
Miscellaneous Town and BOE receipts	15,000	15,000	16,311	1,311
Animal Control Fees	10,000	10,000	12,187	2,187
Booster Barn Repayment	19,000	19,000	20,850	1,850
Assessor's copier receipts	700	700	597	(103)
Freedom of Information	-	-	384	384
Total	755,700	755,700	825,293	69,593
Total revenues	67,215,863	67,341,382	68,524,622	1,183,240
Other Financing Sources				
Appropriation of fund balance	-	-	-	-
Total revenues and other financing sources	\$ 67,215,863	\$ 67,341,382	\$ 68,524,622	\$ 1,183,240

Town of Weston, Connecticut

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual -
 General Fund
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
General Government				
Administration	\$ 737,318	\$ 550,876	\$ 551,481	\$ (605)
General administration	4,328,735	4,078,066	4,078,066	-
Information systems	222,862	232,607	232,607	-
Probate Court	4,000	3,735	3,735	-
Elections / registrars	44,580	50,890	50,890	-
Board of Finance	51,500	48,900	48,900	-
Assessor	123,595	130,884	130,884	-
Tax Collector	100,927	127,899	127,899	-
Legal counsel	261,250	203,768	203,768	-
Town Clerk	128,432	133,750	133,750	-
Land Use Department	356,400	374,417	374,417	-
Total	6,359,599	5,935,792	5,936,397	(605)
Public Safety and Protection				
Police services	1,811,520	1,846,591	1,846,591	-
Fire Marshal	55,769	56,690	56,690	-
Weston Volunteer Fire Department	232,059	233,383	233,383	-
Communications Center:				
Expenditures	377,321	401,895	401,895	-
Transfer from Communications Tower Fund	(138,000)	(138,000)	(138,000)	-
	239,321	263,895	263,895	-
Dog Registration	70,986	72,881	72,881	-
Total	2,409,655	2,473,440	2,473,440	-
Public Works				
Highway	1,781,736	2,086,634	2,086,634	-
Water System Schools	34,700	30,319	30,319	-
Total	1,816,436	2,116,953	2,116,953	-
Health and Welfare				
Westport / Weston Health District	204,375	204,374	204,374	-
Southwestern Connecticut Emergency	1,300	-	-	-
Medical Services	12,830	12,830	12,830	-
Regional Paramedic	136,987	136,987	136,987	-
Human Services	80,469	79,788	79,788	-
Total	435,961	433,979	433,979	-

(Continued)

Town of Weston, Connecticut

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual -
 General Fund (Continued)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Recreation				
Weston Public Library	\$ 423,275	\$ 413,459	\$ 413,459	\$ -
Commission for the elderly	126,439	141,982	141,982	-
Senior Services	-	-	-	-
Recreation Department				
Expenditures	192,481	203,690	203,690	-
Transfer from self-funded recreation programs	(30,000)	(30,000)	(30,000)	-
	<u>162,481</u>	<u>173,690</u>	<u>173,690</u>	<u>-</u>
Park and school field maintenance	147,867	136,885	136,885	-
Middle School pool	76,384	83,721	83,721	-
Total	<u>936,446</u>	<u>949,737</u>	<u>949,737</u>	<u>-</u>
Debt Service				
Interest	2,097,869	2,097,869	2,097,869	-
Principal	4,390,000	4,390,000	4,390,000	-
	<u>6,487,869</u>	<u>6,487,869</u>	<u>6,487,869</u>	<u>-</u>
Board of Education	<u>47,364,856</u>	<u>47,364,856</u>	<u>47,361,900</u>	<u>2,956</u>
Total expenditures	<u>65,810,822</u>	<u>65,762,626</u>	<u>65,760,275</u>	<u>2,351</u>
Other Financing Uses				
Transfers out:				
Recycling and Transfer Station	92,766	109,908	109,908	-
Reserve fund for capital and nonrecurring expenditures	1,261,745	1,463,377	1,463,377	-
Capital Non-recurring fund	-	-	125,519	(125,519)
Water supply system	17,400	17,400	17,400	-
Youth Service Bureau	33,130	33,130	33,130	-
Capital improvement	-	-	-	-
Total other financing uses	<u>1,405,041</u>	<u>1,623,815</u>	<u>1,749,334</u>	<u>(125,519)</u>
Total expenditures and other financing uses	<u>\$ 67,215,863</u>	<u>\$ 67,386,441</u>	<u>\$ 67,509,609</u>	<u>\$ (123,168)</u>

This page intentionally left blank.

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Lachat Community Farm– is used to account for the financial activities of a Town community farm at the Lachat property on Godfrey Road.

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

FEMA Storm Activity – is used to account for activities related to storm reimbursements.

Capital Projects Funds

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

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

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

Police Special Vehicle Fund is used to account for vehicle purchases by the Town.

Permanent Funds

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

This page intentionally left blank.

Town of Weston, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue Funds				
	School Lunch	Board of Education Grants	Youth Service Bureau	Library Board Fund	Senior Citizens Center
Assets					
Cash and cash equivalents	\$ 145,110	\$ 1,001,100	\$ -	\$ 1,963,018	\$ 21,124
Other receivables	11,381	475,804	1,098	-	200
Inventories	8,600	-	-	-	-
Due from other funds	-	106,519	109,053	-	-
Total assets	\$ 165,091	\$ 1,583,423	\$ 110,151	\$ 1,963,018	\$ 21,324
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 62,923	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-	-
Due to other funds	-	1,063,596	-	-	7,109
Unearned revenues	-	507,452	-	-	-
Total liabilities	62,923	1,571,048	-	-	7,109
Fund Balances (Deficits)					
Nonspendable	8,600	-	-	-	-
Restricted	93,568	12,375	-	1,963,018	-
Committed	-	-	110,151	-	14,215
Unassigned	-	-	-	-	-
Total fund balances (deficits)	102,168	12,375	110,151	1,963,018	14,215
Total liabilities and fund balances (deficits)	\$ 165,091	\$ 1,583,423	\$ 110,151	\$ 1,963,018	\$ 21,324

Special Revenue Funds

Communications Tower	Weston High School Fund	Horace B. Hurlbutt Memorial Trust	Morehouse Elderly Assistance	Social Services Fund	Lachat Community Farm	Gifts and Grants	FEMA Storm Activity
\$ -	\$ 10,388	\$ 13,393	\$ 113,085	\$ 62,298	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
242,012	-	-	18,950	-	-	20,048	28,286
<u>\$ 242,012</u>	<u>\$ 10,388</u>	<u>\$ 13,393</u>	<u>\$ 132,035</u>	<u>\$ 62,298</u>	<u>\$ -</u>	<u>\$ 20,048</u>	<u>\$ 28,286</u>
\$ -	\$ -	\$ -	\$ -	\$ 635	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	15,294	3,445	3,697	-	-
-	-	-	-	-	-	22,162	-
-	-	-	15,294	4,080	3,697	22,162	-
-	-	-	-	-	-	-	-
-	-	13,393	116,741	-	-	-	28,286
242,012	10,388	-	-	58,218	-	-	-
-	-	-	-	-	(3,697)	(2,114)	-
<u>242,012</u>	<u>10,388</u>	<u>13,393</u>	<u>116,741</u>	<u>58,218</u>	<u>(3,697)</u>	<u>(2,114)</u>	<u>28,286</u>
<u>\$ 242,012</u>	<u>\$ 10,388</u>	<u>\$ 13,393</u>	<u>\$ 132,035</u>	<u>\$ 62,298</u>	<u>\$ -</u>	<u>\$ 20,048</u>	<u>\$ 28,286</u>

(Continued)

Town of Weston, Connecticut

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 June 30, 2015

	Capital Projects Funds			Permanent Fund	Totals
	Capital Improvements	Reserve Fund for Capital and Nonrecurring Expenditures	Police Special Duty Vehicle Fund	Greyledge Fund	
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 3,329,516
Other receivables	-	-	-	-	488,483
Inventories	-	-	-	-	8,600
Due from other funds	723,417	2,090,258	58,842	123,725	3,521,110
Total assets	\$ 723,417	\$ 2,090,258	\$ 58,842	\$ 123,725	\$ 7,347,709
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 3,467	\$ -	\$ -	\$ 67,025
Advances from other funds	582,550	-	-	-	582,550
Due to other funds	10,651	-	-	-	1,103,792
Unearned revenues	405,399	-	-	-	935,013
Total liabilities	998,600	3,467	-	-	2,688,380
Fund Balances (Deficits)					
Nonspendable	-	-	-	-	8,600
Restricted	-	-	-	123,725	2,351,106
Committed	-	2,086,791	58,842	-	2,580,617
Unassigned	(275,183)	-	-	-	(280,994)
Total fund balances (deficits)	(275,183)	2,086,791	58,842	123,725	4,659,329
Total liabilities and fund balances (deficits)	\$ 723,417	\$ 2,090,258	\$ 58,842	\$ 123,725	\$ 7,347,709

This page intentionally left blank.

Town of Weston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

	Special Revenue Funds				
	School Lunch	Board of Education Grants	Youth Service Bureau	Library Board Fund	Senior Citizens Center
Revenues					
Intergovernmental	\$ -	\$ 2,191,379	\$ 18,937	\$ -	\$ 16,406
Income from investments	-	-	-	-	-
Charges for services	1,513,696	-	211,364	8,776	-
Other revenues	-	-	1,200	-	16,443
Total revenues	1,513,696	2,191,379	231,501	8,776	32,849
Expenditures					
General government	-	-	255,265	19,857	55,543
Education	1,523,052	2,191,379	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,523,052	2,191,379	255,265	19,857	55,543
Revenues over (under) expenditures	(9,356)	-	(23,764)	(11,081)	(22,694)
Other Financing Sources (Uses)					
Transfers in	-	-	33,130	-	18,090
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	33,130	-	18,090
Net change in fund balance (deficits)	(9,356)	-	9,366	(11,081)	(4,604)
Fund Balances (Deficits), Beginning	111,524	12,375	100,785	1,974,099	18,819
Fund Balances (Deficits), Ending	\$ 102,168	\$ 12,375	\$ 110,151	\$ 1,963,018	\$ 14,215

Special Revenue Funds

Communications Tower	Weston High School Fund	Horace B. Hurlbutt Memorial Trust	Morehouse Elderly Assistance	Social Services Fund	Lachat Community Farm	Gifts and Grants	FEMA Storm Activity
\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
-	-	-	-	-		-	-
154,018	563	1,254	-	-		-	-
-	-	-	-	5,986	15,601	314,875	-
154,018	563	1,254	-	5,986	15,601	314,875	-
53,299	-	-	21,050	726	19,298	314,875	-
-	2,117	279	-	-		-	-
-	-	-	-	-		-	-
53,299	2,117	279	21,050	726	19,298	314,875	-
100,719	(1,554)	975	(21,050)	5,260	(3,697)	-	-
-	-	-	-	-	-	-	-
(138,000)	-	-	-	-	-	-	-
(138,000)	-	-	-	-	-	-	-
(37,281)	(1,554)	975	(21,050)	5,260	(3,697)	-	-
279,293	11,942	12,418	137,791	52,958	-	(2,114)	28,286
\$ 242,012	\$ 10,388	\$ 13,393	\$ 116,741	\$ 58,218	\$ (3,697)	\$ (2,114)	\$ 28,286

(Continued)

Town of Weston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)

Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Capital Projects Fund			Permanent Fund	Totals
	Capital Improvements	Reserve Fund for Capital and Nonrecurring Expenditures	Police Special Duty Vehicle Fund	Greyledge Fund	
Revenues					
Intergovernmental	\$ 472,590	\$ -	\$ -	\$ -	\$ 2,699,312
Income from investments	-	-	-	-	-
Charges for services	-	-	-	-	1,889,671
Other revenues	131,890	-	78,842	24,996	589,833
Total revenues	604,480	-	78,842	24,996	5,178,816
Expenditures					
General government	-	-	-	7,124	747,037
Education	-	-	-	-	3,716,827
Capital outlay	1,600,447	1,258,592	-	-	2,859,039
Total expenditures	1,600,447	1,258,592	-	7,124	7,322,903
Revenues over (under) expenditures	(995,967)	(1,258,592)	78,842	17,872	(2,144,087)
Other Financing Sources (Uses)					
Transfers in	60,000	1,588,896	-	-	1,700,116
Transfers out	-	(85,000)	(20,000)	-	(243,000)
Total other financing sources (uses)	60,000	1,503,896	(20,000)	-	1,457,116
Net change in fund balance (deficits)	(935,967)	245,304	58,842	17,872	(686,971)
Fund Balances (Deficits), Beginning	660,784	1,841,487	-	105,853	5,346,300
Fund Balances (Deficits), Ending	\$ (275,183)	\$ 2,086,791	\$ 58,842	\$ 123,725	\$ 4,659,329

Nonmajor Enterprise Funds

Enterprise Funds

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

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

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

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

Town of Weston, Connecticut

Combining Statement of Net Position - Nonmajor Enterprise Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			Total
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	
Assets				
Current Assets				
Cash and cash equivalents	\$ 30,574	\$ 79,415	\$ -	\$ 109,989
Accounts receivable	6,591	1,930	25,764	34,285
Due from other funds	-	143,974	-	143,974
Total current assets	37,165	225,319	25,764	288,248
Noncurrent Assets				
Capital assets, net of accumulated depreciation	61,541	-	77,509	139,050
Total noncurrent assets	61,541	-	77,509	139,050
Total assets	98,706	225,319	103,273	427,298
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	-	-	-	-
Unearned revenue	-	72,658	-	72,658
Due to other funds	58,898	600	46,497	105,995
Total current liabilities	58,898	73,258	46,497	178,653
Net Position				
Net investment in capital assets	61,541	-	77,509	139,050
Unrestricted (deficit)	(21,733)	152,061	(20,733)	109,595
Total net position	\$ 39,808	\$ 152,061	\$ 56,776	\$ 248,645

Town of Weston, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position -
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Total
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	
Operating Revenues				
Charges for services	\$ 19,470	\$ 431,238	\$ 296,764	\$ 747,472
Total operating revenues	19,470	431,238	296,764	747,472
Operating Expenses				
Costs of services	35,394	374,369	403,389	813,152
Depreciation	4,080	-	3,285	7,365
Total operating expenses	39,474	374,369	406,674	820,517
Operating (loss) income	(20,004)	56,869	(109,910)	(73,045)
Nonoperating Revenues				
Interest income	11	470	-	481
Total nonoperating revenues	11	470	-	481
Net income (loss) before transfers	(19,993)	57,339	(109,910)	(72,564)
Transfers				
Transfers in	42,400	-	109,908	152,308
Transfers out	-	(42,000)	-	(42,000)
	42,400	(42,000)	109,908	110,308
Change in net position	22,407	15,339	(2)	37,744
Fund Net Position, Beginning	17,401	136,722	56,778	210,901
Fund Net Position, Ending	\$ 39,808	\$ 152,061	\$ 56,776	\$ 248,645

Town of Weston, Connecticut

Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water Supply System	Self-Funded Recreation Programs	Recycling and Transfer Station	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 19,070	\$ 434,876	\$ 304,220	\$ 758,166
Payments to suppliers and personnel	(42,411)	(373,769)	(414,128)	(830,308)
Net cash provided by (used in) operating activities	(23,341)	61,107	(109,908)	(72,142)
Cash Flows From Investing Activities				
Interest income	11	470	-	481
Cash Flows From Non-Capital Financing Activities				
Transfers:				
From/to other funds	42,400	(42,000)	109,908	110,308
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	-	-	-	-
Net increase in cash and cash equivalents	19,070	19,577	-	38,647
Cash and Cash Equivalents				
Beginning	11,504	59,838	-	71,342
Ending	<u>\$ 30,574</u>	<u>\$ 79,415</u>	<u>\$ -</u>	<u>\$ 109,989</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided By (Used in) Operating Activities				
Operating (loss) income	\$ (20,004)	\$ 56,869	\$ (109,910)	\$ (73,045)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation	4,080	-	3,285	7,365
Changes in assets and liabilities:				
Decrease (increase) in other receivables	(400)	(1,930)	7,456	5,126
(Increase) in unearned revenue	-	(30,698)	-	(30,698)
Decrease in due from other funds	-	36,266	-	36,266
Decrease in accounts payable	-	-	-	-
Increase (decrease) in due to other funds	(7,017)	600	(10,739)	(17,156)
Net cash provided by (used in) operating activities	\$ (23,341)	\$ 61,107	\$ (109,908)	\$ (72,142)

This page intentionally left blank.

Fiduciary Funds

Fiduciary Funds

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

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

Mariana L. Clark

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

The Town's agency funds are as follows:

Student Activity Fund
Police Survivors
School Athletic

Town of Weston, Connecticut

Statement of Private Purpose Trust Fund Net Position - Fiduciary Funds
June 30, 2015

	Private Purpose Trust Fund <hr/> Mariana L. Clark
<hr/>	
Assets	
Cash and Cash Equivalents	\$ 130,064
Total assets	<hr/> 130,064
Net Position Held in Trust	
For Donors' Intentions	<hr/> 130,064
Total net position	<hr/> <hr/> \$ 130,064

Town of Weston, Connecticut

Statement of Changes in Net Position - Private Purpose Trust Fund
For the Year Ended June 30, 2015

	Private Purpose Trust Fund <u>Mariana L. Clark</u>
<hr/>	
Additions	
Investment Income:	
Interest and dividends	\$ 631
Total additions	<u>631</u>
Net change in net position	631
Net Position Held in Trust	
Beginning of year	<u>129,433</u>
End of year	<u>\$ 130,064</u>

Town of Weston, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 278,874	\$ 819,449	\$ (819,346)	\$ 278,977
Liabilities				
Other liabilities	\$ 278,874	\$ 819,449	\$ (819,346)	\$ 278,977
Police Survivor				
Assets				
Cash and cash equivalents	\$ 5,191	\$ 8	\$ -	\$ 5,199
Liabilities				
Other liabilities	\$ 5,191	\$ 8	\$ -	\$ 5,199
School Athletic				
Assets				
Cash and cash equivalents	\$ 14,921	\$ 167,488	\$ (169,738)	\$ 12,671
Liabilities				
Other liabilities	\$ 14,921	\$ 167,488	\$ (169,738)	\$ 12,671
Totals				
Assets				
Cash and cash equivalents	\$ 298,986	\$ 986,945	\$ (989,084)	\$ 296,847
Liabilities				
Other liabilities	\$ 298,986	\$ 986,945	\$ (989,084)	\$ 296,847

This page intentionally left blank.

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

Town of Weston, Connecticut

**Capital Assets Used in the Operation of Governmental Funds - Schedule by Category -
Historical Cost
June 30, 2015**

Governmental Funds Capital Assets	
Land	\$ 10,148,899
Buildings and improvements	116,446,966
Land Improvements	5,147,219
Machinery, equipment and vehicle	14,432,044
Infrastructure	17,611,087
Construction in progress	<u>1,052,580</u>
Total	<u>\$ 164,838,795</u>

This page intentionally left blank.

Other Schedules

Town of Weston, Connecticut

Balance Sheet - By Account - General Fund
June 30, 2015

	General Fund	BOE Miscellaneous	Elimination 1	General Fund Combined
Assets				
Cash and cash equivalents	\$ 9,346,392	\$ 274,949	\$ -	\$ 9,621,341
Investments	11,688,699	-	-	11,688,699
Receivables, net of allowances for collection losses:				
Property taxes	2,229,286	-	-	2,229,286
Intergovernmental and other	202,892	90,157	-	293,049
Inventories and prepaids	66,439	-	-	66,439
Due from other funds	1,298,234	-	(170,596)	1,127,638
Advances to other funds	582,550	-	-	582,550
Total assets	\$ 25,414,492	\$ 365,106	\$ (170,596)	\$ 25,609,002
Liabilities				
Accounts payable and accruals	\$ 2,047,738	\$ -	\$ -	\$ 2,047,738
Due to other funds	6,970,314	170,596	(170,596)	6,970,314
Unearned revenue	73,235	-	-	73,235
Total liabilities	9,091,287	170,596	(170,596)	9,091,287
Deferred Inflows of Resources				
Taxes collected in advance	1,023,619	-	-	1,023,619
Unavailable resources	2,117,788	-	-	2,117,788
Total deferred inflows of resources	3,141,407	-	-	3,141,407
Fund Balances				
Nonspendable	648,989	-	-	648,989
Committed	329,500	-	-	329,500
Assigned	495,879	194,510	-	690,389
Unassigned	11,707,430	-	-	11,707,430
Total fund balances	13,181,798	194,510	-	13,376,308
Total liabilities, deferred inflows of resources and fund balances	\$ 25,414,492	\$ 365,106	\$ (170,596)	\$ 25,609,002

Town of Weston, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balances - By Account - General Fund
For the Year Ended June 30, 2015

	General Fund	BOE Miscellaneous	General Fund Combined
Revenues			
Property taxes	\$ 66,047,652	\$ -	\$ 66,047,652
Intergovernmental	6,815,652	-	6,815,652
Income from investments	193,025	-	193,025
Net depreciation in fair value of investments		-	-
Charges for services	758,486	602,167	1,360,653
Other revenues	66,807	-	66,807
Total revenues	73,881,622	602,167	74,483,789
Expenditures			
Current:			
General government	5,984,659	-	5,984,659
Public safety	2,630,868	-	2,630,868
Public works	2,114,953	-	2,114,953
Health and welfare	433,979	-	433,979
Culture and recreation	978,397	-	978,397
Education	52,794,191	543,123	53,337,314
Debt service:			
Principal retirements	4,390,000	-	4,390,000
Interest and other charges	2,097,869	-	2,097,869
Total expenditures	71,424,916	543,123	71,968,039
Revenues over (under) expenditures	2,456,706	59,044	2,515,750
Other Financing Sources (Uses)			
Transfers in	200,000	-	200,000
Transfers out	(1,767,424)	-	(1,767,424)
Total other financing sources (uses)	(1,567,424)	-	(1,567,424)
Net change in fund balance	889,282	59,044	948,326
Fund Balances, Beginning	12,292,516	135,466	12,427,982
Fund Balances, Ending	\$ 13,181,798	\$ 194,510	\$ 13,376,308

This page intentionally left blank.

Town of Weston, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding - General Fund
For the Year Ended June 30, 2015

Grand List Year	Taxes Receivable July 1, 2014	Current Levy	Lawful Corrections		Balance To Be Collected
			Additions	Deletions	
2013	\$ -	\$ 65,730,126	\$ 140,919	\$ 143,189	\$ 65,727,856
2012	879,979	-	2,701	4,546	878,134
2011	352,687	-	3,389	395	355,681
2010	200,518	-	2,291	54	202,755
2009	156,690	-	3,164	294	159,560
2008	106,898	-	1,840	256	108,482
2007	87,188	-	1,338	270	88,256
2006	51,509	-	171	-	51,680
2005	20,877	-	385	-	21,262
2004	9	-	413	-	422
2003	10,006	-	356	-	10,362
2002	-	-	1,307	-	1,307
2001	-	-	1,437	1	1,436
2000	-	-	1,268	564	704
1999	-	-	750	-	750
1997	-	-	-	-	-
	<u>\$ 1,866,361</u>	<u>\$ 65,730,126</u>	<u>\$ 161,729</u>	<u>\$ 149,569</u>	<u>\$ 67,608,647</u>

Transfers to Suspense	Refund Adjustments	Collections				Total	Balance	Refund	Taxes
		Taxes	Interest	Fees & Liens	Uncollected June 30, 2015		Balance June 30, 2015	Receivable June 30, 2015	
\$ -	\$ 114,945	\$ 65,178,736	\$ 197,949	\$ 1,413	\$ 65,378,098	\$ 664,065	\$ 87,757	\$ 751,822	
-	(13,639)	527,261	98,230	2,076	627,567	337,234	14,317	351,551	
-	(37,212)	93,625	27,243	649	121,517	224,844	36,560	261,404	
-	(50,131)	27,700	13,380	495	41,575	124,924	45,950	170,874	
27,167	(21,169)	18,283	15,186	334	33,803	92,941	17,119	110,060	
1,175	(8,123)	14,532	15,794	245	30,571	84,652	3,911	88,563	
-	(22,666)	14,020	12,429	155	26,604	51,570	15,216	66,786	
-	-	2,493	646	64	3,203	49,187	(398)	48,789	
-	-	153	413	-	566	21,109	(232)	20,877	
-	-	413	690	-	1,103	9	-	9	
-	-	356	635	-	991	10,006	-	10,006	
-	-	1,307	2,636	-	3,943	-	-	-	
-	-	1,436	1,578	-	3,014	-	-	-	
-	-	704	1,893	-	2,597	-	-	-	
-	-	750	1,958	-	2,708	-	-	-	
-	-	-	-	-	-	-	-	-	
\$ 28,342	\$ (37,995)	\$ 65,881,769	\$ 390,660	\$ 5,431	\$ 66,277,860	\$ 1,660,541	\$ 220,200	\$ 1,880,741	

This page intentionally left blank.