

**TOWN OF WOODSTOCK, CONNECTICUT**

**BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Woodstock, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodstock, Connecticut (the "Town") as of and for the year ended June 30, 2017, 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 Town'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 Town'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, each major fund, and the aggregate remaining fund information of the Town of Woodstock, Connecticut, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison schedules for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the schedules on the Town's pension plans and other post-retirement benefit plan on pages 59 through 62. 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 statements and schedules on pages 63 through 78 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, 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.



Glastonbury, Connecticut  
December 15, 2017

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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As management of the Town of Woodstock (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, 2017.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$31,538,080 (net position). Of this amount, \$1,345,582 (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 \$3,281,116 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,322,422, an increase of \$3,216,643 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,765,840 or 15.82% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.9 months of General Fund operating expenditures.
- The Town's total capital assets increased by \$1,025,478 or 3.9% during the current year. This increase is primarily due to school roof project costs incurred and various road improvements, offset by asset disposals related to the transfer of vehicle titles to a third party transportation service provider and current year depreciation of assets.
- The Town's total long-term debt increased by \$759,404 or 20.5% during the current fiscal year due to the issuance of \$1.16 million in general obligation bonds, offset by scheduled repayments. The proceeds from the bond issuance were used to retire a portion of previously outstanding bond anticipation notes.

**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 basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.



**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Government-wide Financial Statements *(Continued)***

The statement of activities presents information showing how the Town'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).

The government-wide financial statements display information about the Town's governmental activities which include general government, public safety, public works, health and welfare, recreation, and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 14 and 15 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental Funds***

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

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

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Fund Financial Statements *(Continued)***

***Governmental Funds (Continued)***

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the WPCA Fund, Herbert W. Bowen Fund, the Town Aid Road Fund, and the School Roof Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 21 of this report.

***Proprietary Funds***

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town'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 25 and 26 of this report.

**Notes to the Financial Statements**

The notes to the financial statements 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 27 through 58 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules which can be found on pages 59 through 78 of this report.

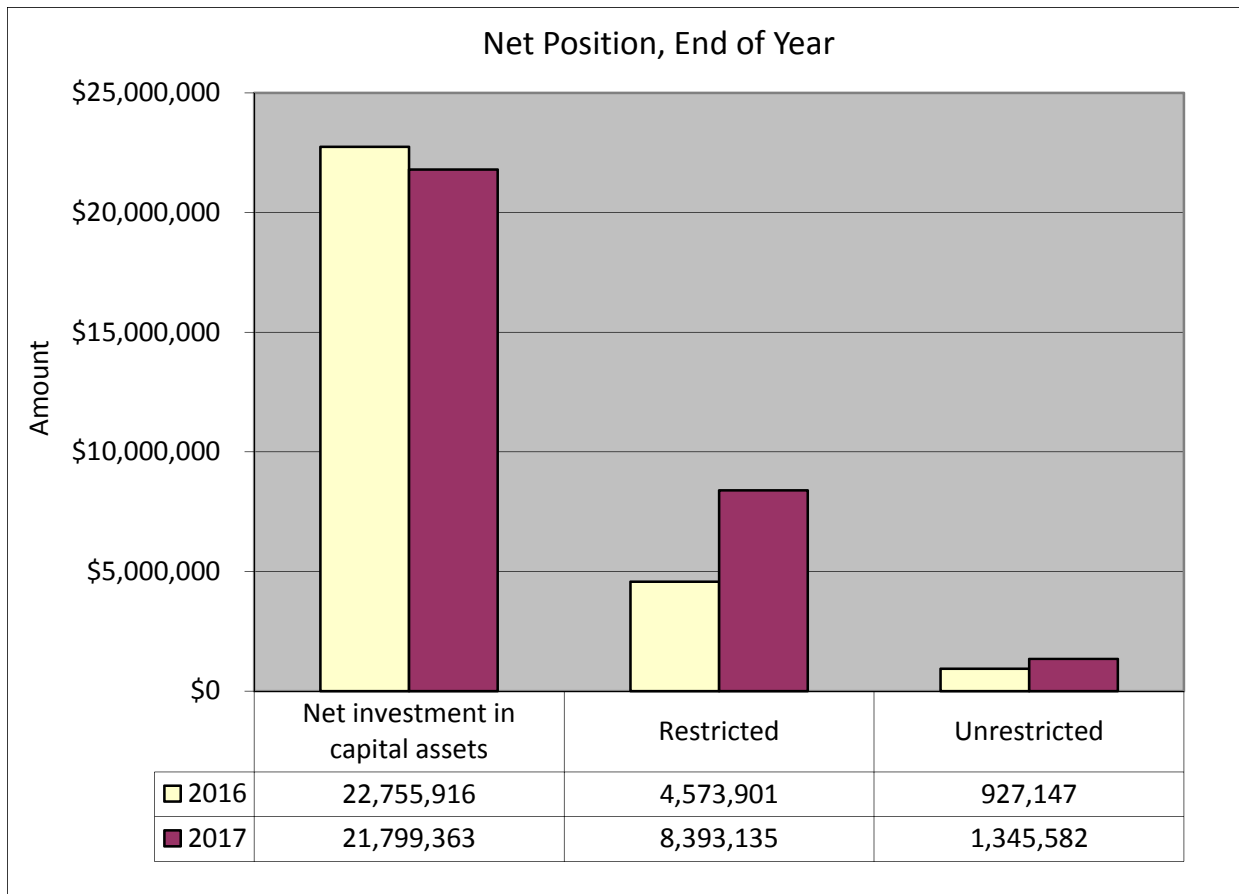
**TOWN OF WOODSTOCK, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$31,538,080 and \$28,256,964 as of June 30, 2017 and 2016, respectively and are summarized as follows.

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 17,636,747	\$ 12,884,543
Capital assets, net	27,480,943	26,455,465
Total assets	<u>45,117,690</u>	<u>39,340,008</u>
Deferred outflows of resources	480,629	79,445
Long-term liabilities	11,030,958	9,208,831
Other liabilities	3,029,281	1,953,658
Total liabilities	<u>14,060,239</u>	<u>11,162,489</u>
Net position:		
Net investment in capital assets	21,799,363	22,755,916
Restricted	8,393,135	4,573,901
Unrestricted	1,345,582	927,147
Total net position	<u>\$ 31,538,080</u>	<u>\$ 28,256,964</u>



**TOWN OF WOODSTOCK, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**JUNE 30, 2017**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**

Of the Town's net position, 69.1% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 26.6% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased by \$3,281,116.

**Changes in Net Position**

Changes in net position for the years ended June 30, 2017 and 2016 are as follows.

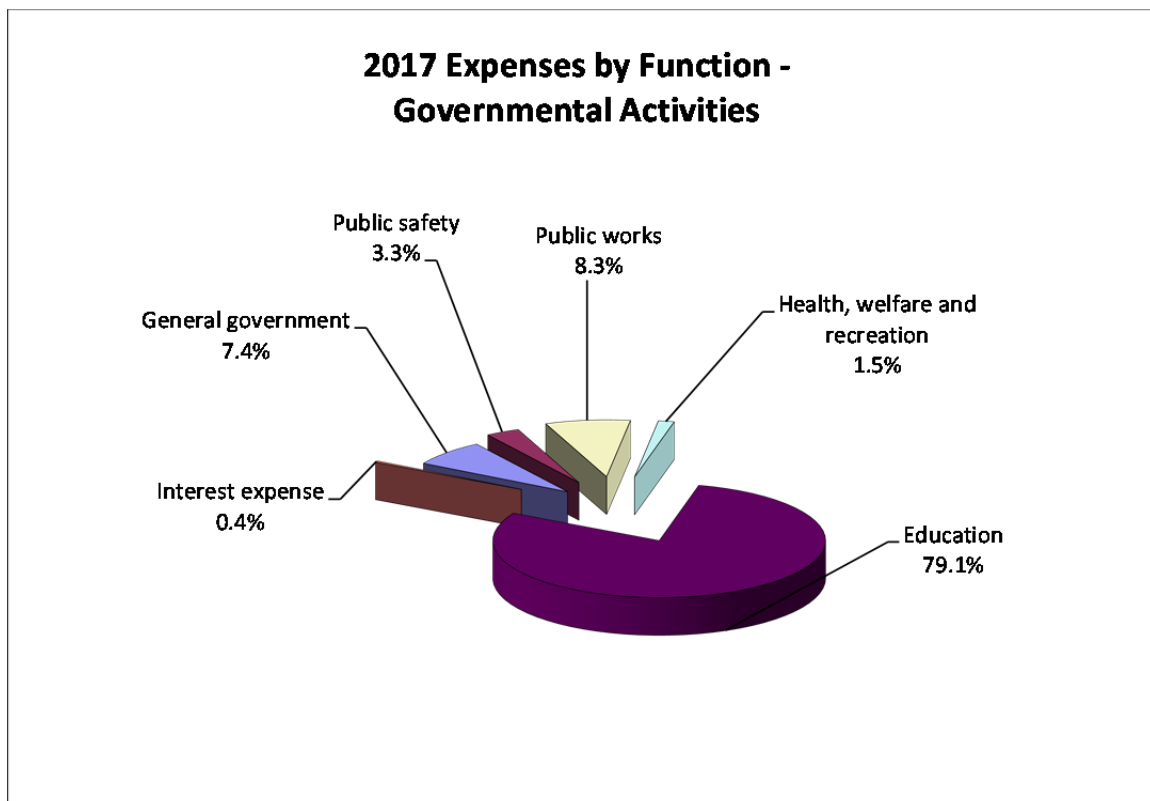
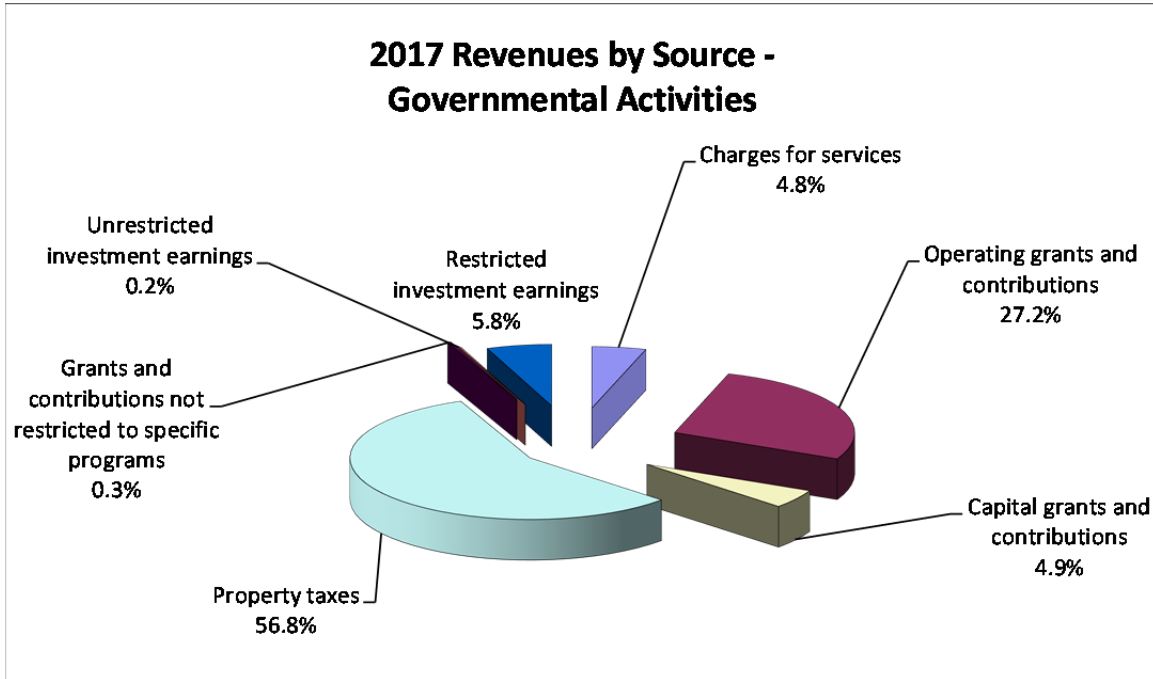
	<u>2017</u>	<u>2016</u>
Program revenues:		
Charges for services	\$ 1,425,269	\$ 1,394,970
Operating grants and contributions	8,009,973	7,776,569
Capital grants and contributions	1,441,346	901,340
General revenues:		
Property taxes	16,693,386	16,057,065
Grants and contributions not restricted to specific programs	87,143	97,622
Unrestricted investment earnings	46,346	24,645
Restricted investment earnings	1,715,080	(276,306)
Total revenues	<u>29,418,543</u>	<u>25,975,905</u>
Program expenses:		
General government	1,945,056	2,046,990
Public safety	854,553	833,755
Public works	2,157,055	3,089,038
Health, welfare and recreation	401,315	337,108
Education	20,687,947	19,454,926
Interest expense	91,501	80,777
Total expenses	<u>26,137,427</u>	<u>25,842,594</u>
Change in net position	<u>\$ 3,281,116</u>	<u>\$ 133,311</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***



**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***

Governmental activities increased the Town's net position by \$3,281,116. Revenues generated by the Town increased by \$3.4 million, or 13.3%, in comparison to the prior year. This increase was primarily due to an increase in restricted investment earnings of \$1.9 million in comparison to the prior year, due to favorable market conditions in investments held within the Herbert W. Bowen Fund. In addition, capital grants and contributions increased \$540 thousand from the prior year primarily due to the receipt of state funding related to the Town's school roof project. Expenses increased by \$294,833, or 1.1%, primarily due to an increase in education expenditures, offset by a decrease in Town Aid Road expenditures.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town'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 \$12,322,422, an increase of \$3,216,643 in comparison with the prior year. Of this amount, \$3,765,840 represents the total unassigned fund balance of the Town.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,765,840, while total fund balance was \$4,116,902. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 15.8% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.9 months of General Fund operating expenditures. The Town's adopted policy states that the Board of Finance shall propose annual budgets that provide for an unassigned General Fund balance of not less than 8.0% or more than 15.0% of the total operating General Fund expenditures. In an event that the unassigned fund balance exceeds the policy maximum at the end of any fiscal year, the Town's current fund balance policy does provide for specific ways for which this excess can be utilized.

The fund balance of the Town's General Fund increased by \$700,425 during the current fiscal year, as a direct result of favorable current year operating budget results.

**WPCA Fund**

The WPCA Fund has a fund balance of \$197,474 as of June 30, 2017, an increase of \$15,838 from the prior year. This change is primarily attributable to comparable revenue collections from the prior year in addition to a decrease in scheduled debt repayments. In 2016, the WPCA Fund paid off a clean water loan in full, resulting in an anticipated decrease in scheduled expenditures.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)***

**Herbert W. Bowen Fund**

The fund balance of the Herbert W. Bowen Fund increased by \$1,714,871 during the current fiscal year. This increase related directly to current year market gains on investments.

**Town Aid Road Fund**

The Town Aid Road Fund has no fund balance because the fund primarily records activity related to cost reimbursement grants and contracts. Consequently, grant and contract revenues equal expenditures.

**School Roof Fund**

The fund balance of the School Roof Fund increased by \$705,845 during the current fiscal year. This increase can be attributed to proceeds from bond anticipation notes that were subsequently refinanced through the issuance of general obligation bonds in July 2017. In addition, the change in fund balance is a result of School Construction grant funding received, offset by capital outlays incurred in the current year in connection with School Roof projects.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original operating budget for the General Fund included the use of fund balance in the amount of \$169,419. No additional appropriations were approved during the year. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$700,425.

During the year, revenues exceeded budgetary estimates by \$574,882, primarily as a result of increased tax collections in comparison to budgeted expectations. Expenditures were \$294,962 less than budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental activities as of June 30, 2017 totaled \$27,480,943 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, intangible assets, buildings and improvements, land improvements, machinery and equipment, and infrastructure. The Town's investment in capital assets increased by \$1,025,478 or 3.9%.

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

- Current year depreciation expense totaling \$737,477.
- An increase of \$340 thousand in machinery and equipment related to the purchase of various public works equipment and an increase in infrastructure of \$346 thousand related to Brickyard and Perrin road improvements.
- An increase to construction in progress of \$1,771,238 for expenses incurred relating to the English Neighborhood Phase II and the School Roof projects.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**JUNE 30, 2017**

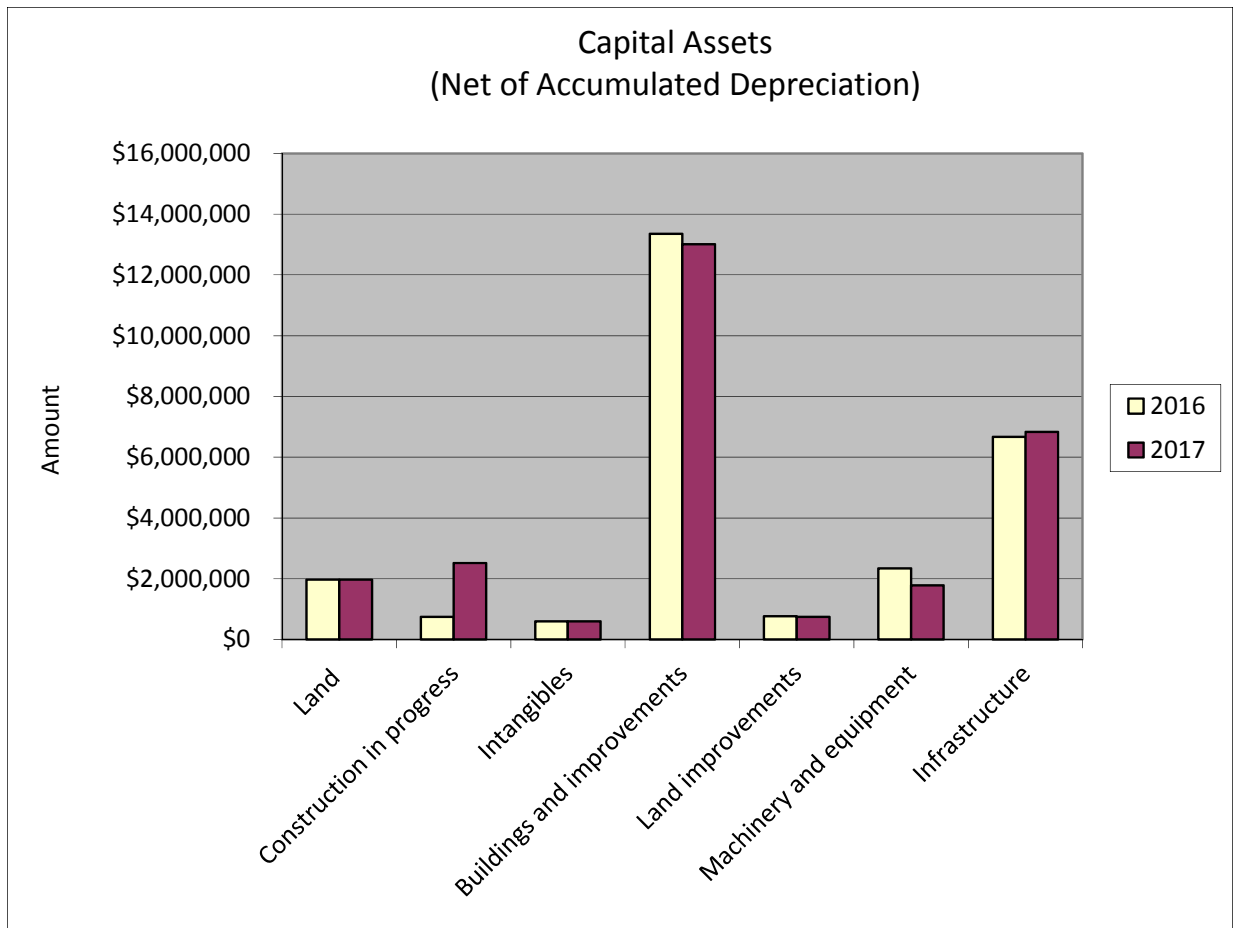
**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**

- A loss on disposal of assets was recognized in connection with the transfer of assets to a third party transportation service provider as cited per terms of the contract agreement. This loss was offset by the recognition of revenue and a receivable in the form of credits against payments due over a five year period by the third party provider.

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,974,221	\$ 1,974,221
Construction in progress	2,519,601	748,363
Intangibles	600,874	600,874
Buildings and improvements	13,015,053	13,356,129
Land improvements	746,168	765,351
Machinery and equipment	1,787,085	2,339,067
Infrastructure	6,837,941	6,671,460
Totals	<u>\$ 27,480,943</u>	<u>\$26,455,465</u>



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



**TOWN OF WOODSTOCK, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**JUNE 30, 2017**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt**

At the end of the current fiscal year, the Town had total debt outstanding of \$4,458,953, all of which is backed by the full faith and credit of the government. The Town's total debt increased by \$759,404 or 20.5% during the current fiscal year due to the issuance of \$1.16 million in general obligation bonds, offset by scheduled repayments. The proceeds from the bond issuance were used to retire a portion of previously outstanding bond anticipation notes.

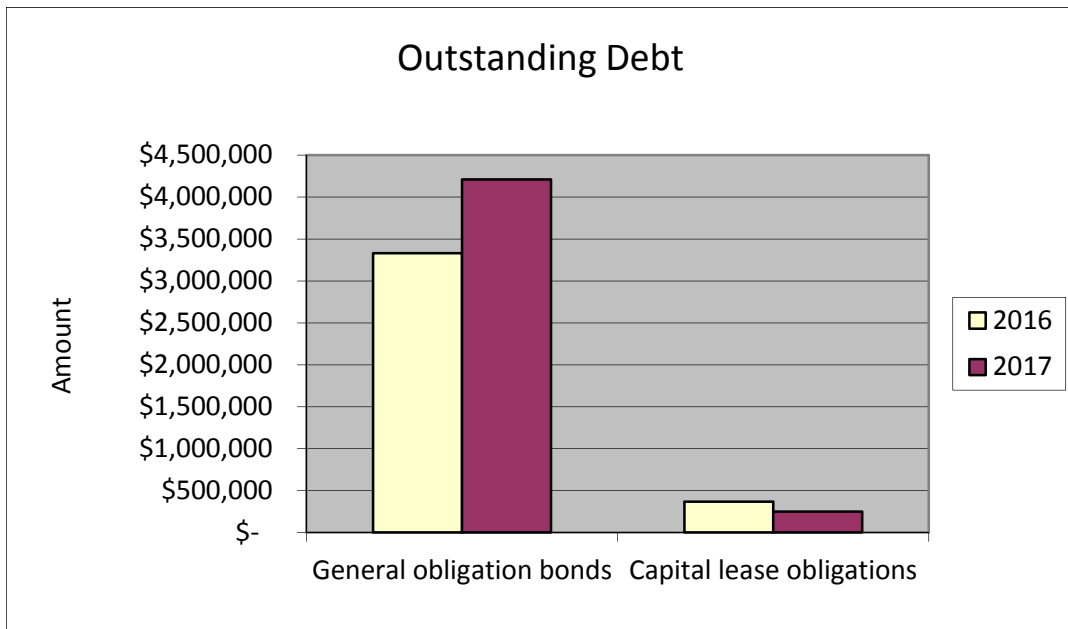
The Town's general obligation bond rating was rated Aa3 by Moody's in October 2017.

During 2017, the Town issued \$2,378,018 of general obligation bond anticipation notes to fund ongoing school roof construction projects, of which \$1,160,000 were subsequently refinanced through the issuance of general obligation bonds in July 2017.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$119,759,073, which is significantly in excess of the Town's outstanding general obligation debt.

The following tables are a two year comparison of long-term debt:

	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 4,212,400	\$ 3,332,050
Capital lease obligations	246,553	367,499
Totals	<u>\$ 4,458,953</u>	<u>\$ 3,699,549</u>



Additional information on the Town's debt can be found in Notes I and J of this report.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2017

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2018, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
  - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2018. The Town's fiscal year 2018 General Fund budget was approved on May 16, 2017. Use of fund balance in the amount of \$351,062 has been assigned for use in the fiscal year 2018 budget. The approved budget includes an increase in mill rate of 0.26% from the fiscal year 2017 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 Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer, Town of Woodstock, 415 Route 169, Woodstock, Connecticut 06281.

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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF WOODSTOCK, CONNECTICUT**

STATEMENT OF NET POSITION

JUNE 30, 2017

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,379,741
Investments	328,306
Receivables:	
Property taxes and interest, net	376,783
Sewer usage and assessments, net	168,942
Grants and contracts receivable	195,739
Other receivables	39,620
Inventories	4,794
Restricted assets - investments	5,259,166
Grants and contracts receivable, long-term portion	987,750
Loans receivable, long-term	895,906
Capital assets:	
Non-depreciable	5,094,696
Depreciable, net	22,386,247
Total assets	45,117,690
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension expenses	480,629
 <b>LIABILITIES</b>	
Accounts payable	936,588
Accrued liabilities	43,296
Accrued interest payable	45,284
Unearned revenue	700,551
Claims payable	85,544
Bond anticipation notes payable	1,218,018
Noncurrent liabilities:	
Due within one year	621,261
Due in more than one year	10,409,697
Total liabilities	14,060,239
 <b>NET POSITION</b>	
Net investment in capital assets	21,799,363
Restricted for:	
Endowment - nonexpendable	13,100
Endowment - expendable	5,267,316
Grants and contracts	1,187,301
Repayment of debt	1,925,418
Unrestricted	1,345,582
Total net position	\$ 31,538,080

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
General government	\$ 1,945,056	\$ 357,697	\$ 116,423	\$ -	\$ (1,470,936)
Public safety	854,553	-	-	-	(854,553)
Public works	2,157,055	436,392	93,645	415,966	(1,211,052)
Health, welfare and recreation	401,315	77,694	206,560	-	(117,061)
Education	20,687,947	553,486	7,593,345	1,025,380	(11,515,736)
Interest expense	91,501	-	-	-	(91,501)
Total governmental activities	<u>\$ 26,137,427</u>	<u>\$ 1,425,269</u>	<u>\$ 8,009,973</u>	<u>\$ 1,441,346</u>	<u>(15,260,839)</u>
General revenues:					
Property taxes, payments in lieu of taxes, interest and liens					16,693,386
Grants and contributions not restricted to specific programs					87,143
Unrestricted interest and investment earnings					46,346
Restricted interest and investment earnings					1,715,080
Total general revenues					<u>18,541,955</u>
					Change in net position 3,281,116
					Net position - beginning <u>28,256,964</u>
					Net position - ending <u>\$ 31,538,080</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	General Fund	WPCA Fund	Herbert W. Bowen Fund	Town Aid Road Fund	School Roof Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,531,055	\$ 196,752	\$ 698	\$ -	\$ 1,271,429	\$ 559,998	\$ 8,559,932
Investments	-	-	-	-	-	328,306	328,306
Receivables:							
Property taxes and interest, net	376,783	-	-	-	-	-	376,783
Sewer usage and assessments, net	-	168,942	-	-	-	-	168,942
Intergovernmental	-	-	-	-	-	51,089	51,089
Loans	-	-	-	-	-	895,906	895,906
Other	14,199	7,828	-	-	8,990	8,603	39,620
Due from other funds	21,222	47,226	202	613,807	-	1,139,392	1,821,849
Inventories	-	-	-	-	-	4,794	4,794
Restricted assets - investments	-	-	5,259,166	-	-	-	5,259,166
Total assets	<u>\$ 6,943,259</u>	<u>\$ 420,748</u>	<u>\$ 5,260,066</u>	<u>\$ 613,807</u>	<u>\$ 1,280,419</u>	<u>\$ 2,988,088</u>	<u>\$ 17,506,387</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 585,291	\$ 135,745	\$ -	\$ -	\$ -	\$ 194,543	\$ 915,579
Accrued liabilities	43,296	-	-	-	-	-	43,296
Bond anticipation notes payable	-	-	-	-	1,218,018	-	1,218,018
Due to other funds	1,881,707	-	-	-	-	21,222	1,902,929
Unearned revenue	-	-	-	613,807	-	86,744	700,551
Total liabilities	<u>2,510,294</u>	<u>135,745</u>	<u>-</u>	<u>613,807</u>	<u>1,218,018</u>	<u>302,509</u>	<u>4,780,373</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue:							
Property taxes and interest	316,063	-	-	-	-	-	316,063
Sewer usage and assessments	-	87,529	-	-	-	-	87,529
Total deferred inflows of resources	<u>316,063</u>	<u>87,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,592</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	17,894	17,894
Restricted	-	-	5,260,066	-	62,401	1,132,150	6,454,617
Committed	-	197,474	-	-	-	1,416,641	1,614,115
Assigned	351,062	-	-	-	-	118,894	469,956
Unassigned	3,765,840	-	-	-	-	-	3,765,840
Total fund balances	<u>4,116,902</u>	<u>197,474</u>	<u>5,260,066</u>	<u>-</u>	<u>62,401</u>	<u>2,685,579</u>	<u>12,322,422</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,943,259</u>	<u>\$ 420,748</u>	<u>\$ 5,260,066</u>	<u>\$ 613,807</u>	<u>\$ 1,280,419</u>	<u>\$ 2,988,088</u>	<u>\$ 17,506,387</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

Total fund balance for governmental funds		\$ 12,322,422
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Land	\$ 1,974,221	
Construction in progress	2,519,601	
Intangibles	600,874	
Buildings and improvements	21,220,332	
Land improvements	1,135,481	
Machinery and equipment	3,389,097	
Infrastructure	9,410,823	
Accumulated depreciation	<u>(12,769,486)</u>	
Total capital assets, net		27,480,943
Long-term contract receivable amount from Woodstock Academy is not susceptible to accrual and is therefore not reported in the funds.		
		707,400
Some of the Town's taxes, assessments, interest and usage receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
		403,592
Lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and is therefore not reported in the governmental funds.		
		425,000
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(45,284)	
Long-term debt:		
General obligation bonds	(4,212,400)	
Capital lease obligations	(246,553)	
Other long-term liabilities:		
Loans payable	(4,609)	
Contract payable	(81,698)	
Compensated absences	(109,955)	
Termination benefits	(208,000)	
Post-closure landfill costs	(66,860)	
Net pension liability	(1,515,330)	
Net OPEB obligation	<u>(4,585,553)</u>	
Total long-term liabilities		(11,076,242)
Deferred outflows of resources resulting from changes in the components of the net pension liability are reported in the statements of net position.		
		480,629
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		<u>794,336</u>
Net position of governmental activities		<u>\$ 31,538,080</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	WPCA Fund	Herbert W. Bowen Fund	Town Aid Road Fund	School Roof Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 16,693,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,693,386
Grants and contracts	6,954,899	-	-	372,077	1,015,174	984,366	9,326,516
Charges for services	453,946	171,978	-	-	-	414,974	1,040,898
Miscellaneous	110,265	40,482	-	-	-	168,179	318,926
Investment income	37,737	380	1,714,871	-	2,712	4,133	1,759,833
Total revenues	<u>24,250,233</u>	<u>212,840</u>	<u>1,714,871</u>	<u>372,077</u>	<u>1,017,886</u>	<u>1,571,652</u>	<u>29,139,559</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,900,521	-	-	-	-	18,839	1,919,360
Public safety	829,714	-	-	-	-	-	829,714
Public works	1,192,703	157,358	-	80,109	-	97,541	1,527,711
Health, welfare and recreation	189,447	-	-	-	-	174,397	363,844
Education	18,435,092	-	-	-	-	1,016,941	19,452,033
Capital outlays	659,526	-	-	291,968	1,472,041	376,785	2,800,320
Debt service:							
Principal payments	260,000	19,650	-	-	-	-	279,650
Interest and fiscal charges	86,100	19,994	-	-	-	-	106,094
Capital lease payments	255,061	-	-	-	-	-	255,061
Total expenditures	<u>23,808,164</u>	<u>197,002</u>	<u>-</u>	<u>372,077</u>	<u>1,472,041</u>	<u>1,684,503</u>	<u>27,533,787</u>
Excess (deficiency) of revenues over expenditures	442,069	15,838	1,714,871	-	(454,155)	(112,851)	1,605,772
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease financing	125,871	-	-	-	-	-	125,871
Proceeds from sale of assets	325,000	-	-	-	-	-	325,000
Proceeds from bonds	-	-	-	-	1,160,000	-	1,160,000
Transfers in	-	-	-	-	-	192,515	192,515
Transfers out	(192,515)	-	-	-	-	-	(192,515)
Total other financing sources (uses)	<u>258,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,160,000</u>	<u>192,515</u>	<u>1,610,871</u>
Net change in fund balances	700,425	15,838	1,714,871	-	705,845	79,664	3,216,643
Fund balances - beginning	<u>3,416,477</u>	<u>181,636</u>	<u>3,545,195</u>	<u>-</u>	<u>(643,444)</u>	<u>2,605,915</u>	<u>9,105,779</u>
Fund balances - ending	<u>\$ 4,116,902</u>	<u>\$ 197,474</u>	<u>\$ 5,260,066</u>	<u>\$ -</u>	<u>\$ 62,401</u>	<u>\$ 2,685,579</u>	<u>\$ 12,322,422</u>

*The accompanying notes are an integral part of these financial statements.*



**TOWN OF WOODSTOCK, 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, 2017**

Net change in fund balances - total governmental funds \$ 3,216,643

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 2,457,491	
Depreciation and amortization expense	(737,477)	
Net adjustment		1,720,014

The Statement of Activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets. (694,536)

Contract revenue from Woodstock Academy is not susceptible to accrual and therefore, is only reported as revenue in the governmental funds when the cash is received. In the government-wide financial statements, the cash received reduces the contract receivable recognized. (19,650)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Bond anticipation notes payable refinanced subsequent to year end		
Capital lease financing	(125,871)	
General obligation bonds issued	(1,160,000)	
Principal repayments:		
General obligation bonds	279,650	
Capital lease obligations	246,817	
Net adjustment		(759,404)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in deferred inflows. (20,990)

*(Continued)*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount represents the effect of such items.

Accrued interest	\$	2,843	
Loans payable		4,888	
Contract payable		27,232	
Compensated absences		(373)	
Termination benefits		(188,000)	
Post-closure landfill costs		9,000	
Net pension liability		(468,594)	
Net OPEB obligation		<u>(446,876)</u>	
	\$		(1,059,880)
Deferred inflows and outflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.			
			401,184
Revenues related to a lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the Town. In the government-wide financial statements, the revenues are recorded when earned.			
			425,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities.			
			<u>72,735</u>
Change in net position of governmental activities	\$		<u><u>3,281,116</u></u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 16,307,146	\$ 16,307,146	\$ 16,693,386	\$ 386,240
Intergovernmental revenues	5,465,251	5,465,251	5,464,395	(856)
Charges for services	334,054	334,054	453,946	119,892
Other revenues	63,083	63,083	100,552	37,469
Interest income	5,600	5,600	37,737	32,137
Total revenues	<u>22,175,134</u>	<u>22,175,134</u>	<u>22,750,016</u>	<u>574,882</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,109,243	2,109,243	1,910,521	(198,722)
Public safety	850,967	850,967	829,714	(21,253)
Public works	1,797,544	1,797,544	1,726,009	(71,535)
Health, recreation and welfare	221,310	221,310	218,059	(3,251)
Education	16,908,726	16,908,726	16,908,726	-
Debt service	456,763	456,763	456,562	(201)
Total expenditures	<u>22,344,553</u>	<u>22,344,553</u>	<u>22,049,591</u>	<u>(294,962)</u>
Excess (deficiency) of revenues over expenditures	(169,419)	(169,419)	700,425	869,844
<b>OTHER FINANCING SOURCES</b>				
Appropriation of fund balance	169,419	169,419	-	(169,419)
Total other financing sources	<u>169,419</u>	<u>169,419</u>	<u>-</u>	<u>(169,419)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	700,425	<u>\$ 700,425</u>
Fund balance - beginning			<u>3,416,477</u>	
Fund balance - ending			<u>\$ 4,116,902</u>	

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	<b>Governmental Activities</b>		
	<b>Town Employees' Benefits Fund</b>	<b>Board of Education Employees' Benefits Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 819,809	\$ 819,809
Due from other funds	60,071	-	60,071
Total assets	<u>60,071</u>	<u>819,809</u>	<u>879,880</u>
<b>LIABILITIES</b>			
Claims payable	-	85,544	85,544
Total liabilities	<u>-</u>	<u>85,544</u>	<u>85,544</u>
<b>NET POSITION</b>			
Unrestricted	60,071	734,265	794,336
Total net position	<u>\$ 60,071</u>	<u>\$ 734,265</u>	<u>\$ 794,336</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities</b>		<b>Total</b>
	<b>Town Employees' Benefits Fund</b>	<b>Board of Education Employees' Benefits Fund</b>	
<b>OPERATING REVENUES</b>			
Charges for services and premiums:			
Employer	\$ -	\$ 555,000	\$ 555,000
Employee	-	338,026	338,026
Total operating revenues	<u>-</u>	<u>893,026</u>	<u>893,026</u>
<b>OPERATING EXPENSES</b>			
Claims incurred	<u>-</u>	<u>821,883</u>	<u>821,883</u>
Operating income	-	71,143	71,143
<b>NON-OPERATING INCOME</b>			
Interest income	<u>-</u>	<u>1,592</u>	<u>1,592</u>
Total non-operating income	<u>-</u>	<u>1,592</u>	<u>1,592</u>
Change in net position	-	72,735	72,735
Net position - beginning	<u>60,071</u>	<u>661,530</u>	<u>721,601</u>
Net position - ending	<u>\$ 60,071</u>	<u>\$ 734,265</u>	<u>\$ 794,336</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities</b>		
	<b>Town Employees' Benefits Fund</b>	<b>Board of Education Employees' Benefits Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from the following:			
Employer	\$ -	\$ 555,000	\$ 555,000
Employee	-	338,026	338,026
Cash paid for the following:			
Claims incurred	-	(888,160)	(888,160)
Net cash provided by operating activities	<u>-</u>	<u>4,866</u>	<u>4,866</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	-	1,592	1,592
	<u>-</u>	<u>1,592</u>	<u>1,592</u>
Net increase (decrease) in cash and cash equivalents	-	6,458	6,458
Cash and cash equivalents, beginning of year	<u>-</u>	<u>813,351</u>	<u>813,351</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 819,809</u>	<u>\$ 819,809</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ -	\$ 71,143	\$ 71,143
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Decrease in claims payable	-	(66,277)	(66,277)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 4,866</u>	<u>\$ 4,866</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Private Purpose Trust Fund - Scholarship Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 168,853
Investments, at fair value:		
Equity mutual funds	38,041	-
Due from others	-	313
Due from other funds	-	21,009
Total assets	38,041	\$ 190,175
<b>LIABILITIES</b>		
Accounts payable	-	\$ 24,855
Due to student groups	-	7,615
Due to others	-	157,705
Total liabilities	-	\$ 190,175
<b>NET POSITION</b>		
Held in trust for other purposes	\$ 38,041	

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Private Purpose Trust Fund - Scholarship Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Net increase in the fair value of investments	\$ 3,741
Interest and dividends	1,101
Total investment earnings	4,842
Change in net position	4,842
Net position - beginning	33,199
Net position - ending	\$ 38,041

*The accompanying notes are an integral part of these financial statements.*



**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Woodstock, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

**Financial Reporting Entity**

The Town was incorporated as Woodstock in 1749 under the provisions of the Connecticut General Statutes. The Town operates under the Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services: public safety, public works, health, welfare and recreation, education, and general administrative services.

The legislative power of the Town is invested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Government-wide and Fund Financial Statements *(Continued)***

**Fund Financial Statements *(Continued)***

The Town reports the following major governmental funds:

**General Fund** - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

**WPCA Fund** - This fund is used to account for the financial resources from the collection of sewer assessments and user charges used to fund sewer operations.

**Herbert W. Bowen Fund** - This fund is used to account for an endowment and related earnings which will be used to support the Town's operations. The common stock bequest, made by Herbert W. Bowen upon his death in 1927, requires the annual income of the investment to be restricted in use to purchase additional shares of the common stock given, for the term of one hundred years. At the end of this period, annual income generated from the investment is to be used to reduce the taxes of the Town.

**Town Aid Road Fund** - The Town Aid Road Fund is used to account for and report the proceeds of the state town aid road grant that are restricted to expenditures for the maintenance and repair of town roads.

**School Roof Fund** - The School Roof Fund is used to account for financing and grant proceeds received in connection with the funding of the expenses incurred in relation to the renovation of the schools' roofs.

In addition, the Town reports the following fiduciary fund types:

**Internal Service Fund *(proprietary)*** - These funds account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes internal service funds to account for risk management activities related to medical and dental insurance.

**Private Purpose Trust Fund** - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of the Scholarship Fund.

**Agency Funds** - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities fund, the employee medical fund, and the land review and performance bond fund. The student activities fund accounts for monies generated by student activities in the Town's school system. The land review and performance bond fund accounts for monies received to ensure that construction is completed to correct specifications for new construction.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Measurement Focus and Basis of Accounting *(Continued)***

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Agency Funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected 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 period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

The private purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

**Implementation of Accounting Standards**

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No.14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The adoption of these statements did not have a material effect on the Town's financial statements.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity**

**Cash Equivalents**

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

**Investments**

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

Investments in certain external investment pools consist of the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

The Herbert W. Bowen Fund is restricted to expenditures of the investment income only for the donor-designated purpose. As such, related investment accounts have been presented as restricted investments in both the statement of net position and the governmental funds balance sheet.

Any appreciation of the funds is also restricted. The Town allocates investment income in accordance with donor restrictions and Connecticut law, which adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

**Inventories**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

**Property Taxes**

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$77,000 as of June 30, 2017.

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2017

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)***

**Property Taxes *(Continued)***

Upon completion of projects, sewer assessments are levied and assessed to the users semi-annually. Sewer assessment and usage charges are billed semi-annually on March and September 1. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at a rate of 1.5% per month. Liens are filed on all delinquent properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible sewer assessments and usage of \$16,600 as of June 30, 2017.

**Loans Receivable**

The Town administers a Residential Rehabilitation Loan Program for low to moderate income families. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2017, loans receivable totaled \$895,906 under this program.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), are reported in the government-wide financial statements. Donated capital assets are recorded at estimated fair market value at the date of donation. All other assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Intangible assets lack physical substance, are nonfinancial in nature and have a useful life that extends beyond a single reporting period. Intangible assets with no legal, contractual, or regulatory factors limiting their useful life are considered to have an indefinite useful life.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are defined by the Town as assets with an initial individual cost and estimated useful life as follows:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 20,000
Construction in progress	N/A	20,000
Building and systems	50 – 75	20,000
Land improvements	75	20,000
Machinery and equipment:		
Vehicles	10 – 20	5,000
Furniture and equipment	5 – 50	5,000
Infrastructure	50 – 75	100,000

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)***

**Unearned Revenue**

This liability represents resources that have been received but not yet earned.

**Deferred Outflows/Inflows of Resources**

Deferred outflows and inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

Deferred outflows of resources consists of deferred pension expenses reported in the government-wide statement of net position. Deferred pensions expenses resulted from changes in the components of the Town's net pension liability and are being amortized as a component of pension expense on as systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported net with deferred outflows of resources in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

**Compensated Absences and Termination Benefits**

It is the Town's policy to permit employees to accumulate unused sick and vacation pay benefits. Benefits are determined by the individual union contracts. Certain Board of Education personnel are also eligible for certain retirement incentive amounts that are amortized over time upon acceptance of an Early Retirement Incentive Program.

All compensated absences and employee retirement obligations are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when incurred.

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

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)***

**Net Position and Fund Balances**

The statement of net position presents the Town's assets, deferred outflows/inflows of resources, and liabilities, with net position as the residual of these elements. Net position reported in three categories:

***Net investment in capital assets*** - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

***Restricted net position*** - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation. None of the Town's restricted net position is restricted through enabling legislation.

***Unrestricted net position*** - This component of net position is the net amount of assets, liabilities, and deferred inflows/outflows of resources which do not meet the definition of the preceding two categories.

The Town's governmental funds report the following fund balance categories:

***Nonspendable*** - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

***Restricted*** - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

***Committed*** - Amounts can be only used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

***Assigned*** - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by the Board of Finance.

***Unassigned*** - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

***Net Position Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Net Position and Fund Balances *(Continued)***

***Net Position Flow Assumption***

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy that when an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the fund balance is to be spent in the following order: committed, assigned, and then unassigned. In addition, the Town's adopted policy states that the Board of Finance shall propose annual budgets that provide for an unassigned General Fund balance of not less than 8.0% or more than 13.0% of the total operating General Fund expenditures. As of June 30, 2017, unassigned fund balance represented 15.89% of total General Fund expenditures.

**Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed, or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.



**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Interfund Activities *(Continued)***

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**Use of Estimates**

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

**NOTE B - BUDGETARY INFORMATION**

**Budgetary Information**

A legally adopted budget is authorized annually for the General Fund. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes:

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- The Board of Selectmen presents an estimate of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.
- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the Board of Education. The Board of Finance then prepares a budget to be presented at the Town's Annual Budget meeting. The Annual Budget meeting will adjourn to referendum.
- The Town has an ordinance limiting the increase in the Town's combined annual expenditure budget to the increases in the Town's grand list, State and Federal assistance, and other income. The limit on expenditure increases does not apply to increases necessary to cover debt services, court judgments, State mandated programs and emergency expenditures. In revaluation years, the dollar amount of the combined annual expenditure budget is limited to the dollar increase of the preceding year's budget or the average amount of increase of the preceding three years, whichever is less.
- Expenditures are budgeted by function, department and object. The legal level of budget control is the department level. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission or department. Appropriations in excess of \$20,000 must also be approved by vote of a Town Meeting. During the year ended June 30, 2017 the Board of Finance made no additional appropriations.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE B - BUDGETARY INFORMATION (Continued)**

**Budgetary Information (Continued)**

- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for capital improvements and nonrecurring expenditures. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2017:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other</u> <u>Financing</u> <u>Sources (Uses)</u>	<u>Net Change</u> <u>In Fund</u> <u>Balance</u>
Budgetary basis	\$ 22,750,016	\$ 22,049,591	\$ -	\$ 700,425
"On-behalf" payments - State Teachers Retirement Fund ( <i>see Note L</i> )	1,214,123	1,214,123	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	286,094	286,094	-	-
Certain transfers recorded as revenues or expenditures for budgetary purposes	-	(192,515)	(192,515)	-
Noncash financing sources (uses) not recognized for budgetary purposes: Capital lease financing	-	125,871	125,871	-
Miscellaneous reimbursements netted against expenditures	-	325,000	325,000	-
GAAP basis	<u>\$ 24,250,233</u>	<u>\$ 23,808,164</u>	<u>\$ 258,356</u>	<u>\$ 700,425</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE C - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town 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. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut general statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2017, \$5,200,102 of the Town's bank balance of \$6,167,355 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,680,092
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	520,010
	\$ 5,200,102

All of the Town's deposits were in qualified public institutions as defined by Connecticut general statutes. Under these statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash deposits as of June 30, 2017 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 9,379,741
Statement of fiduciary net position:	
Cash and cash equivalents	168,853
	9,548,594
Add: certificates of deposit considered cash equivalents	
for disclosure purposes	328,306
Less: cash equivalents considered investments	
for disclosure purposes	(3,440,113)
	\$ 6,436,787

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments**

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Government-wide statement of net position:		
Investments	\$	328,306
Restricted assets - investments		5,259,166
Statement of fiduciary net position:		
Investments		38,041
Add: cash equivalents considered investments for disclosure purposes		3,440,113
Less: certificates of deposit considered cash equivalents for disclosure purposes		<u>(328,306)</u>
	<b>\$</b>	<b><u>8,737,320</u></b>

As of June 30, 2017, the Town's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
<b>Debt Securities:</b>				
<i>Governmental activities:</i>				
Short-term Investment Fund (STIF)	Net asset value	AAA	\$ 3,440,113	<u>\$ 3,440,113</u>
 <b>Other Investments:</b>				
<i>Governmental activities:</i>				
Equity securities	Fair value		5,259,166	
<i>Fiduciary Funds:</i>				
Mutual funds	Fair value		<u>38,041</u>	
			<u>\$ 8,737,320</u>	

Because investments in the Short-term Investment Fund have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

**Interest Rate Risk**

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE C - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut general statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments consist primarily of investments in pooled fixed income accounts and equity securities, and are therefore not exposed to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

**Concentrations of Credit Risk**

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2017, more than 10% of the Town's governmental activities investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Total Investments</u>
State of Connecticut	Short-term Investment Fund	\$ 3,440,113	39.4%
The Bank of New York Mellon Corporation	Common Stock	1,402,484	16.1%
JP Morgan Chase & Co.	Common Stock	3,856,682	44.1%

As of June 30, 2017 more than 10% of the Town's fiduciary investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Vanguard Voyager Select Services	Growth Index Fund Admiral Shares	\$ 14,001	36.8%
Vanguard Voyager Select Services	Total Bond Market Index Fund Investor Shares	7,767	20.4%
Vanguard Voyager Select Services	Total Stock Market Index Fund Admiral Shares	16,273	42.8%

**NOTE D - FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE D - FAIR VALUE MEASUREMENTS *(Continued)***

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2017, by level within the fair value hierarchy are presented in the table below.

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Mutual funds	\$ 38,041	\$ -	\$ -	\$ 38,041
Equity securities	5,259,166	-	-	5,259,166
	<u>\$ 5,297,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,297,207</u>

**NOTE E - RECEIVABLES**

**Lease Receivable**

On July 8, 2016, the Board of Education (the "Board") entered into an agreement with a contractor for purchased transportation services. The Board transferred, to the Contractor, all Board-owned vehicles for \$750,000, payable by the Contractor in the form of a credit against payments due to the Contractor over a five (5) year period, with \$325,000 taken in equal monthly credits from the Contractor's invoices for the months of September through June in the first year of the contract, \$125,000 taken in equal monthly credits from the Contractor's invoices for the months of September through June in the second year of the contract term, and the remainder taken in equal monthly credits from the Contractor's invoices for the months of September through June over the next three (3) years. The lease receivable consists of the following as of June 30, 2017:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2018	\$ 125,000
2019	100,000
2020	100,000
2021	100,000
Total lease receivable	<u>\$ 425,000</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE F - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,974,221	\$ -	\$ -	\$ 1,974,221
Construction in progress	748,363	1,771,238	-	2,519,601
Intangibles	600,874	-	-	600,874
Total capital assets, not being depreciated	<u>3,323,458</u>	<u>1,771,238</u>	<u>-</u>	<u>5,094,696</u>
Capital assets, being depreciated:				
Buildings and improvements	21,220,332	-	-	21,220,332
Land improvements	1,135,481	-	-	1,135,481
Machinery and equipment	4,619,639	339,592	(1,570,134)	3,389,097
Infrastructure	9,064,162	346,661	-	9,410,823
Total capital assets, being depreciated	<u>36,039,614</u>	<u>686,253</u>	<u>(1,570,134)</u>	<u>35,155,733</u>
Less accumulated depreciation for:				
Buildings and improvements	7,864,203	341,076	-	8,205,279
Land improvements	370,130	19,183	-	389,313
Machinery and equipment	2,280,572	197,038	(875,598)	1,602,012
Infrastructure	2,392,702	180,180	-	2,572,882
Total accumulated depreciation	<u>12,907,607</u>	<u>737,477</u>	<u>(875,598)</u>	<u>12,769,486</u>
Total capital assets, being depreciated, net	<u>23,132,007</u>	<u>(51,224)</u>	<u>(694,536)</u>	<u>22,386,247</u>
Governmental activities capital assets, net	<u>\$ 26,455,465</u>	<u>\$ 1,720,014</u>	<u>\$ (694,536)</u>	<u>\$ 27,480,943</u>

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

Governmental Activities:	
General government	\$ 31,859
Public safety	19,762
Public works	369,301
Health, welfare and recreation	37,471
Education	279,084
Total depreciation expense - governmental activities	<u>\$ 737,477</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE G - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Nonmajor Governmental Funds	\$ 21,222
WPCA Fund	General Fund	47,226
Herbert W. Bowen Fund	General Fund	202
Town Aid Road Fund	General Fund	613,807
Nonmajor Governmental Funds	General Fund	1,139,392
<b>Proprietary Funds</b>		
Internal Service Funds	General Fund	60,071
<b>Fiduciary Funds</b>		
Agency Funds	General Fund	21,009
Total interfund receivables/payables		<u>\$ 1,902,929</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE H - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
Nonmajor Governmental Funds	General Fund	\$ 192,515
<b>Proprietary Funds</b>		
Internal Service Funds	Internal Service Funds	600,000
Total transfers		<u>\$ 792,515</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE I - SHORT-TERM LIABILITIES**

The following is a summary of changes in short-term debt for the year ended June 30, 2017:

<b>Governmental Activities</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Bond anticipation notes	7/2017	1.09%	\$ -	\$ 2,378,018	\$ (1,160,000)	\$ 1,218,018	\$ 1,218,018

The purpose of the bond anticipation notes are to provide interim financing for the Town's school roof construction project until future general obligation bonds are issued. As discussed more fully in Note P, \$1,160,000 of the bond anticipation notes were subsequently retired through proceeds from the issuance of general obligation bonds. As such, this amount has been presented as a long-term liability in the government-wide financial statement of net position and has been recognized as an other financing source in the governmental funds statement of revenues, expenditures and changes in fund balances.

**NOTE J - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 3,332,050	\$ 1,160,000	\$ (279,650)	\$ 4,212,400	\$ 385,650
Other liabilities:					
Capital lease obligations	367,499	125,871	(246,817)	246,553	72,956
Loans payable	9,497	-	(4,888)	4,609	4,432
Contract payable	108,930	-	(27,232)	81,698	27,232
Compensated absences	109,582	12,420	(12,047)	109,955	21,991
Termination benefits	20,000	282,000	(94,000)	208,000	100,000
Post-closure landfill costs	75,860	-	(9,000)	66,860	9,000
Net pension liability (Note L)	1,046,736	468,594	-	1,515,330	-
Net OPEB obligation (Note M)	4,138,677	446,876	-	4,585,553	-
	<u>\$ 9,208,831</u>	<u>\$ 2,495,761</u>	<u>\$ (673,634)</u>	<u>\$ 11,030,958</u>	<u>\$ 621,261</u>

The above liabilities have typically been liquidated by the General Fund and transfers in from the WPCA Fund.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE J - LONG-TERM LIABILITIES *(Continued)***

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2017 is as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>			
<b>Bonds Payable</b>			
General obligation bonds issued September 2010, original amount of \$2,415,000	8/1/2030	2.0% - 4.0%	\$ 1,875,000
General obligation refunding bonds issued September 2010, original amount of \$1,245,000	8/1/2020	2.0% - 3.0%	470,000
General obligation bonds issued July 27, 2017 original amount of \$1,160,000	7/15/2027	2.217%	1,160,000
General obligation sewer bonds issued June 2013, original amount of \$786,000	10/1/2053	2.75%	707,400
			<u>\$ 4,212,400</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2017:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		
	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 385,650	\$ 134,550	\$ 520,200
2019	390,650	112,811	503,461
2020	385,650	104,236	489,886
2021	385,650	90,273	475,923
2022	270,650	82,336	352,986
2023-2027	1,353,250	284,001	1,637,251
2028-2032	628,250	106,845	735,095
2033-2037	98,250	51,336	149,586
2038-2042	98,250	37,827	136,077
2043-2047	98,250	24,317	122,567
2048-2053	117,900	11,348	129,248
	<u>\$ 4,212,400</u>	<u>\$ 1,039,880</u>	<u>\$ 5,252,280</u>

**Contract Reimbursements**

The Town has entered into a long-term contract in connection with the general obligation sewer bonds issued in fiscal year 2013, in which Woodstock Academy is liable to reimburse the Town for bond principal and interest costs. The amount of principal and interest reimbursements for the year ended June 30, 2017 was \$19,650 and \$19,994, respectively. Additional reimbursements of principal and interest aggregating \$707,400 and \$359,890 respectively, are expected to be received through the applicable bond's maturity dates.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE J - LONG-TERM LIABILITIES *(Continued)***

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$119,759,073 as of June 30, 2017. The Town did not exceed any of the statutory debt limitations at June 30, 2017.

**Authorized, Unissued Bonds**

As of June 30, 2017, the Town had no authorized but unissued debt.

**Capital Leases**

A summary of assets acquired through capital leases is as follows as of June 30, 2017:

	<b>Governmental Activities</b>
Machinery and equipment	\$ 609,558
Less: accumulated amortization	(120,050)
	\$ 489,508

Amortization expense relative to leased property under capital leases totaled \$62,670 for the year ended June 30, 2017 and is included in depreciation and amortization expense disclosed in Note F.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2018	\$ 79,045
2019	79,045
2020	69,354
2021	16,969
2022	16,969
Total minimum lease payments	261,382
Less: amount representing interest	(14,829)
Present value of minimum lease payments	\$ 246,553

**Loans payable**

The Town executed two loan agreements totaling \$17,563 with a local utility provider to finance various energy conservation improvements to the Town's school buildings. These loans were zero interest loans and have payments of approximately \$4,609 outstanding as of June 30, 2017.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE J - LONG-TERM LIABILITIES *(Continued)***

**Contract Payable**

The Town has entered into a long-term contract with the Northeastern Connecticut Council of Governments and other local Connecticut municipalities in connection with revaluation services. The initial contract totaled \$136,162, with annual required payments of \$27,232 through 2020.

**Termination Benefits**

The Town provides special termination benefits to former employees in the form of an early retirement incentive. During the year ended June 30, 2017, the Town agreed to provide additional early retirement incentives in the amount of \$84,000. Payments made by the Town on existing arrangements totaled \$94,000. As of June 30, 2017, the Town's liability for early retirement incentives total \$208,000.

Future annual payments on early retirement incentives as of June 30, 2017 are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2018	\$ 100,000
2019	96,000
2020	12,000
Total termination benefits	<u>\$ 208,000</u>

**Post-closure Landfill Costs**

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Estimated monitoring costs of approximately \$9,000 per year for the next nine years total \$66,860 as of June 30, 2017. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE K - FUND BALANCE**

The various components of fund balance at June 30, 2017 are as follows:

	General Fund	WPCA Fund	Herbert W. Bowen Fund	School Roof Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Permanent principal	\$ -	\$ -	\$ -	\$ -	\$ 13,100	\$ 13,100
Inventories	-	-	-	-	4,794	4,794
Restricted for:						
Donor restrictions	-	-	5,260,066	-	7,250	5,267,316
Loan programs	-	-	-	-	954,238	954,238
Grant programs	-	-	-	-	64,095	64,095
Capital projects	-	-	-	62,401	74,435	136,836
Record restoration	-	-	-	-	32,132	32,132
Committed to:						
WPCA	-	197,474	-	-	-	197,474
Cafeteria	-	-	-	-	39,892	39,892
Capital projects	-	-	-	-	1,271,587	1,271,587
General government	-	-	-	-	16,998	16,998
Fuel Depot	-	-	-	-	11,873	11,873
Health, welfare, recreation	-	-	-	-	76,291	76,291
Assigned to:						
Subsequent year's budget	351,062	-	-	-	-	351,062
Capital outlays	-	-	-	-	118,894	118,894
Unassigned	3,765,840	-	-	-	-	3,765,840
	<u>\$ 4,116,902</u>	<u>\$ 197,474</u>	<u>\$ 5,260,066</u>	<u>\$ 62,401</u>	<u>\$ 2,685,579</u>	<u>\$ 12,322,422</u>

**NOTE L - EMPLOYEE RETIREMENT PLANS**

**Connecticut Municipal Employees' Retirement System**

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE L - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

**Plan Description**

*Plan administration* - CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

*Plan membership* - All full-time employees of the Town, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security.

*Benefits provided* - General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

For members not covered by social security, the benefit is 2% of average final compensation times years of service. For members covered by social security, the benefit is 1% 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, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Employees are eligible for early retirement after 5 years of continuous or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of 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. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE L - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Plan Description *(Continued)***

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

*Contributions* - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute 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. The current rate is 11.38% of the annual Town employees' covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the CMERS for the years ended June 30, 2017, 2016 and 2015 were \$223,259, \$215,656, and \$203,247, respectively, and were equal to the required contributions for each year.

For employees not covered by social security, each person is required to contribute 5% of compensation. For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

**Summary of Significant Accounting Policies**

*Pensions* - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

*Investment policy* - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

**Net Pension Liability**

The total estimated net pension liability of the CMERS as of June 30, 2016 was \$332.670 million, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$1.515 million or approximately 0.456% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on the 2016 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE L- EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Net Pension Liability *(Continued)***

*Actuarial assumptions* - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap U.S. Equities	16.0%	5.80%
Developed Non-U.S. Equities	14.0%	6.60%
Emerging Markets (Non-U.S.)	7.0%	8.30%
Core Fixed Income	8.0%	1.30%
Inflation Linked Bonds	5.0%	1.00%
Emerging Market Bonds	8.0%	3.70%
High Yield Bonds	14.0%	3.90%
Real Estate	7.0%	5.10%
Private Equity	10.0%	7.60%
Alternative Investment	8.0%	4.10%
Liquidity Fund	3.0%	0.40%
	<u>100.0%</u>	

*Discount rate* - The discount rate used to measure the CMERS' total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State 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 WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2017

**NOTE L- EMPLOYEE RETIREMENT PLANS (Continued)**

**Connecticut Municipal Employees' Retirement System (Continued)**

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

	<b>1% Decrease (7.00%)</b>	<b>Current Discount (8.00%)</b>	<b>1% Increase (9.00%)</b>
Town proportionate share of the net pension liability as of June 30, 2017	\$ 2,390,862	\$ 1,515,330	\$ 772,909

*Pension plan fiduciary net position* - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2017, the Town recognized pension expense related to the CMERS of \$155,849. At June 30, 2017, the Town reported its proportionate share of deferred inflows and outflows of resources related to the MERS from the following source:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources, net</b>
Net difference between projected and actual earnings on pension plan investments	\$ 4,004	\$ 484,633	\$ 480,629
Total	\$ 4,004	\$ 484,633	\$ 480,629

Amounts reported as deferred outflows and inflows of resources related to the CMERS will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2018	\$ 105,590
2019	105,590
2020	169,164
2021	100,285
	\$ 480,629

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE L - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements. The Board issues publicly available financial reports.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

The Town has recognized on-behalf payments of \$1,214,123 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was attributed to the Town totaled approximately \$17.7 million or approximately 0.124% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

The total pension liability as of June 30, 2017 was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation		2.75%
Salary increases	3.25% - 6.50%, including inflation	
Investment rate of return	8.0%, net of investment related expense	
Cost of living adjustments:		
Retirements prior to 9/1/1992		3.00%
Retirements on or after 9/1/1992		2.00%

For healthy retirees and beneficiaries, mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE L - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Large Cap U.S. Equities	21.0%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Fixed Income (Core)	7.0%	1.30%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative investments	8.0%	4.10%
Inflation Linked Bonds	3.0%	1.00%
Cash	6.0%	0.40%
Real Estate	7.0%	5.10%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
	100.0%	

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State 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.

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

	<b>1.00% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1.00% Increase (9.00%)</b>
Proportionate share of the net pension liability attributed to the Town as of June 30, 2017	\$21.9 million	\$17.7 million	\$14.2 million

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE M - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The Town's Board of Education administers one single-employer defined benefit healthcare plan (the "Plan") to provide medical benefits to certain eligible retirees, spouses and beneficiaries. The plan provides for medical, prescription drugs and dental benefits. Benefits provisions are established by contract and may be amended by union negotiations each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Funding Policy**

Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees. Currently, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined. 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 over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

Annual required contribution	\$ 550,313
Interest on net OPEB obligation	186,241
Adjustment to annual required contribution	<u>(222,038)</u>
Annual OPEB cost	514,516
Contributions made	<u>67,640</u>
Increase in net OPEB obligation	446,876
Net OPEB obligation, beginning of year	<u>4,138,677</u>
Net OPEB obligation, end of year	<u><u>\$ 4,585,553</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2015	\$ 516,360	\$ 79,944	15.5%	\$ 3,688,247
2016	518,411	67,981	13.1%	4,138,677
2017	514,516	67,640	13.1%	4,585,553

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2017

**NOTE M - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2015, the date of the most recent actuarial valuation, was as follows:

<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost Method (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
\$ -	\$ 8,435,837	\$ 8,435,837	0.0%	\$ 5,044,731	167.22%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in 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 Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Alternative Measurement Method date:	June 30, 2015
Actuarial cost method:	Entry Age Actuarial Cost
Amortization method:	Level Percent of Payroll
Remaining amortization period:	30 years
Asset valuation method:	Not applicable
Actuarial assumptions:	
Discount rate	4.50%
Inflation	1.07%
Healthcare cost trend rate	9.00% initial 3.00% final

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE N - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. During 2017, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The general government previously self-insured its full-time municipal employees and highway foreman for dental and vision claims through the use of an internal service fund. Coverage under such fund has ceased. During fiscal year 2017, the Board of Education Employees' Benefits Fund transferred \$600,000 into an interest-bearing account held by the Town. The funds are held and presented in the Town Employee Benefits Fund. Ending net position in this fund consists of \$60,071 of the remaining balance from 2016 plus the transfer of funds and related interest earned in the period.

The Board of Education self-insures its employees for medical and dental claims through the use of an internal service fund. Maximum liability to the Board of Education per employee is \$35,000. The Board of Education retains an insurance policy for employee claims in excess of \$35,000. A third party administers the plan for which the Board of Education pays an administrative fee.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2017. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2016 and 2017 is as follows:

<b>Year Ended June 30</b>	<b>Claims Payable, Beginning of Year</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable, End of Year</b>
2016	\$ 275,073	\$ 897,022	\$ 1,020,274	\$ 151,821
2017	151,821	755,606	821,883	85,544

**NOTE O - COMMITMENTS AND CONTINGENCIES**

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE O - COMMITMENTS AND CONTINGENCIES *(Continued)***

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

**Joint Venture**

The Town, in a joint venture with the Town of Eastford, Connecticut, has created the Camp Nahaco Park Commission to oversee and maintain the Camp Nahaco Park. The Commission consists of four registered voters from each Town, as appointed by their respective Boards of Selectmen. The Commission adopts an annual operating budget. Each Town's Board of Selectmen include \$900 in their budget to offset expenses. The Town of Woodstock provides accounting services for the Commission, and as such, includes the Commission's financial activities as a nonmajor special revenue fund.

**NOTE P - RECENTLY ISSUED ACCOUNTING STANDARDS**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town has not yet determined the impact that this statement will have on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement addresses accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

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**NOTE P - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

**NOTE Q - SUBSEQUENT EVENTS**

In July 2017, the Town issued \$1,160,000 of general obligation bonds, which were used to retire a portion of previously outstanding bond anticipation notes. The general obligation bonds issued have an interest rate 2.217% and mature in June 2028. The remaining portion of bond anticipation notes outstanding as of June 30, 2017, in the amount of \$1,218,018, were retired by the Town, payable from related school construction grant proceeds received.



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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF WOODSTOCK, CONNECTICUT**  
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)  
 CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
 LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.4555%	0.5431%	0.7530%
Town's proportionate share of the net pension liability	<u>\$ 1,515,330</u>	<u>\$ 1,046,736</u>	<u>\$ 742,062</u>
Town's covered payroll	\$ 1,961,854	\$ 1,895,044	\$ 1,696,554
Town's proportionate share of the net pension liability as a percentage of its covered payroll	77.2%	55.2%	43.7%
Plan fiduciary net position as a percentage of the total pension liability	88.29%	92.72%	96.06%

**NOTES TO THE SCHEDULE:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

*Benefit changes:* There were no changes in benefit terms that affected the measurement of the total pension liability.

*Changes in assumptions:* There were no changes in assumptions that affected the measurement of the total pension liability.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 223,259	\$ 215,656	\$ 203,247
Contributions in relation to the contractually required contribution	<u>223,259</u>	<u>215,656</u>	<u>203,247</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,961,854	\$ 1,895,044	\$ 1,696,554
Contributions as a percentage of covered employee payroll	11.38%	11.38%	11.98%

**NOTES TO THE SCHEDULE:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

**TOWN OF WOODSTOCK, CONNECTICUT**  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)  
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS  
(Dollar amounts in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.124%	0.132%	0.132%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	<u>17,728</u>	<u>14,473</u>	<u>13,377</u>
Total	<u>\$ 17,728</u>	<u>\$ 14,473</u>	<u>\$ 13,377</u>
Town's covered payroll	\$ 4,883,008	\$ 4,415,779	\$ 4,943,007
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

**NOTES TO THE SCHEDULE:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

*Benefit changes:* There were no changes in benefit terms that affected the measurement of the total pension liability.

*Changes in assumptions:* The following assumptions were changed in connection with the most recent valuation:

- Inflation assumption was reduced from 3.00% to 2.75%.
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**  
**LAST THREE ACTUARIAL VALUATIONS**

<b>Other Post-Employment Benefits Program</b>						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Actuarial (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
June 30, 2012	\$ -	\$ 7,895,074	\$ 7,895,074	0.0%	\$ 5,386,026	146.58%
June 30, 2014	-	8,435,837	8,435,837	0.0%	5,067,544	166.47%
June 30, 2015	-	8,435,837	8,435,837	0.0%	5,044,731	167.22%

*See accompanying Independent Auditor's Report.*

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GENERAL FUND**

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**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>PROPERTY TAXES</b>				
Current taxes	\$ 15,997,146	\$ 15,997,146	\$ 16,120,567	\$ 123,421
Motor vehicle supplement	120,000	120,000	210,830	90,830
Prior taxes	120,000	120,000	234,269	114,269
Interest and lien fees	70,000	70,000	127,720	57,720
Total property taxes	16,307,146	16,307,146	16,693,386	386,240
<b>INTERGOVERNMENTAL REVENUES</b>				
Education equalization grant	5,234,199	5,234,199	5,367,539	133,340
Transportation	63,151	63,151	-	(63,151)
In lieu of taxes	1,593	1,593	11,294	9,701
Pequot grant	26,251	26,251	26,183	(68)
Elderly tax relief - homeowners	46,000	46,000	51,700	5,700
Totally disabled tax relief	1,003	1,003	905	(98)
Veterans tax relief	6,541	6,541	6,774	233
Local capital improvements grant	83,450	83,450	-	(83,450)
Miscellaneous grants	3,063	3,063	-	(3,063)
Total intergovernmental revenues	5,465,251	5,465,251	5,464,395	(856)
<b>CHARGES FOR SERVICES</b>				
Inland wetlands permits	315	315	625	310
Planning & zoning fees	8,000	8,000	9,508	1,508
Building permit fees	50,000	50,000	77,616	27,616
Conveyance tax	50,000	50,000	113,248	63,248
Town clerk fees	46,000	46,000	61,178	15,178
Landfill permits	175,000	175,000	186,759	11,759
Dog licenses	2,239	2,239	2,329	90
Fire marshal fees	2,500	2,500	2,683	183
Total charges for services	334,054	334,054	453,946	119,892
<b>INTEREST INCOME</b>				
	5,600	5,600	37,737	32,137
<b>OTHER REVENUES</b>				
Utility grant	18,976	18,976	18,664	(312)
Miscellaneous receipts	15,000	15,000	48,006	33,006
Trust fund interest	7	7	-	(7)
WPCA administration fees	4,100	4,100	4,100	-
Cell tower rental	25,000	25,000	29,782	4,782
Total other revenues	63,083	63,083	100,552	37,469
Total revenues	22,175,134	22,175,134	22,750,016	574,882
<b>OTHER FINANCING SOURCES</b>				
Appropriation of fund balance	169,419	169,419	-	(169,419)
Total revenues and other financing sources	\$ 22,344,553	\$ 22,344,553	\$ 22,750,016	\$ 405,463

*See accompanying Independent Auditor's Report.*



**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
<b>GENERAL GOVERNMENT</b>				
Board of Selectmen	\$ 192,192	\$ 192,192	\$ 189,831	\$ (2,361)
Assessor	136,431	136,431	130,480	(5,951)
Tax collector	110,053	110,053	107,705	(2,348)
Finance	144,599	144,599	140,193	(4,406)
Town clerk	124,118	124,118	123,377	(741)
Election	24,305	24,305	24,304	(1)
Probate Court	9,270	9,270	9,262	(8)
Town counsel	20,000	20,000	12,716	(7,284)
Town hall	131,697	131,697	129,789	(1,908)
Data processing	71,353	71,353	64,947	(6,406)
Insurance and employee benefits	959,014	959,014	872,299	(86,715)
Planning and zoning commission	8,000	8,000	2,292	(5,708)
Town planner	81,579	81,579	77,687	(3,892)
Inland/Wetlands commission	5,200	5,200	606	(4,594)
Economic development commission	375	375	-	(375)
Contingency fund	50,000	50,000	-	(50,000)
Boards and commissions	41,057	41,057	25,033	(16,024)
Total general government	<u>2,109,243</u>	<u>2,109,243</u>	<u>1,910,521</u>	<u>(198,722)</u>
<b>PUBLIC SAFETY</b>				
Building department	131,953	131,953	117,373	(14,580)
Fire marshal	29,560	29,560	25,681	(3,879)
Fire protection association	470,000	470,000	470,000	-
Police protection	13,422	13,422	13,415	(7)
Public safety boards and commissions	206,032	206,032	203,245	(2,787)
Total public safety	<u>850,967</u>	<u>850,967</u>	<u>829,714</u>	<u>(21,253)</u>
<b>PUBLIC WORKS</b>				
Highway department	1,503,813	1,503,813	1,452,710	(51,103)
Environmental	46,900	46,900	46,900	-
Transfer station/recycling center	246,831	246,831	226,399	(20,432)
Total public works	<u>1,797,544</u>	<u>1,797,544</u>	<u>1,726,009</u>	<u>(71,535)</u>
<b>HEALTH, WELFARE AND RECREATION</b>				
	<u>221,310</u>	<u>221,310</u>	<u>218,059</u>	<u>(3,251)</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>BOARD OF EDUCATION</b>				
Board of Education	\$ 16,908,726	\$ 16,754,474	\$ 16,754,474	\$ -
Nonlapsing transfer	-	154,252	154,252	-
	<u>16,908,726</u>	<u>16,908,726</u>	<u>16,908,726</u>	<u>-</u>
<b>DEBT SERVICE</b>				
Principal payments	260,000	260,000	260,000	-
Interest and fiscal charges	85,101	85,101	85,100	(1)
Continuing disclosure	1,200	1,200	1,000	(200)
Capital outlay - lease payments	110,462	110,462	110,462	-
Total debt service	<u>456,763</u>	<u>456,763</u>	<u>456,562</u>	<u>(201)</u>
 Total expenditures	 <u>\$ 22,344,553</u>	 <u>\$ 22,344,553</u>	 <u>\$ 22,049,591</u>	 <u>\$ (294,962)</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Grand List Year	Balance Uncollected June 30, 2016	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2017
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2015	\$ -	\$ 16,615,132	\$ 20,285	\$ 47,681	\$ 2,197	\$ 16,585,539	\$ 16,332,396	\$ 54,618	\$ 16,387,014	\$ 253,143
2014	248,018	-	168	1,718	3,888	242,580	135,199	31,277	166,476	107,381
2013	118,019	-	-	-	8,225	109,794	62,308	23,099	85,407	47,486
2012	40,291	-	-	-	4,880	35,411	31,676	13,853	45,529	3,735
2011	4,121	-	-	-	1,526	2,595	1,628	1,114	2,742	967
2010	1,840	-	-	-	481	1,359	230	359	589	1,129
2009	1,106	-	-	-	294	812	-	547	547	812
2008	46	-	-	-	46	-	-	701	701	-
2007	42	-	-	-	42	-	-	562	562	-
2006	-	-	-	-	-	-	-	37	37	-
	<u>\$ 413,483</u>	<u>\$ 16,615,132</u>	<u>\$ 20,453</u>	<u>\$ 49,399</u>	<u>\$ 21,579</u>	<u>\$ 16,978,090</u>	<u>\$ 16,563,437</u>	<u>\$ 127,020</u>	<u>\$ 16,690,457</u>	<u>\$ 414,653</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Total cash collections for the year ended  
June 30, 2017:

Taxes	\$ 16,563,437
Interest and lien fees	127,020
Total	<u>16,690,457</u>

Total cash collections for the year ended  
June 30, 2017 - coterminous governments

366,282

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	51,700
Base	<u>\$ 17,108,439</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 38,493,988	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	76,987,976	-	-	-
3-3/4 times base	-	-	64,156,646	-	-
3-1/4 times base	-	-	-	55,602,427	-
3 times base	-	-	-	-	51,325,317
Total debt limitation	<u>38,493,988</u>	<u>76,987,976</u>	<u>64,156,646</u>	<u>55,602,427</u>	<u>51,325,317</u>
Indebtedness:					
Bonds payable	2,345,000	1,160,000	707,400	-	-
Bond anticipation notes payable	-	1,218,018	-	-	-
Coterminous debt	34,079	-	-	-	-
Authorized, unissued bonds	-	-	-	-	-
Total indebtedness	<u>2,379,079</u>	<u>2,378,018</u>	<u>707,400</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 36,114,909</u>	<u>\$ 74,609,958</u>	<u>\$ 63,449,246</u>	<u>\$ 55,602,427</u>	<u>\$ 51,325,317</u>
Total capacity of borrowing (7 times base)	\$ 119,759,073				
Total present indebtedness	<u>5,464,497</u>				
Margin for additional borrowing	<u>\$ 114,294,576</u>				

\* Coterminous governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule discloses the portion of indebtedness of those overlapping governments that is borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. Overlapping governments consist of the Witches Woods Tax District, the Quassett Lake Tax District, and the Lake Bunggee Tax District.

*See accompanying Independent Auditor's Report.*

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**NONMAJOR GOVERNMENTAL FUNDS**

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TOWN OF WOODSTOCK, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Nonmajor Special Revenue Funds					
	Conservation Commission Fund	School Cafeteria Fund	Quasset School Fund	Education Grant Fund	Beautification Committee Fund	Recreation Committee Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 192	\$ 32,669	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	11,756	-	16,031	-	-
Loans	-	-	-	-	-	-
Other	-	30	-	-	-	-
Due from other funds	-	-	2,892	57,408	1,320	63,567
Inventories	-	4,794	-	-	-	-
Total assets	<u>\$ 192</u>	<u>\$ 49,249</u>	<u>\$ 2,892</u>	<u>\$ 73,439</u>	<u>\$ 1,320</u>	<u>\$ 63,567</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,693
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	4,563	-	9,854	-	-
Total liabilities	<u>-</u>	<u>4,563</u>	<u>-</u>	<u>9,854</u>	<u>-</u>	<u>4,693</u>
<b>FUND BALANCES</b>						
Nonspendable	-	4,794	-	-	-	-
Restricted	-	-	-	63,585	-	-
Committed	192	39,892	2,892	-	1,320	58,874
Assigned	-	-	-	-	-	-
Total fund balances	<u>192</u>	<u>44,686</u>	<u>2,892</u>	<u>63,585</u>	<u>1,320</u>	<u>58,874</u>
Total liabilities and fund balances	<u>\$ 192</u>	<u>\$ 49,249</u>	<u>\$ 2,892</u>	<u>\$ 73,439</u>	<u>\$ 1,320</u>	<u>\$ 63,567</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>					
	<b>Recycling Fund</b>	<b>Town Beach Fund</b>	<b>Camp Nahaco Revenue Fund</b>	<b>Arboretum Fund</b>	<b>Record Restoration Fund</b>	<b>Small Cities Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,483	\$ -	\$ 50,376
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	23,302
Loans	-	-	-	-	-	895,906
Other	-	-	-	-	-	-
Due from other funds	14,191	-	49,195	-	32,132	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 14,191</u>	<u>\$ -</u>	<u>\$ 49,195</u>	<u>\$ 1,483</u>	<u>\$ 32,132</u>	<u>\$ 969,584</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 2,035	\$ -	\$ -	\$ -
Due to other funds	-	-	-	188	-	15,346
Unearned revenue	-	-	32,635	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>34,670</u>	<u>188</u>	<u>-</u>	<u>15,346</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	32,132	954,238
Committed	14,191	-	14,525	1,295	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>14,191</u>	<u>-</u>	<u>14,525</u>	<u>1,295</u>	<u>32,132</u>	<u>954,238</u>
Total liabilities and fund balances	<u>\$ 14,191</u>	<u>\$ -</u>	<u>\$ 49,195</u>	<u>\$ 1,483</u>	<u>\$ 32,132</u>	<u>\$ 969,584</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Special Revenue Funds</b>			<b>Nonmajor Capital Projects Funds</b>		
	<b>Miscellaneous Grants Fund</b>	<b>Cemetery Fund</b>	<b>Fuel Depot Fund</b>	<b>Total Special Revenue Funds</b>	<b>Open Space Fund</b>	<b>Capital Nonrecurring Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 84,720	\$ 309,900	\$ 159,589
Investments	-	-	-	-	307,710	-
Receivables:						
Intergovernmental	-	-	-	51,089	-	-
Loans	-	-	-	895,906	-	-
Other	-	-	8,131	8,161	-	-
Due from other funds	98,218	-	6,498	325,421	2,846	811,125
Inventories	-	-	-	4,794	-	-
Total assets	<u>\$ 98,218</u>	<u>\$ -</u>	<u>\$ 14,629</u>	<u>\$ 1,370,091</u>	<u>\$ 620,456</u>	<u>\$ 970,714</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 58,016	\$ -	\$ 2,756	\$ 67,500	\$ -	\$ 126,254
Due to other funds	-	-	-	15,534	-	-
Unearned revenue	39,692	-	-	86,744	-	-
Total liabilities	<u>97,708</u>	<u>-</u>	<u>2,756</u>	<u>169,778</u>	<u>-</u>	<u>126,254</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	4,794	-	-
Restricted	510	-	-	1,050,465	19,391	55,044
Committed	-	-	11,873	145,054	601,065	670,522
Assigned	-	-	-	-	-	118,894
Total fund balances	<u>510</u>	<u>-</u>	<u>11,873</u>	<u>1,200,313</u>	<u>620,456</u>	<u>844,460</u>
Total liabilities and fund balances	<u>\$ 98,218</u>	<u>\$ -</u>	<u>\$ 14,629</u>	<u>\$ 1,370,091</u>	<u>\$ 620,456</u>	<u>\$ 970,714</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*



**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2017**

	<b>Nonmajor Capital Projects Funds</b>		<b>Nonmajor Permanent Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Highway Fund</b>	<b>Total Capital Projects Funds</b>	<b>Bradford Marcy Cemetery Fund</b>	<b>Memorial Fund</b>	<b>Total Permanent Funds</b>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 469,489	\$ 811	\$ 4,978	\$ 5,789	\$ 559,998
Investments	-	307,710	20,596	-	20,596	328,306
Receivables:						
Intergovernmental	-	-	-	-	-	51,089
Loans	-	-	-	-	-	895,906
Other	442	442	-	-	-	8,603
Due from other funds	-	813,971	-	-	-	1,139,392
Inventories	-	-	-	-	-	4,794
Total assets	<u>\$ 442</u>	<u>\$ 1,591,612</u>	<u>\$ 21,407</u>	<u>\$ 4,978</u>	<u>\$ 26,385</u>	<u>\$ 2,988,088</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 442	\$ 126,696	\$ 347	\$ -	\$ 347	\$ 194,543
Due to other funds	-	-	5,688	-	5,688	21,222
Unearned revenue	-	-	-	-	-	86,744
Total liabilities	<u>442</u>	<u>126,696</u>	<u>6,035</u>	<u>-</u>	<u>6,035</u>	<u>302,509</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	10,100	3,000	13,100	17,894
Restricted	-	74,435	5,272	1,978	7,250	1,132,150
Committed	-	1,271,587	-	-	-	1,416,641
Assigned	-	118,894	-	-	-	118,894
Total fund balances	<u>-</u>	<u>1,464,916</u>	<u>15,372</u>	<u>4,978</u>	<u>20,350</u>	<u>2,685,579</u>
Total liabilities and fund balances	<u>\$ 442</u>	<u>\$ 1,591,612</u>	<u>\$ 21,407</u>	<u>\$ 4,978</u>	<u>\$ 26,385</u>	<u>\$ 2,988,088</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	<b>Nonmajor Special Revenue Funds</b>					
	<b>Conservation Commission Fund</b>	<b>School Cafeteria Fund</b>	<b>Quasset School Fund</b>	<b>Education Grant Fund</b>	<b>Beautification Committee Fund</b>	<b>Recreation Committee Fund</b>
<b>REVENUES</b>						
Grants and contracts	\$ -	\$ 71,361	\$ -	\$ 511,526	\$ -	\$ -
Charges for services	-	215,460	-	-	-	32,542
Miscellaneous	-	-	-	152,909	-	8,612
Interest income	1	-	-	-	-	-
Total revenues	<u>1</u>	<u>286,821</u>	<u>-</u>	<u>664,435</u>	<u>-</u>	<u>41,154</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,601	-	-	-	-	-
Public works	-	-	-	-	-	-
Health, welfare and recreation	-	-	-	-	-	75,841
Education	-	298,159	-	664,718	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>1,601</u>	<u>298,159</u>	<u>-</u>	<u>664,718</u>	<u>-</u>	<u>75,841</u>
Excess (deficiency) of revenues over expenditures	(1,600)	(11,338)	-	(283)	-	(34,687)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	-	-	27,363
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,363</u>
Net change in fund balances	(1,600)	(11,338)	-	(283)	-	(7,324)
Fund balances - beginning	<u>1,792</u>	<u>56,024</u>	<u>2,892</u>	<u>63,868</u>	<u>1,320</u>	<u>66,198</u>
Fund balances - ending	<u>\$ 192</u>	<u>\$ 44,686</u>	<u>\$ 2,892</u>	<u>\$ 63,585</u>	<u>\$ 1,320</u>	<u>\$ 58,874</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 FOR THE YEAR ENDED JUNE 30, 2017

	<b>Nonmajor Special Revenue Funds</b>					
	<b>Recycling Fund</b>	<b>Town Beach Fund</b>	<b>Camp Nahaco Revenue Fund</b>	<b>Arboretum Fund</b>	<b>Record Restoration Fund</b>	<b>Small Cities Fund</b>
<b>REVENUES</b>						
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,018
Charges for services	-	-	45,152	-	4,233	-
Miscellaneous	997	-	930	1,050	-	-
Interest income	-	-	-	1	-	-
Total revenues	<u>997</u>	<u>-</u>	<u>46,082</u>	<u>1,051</u>	<u>4,233</u>	<u>197,018</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	188	-	-
Public works	-	-	-	-	-	-
Health, welfare and recreation	-	1,004	42,709	-	-	54,843
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,004</u>	<u>42,709</u>	<u>188</u>	<u>-</u>	<u>54,843</u>
Excess (deficiency) of revenues over expenditures	997	(1,004)	3,373	863	4,233	142,175
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	900	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	997	(1,004)	4,273	863	4,233	142,175
Fund balances - beginning	<u>13,194</u>	<u>1,004</u>	<u>10,252</u>	<u>432</u>	<u>27,899</u>	<u>812,063</u>
Fund balances - ending	<u>\$ 14,191</u>	<u>\$ -</u>	<u>\$ 14,525</u>	<u>\$ 1,295</u>	<u>\$ 32,132</u>	<u>\$ 954,238</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 JUNE 30, 2017

	Nonmajor Special Revenue Funds			Nonmajor Capital Projects Funds		
	Miscellaneous Grants Fund	Cemetery Fund	Fuel Depot Fund	Total Special Revenue Funds	Open Space Fund	Capital Nonrecurring Fund
<b>REVENUES</b>						
Grants and contracts	\$ 66,927	\$ -	\$ -	\$ 846,832	\$ -	\$ 137,534
Charges for services	-	-	94,126	391,513	23,461	-
Miscellaneous	-	-	-	164,498	-	3,681
Interest income	-	-	-	2	3,604	318
Total revenues	66,927	-	94,126	1,402,845	27,065	141,533
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	1,789	-	16,484
Public works	-	-	97,541	97,541	-	-
Health, welfare and recreation	-	-	-	174,397	-	-
Education	-	-	-	962,877	-	54,064
Capital outlays	66,927	-	-	66,927	-	309,858
Total expenditures	66,927	-	97,541	1,303,531	-	380,406
Excess (deficiency) of revenues over expenditures	-	-	(3,415)	99,314	27,065	(238,873)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	28,263	10,000	154,252
Total other financing sources	-	-	-	28,263	10,000	154,252
Net change in fund balances	-	-	(3,415)	127,577	37,065	(84,621)
Fund balances - beginning	510	-	15,288	1,072,736	583,391	929,081
Fund balances - ending	\$ 510	\$ -	\$ 11,873	\$ 1,200,313	\$ 620,456	\$ 844,460

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 JUNE 30, 2017

	Nonmajor Capital Projects Funds		Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Highway Fund	Total Capital Projects Funds	Bradford Marcy Cemetery Fund	Memorial Fund	Total Permanent Funds	
<b>REVENUES</b>						
Grants and contracts	\$ -	\$ 137,534	\$ -	\$ -	\$ -	\$ 984,366
Charges for services	-	23,461	-	-	-	414,974
Miscellaneous	-	3,681	-	-	-	168,179
Interest income	-	3,922	205	4	209	4,133
Total revenues	-	168,598	205	4	209	1,571,652
<b>EXPENDITURES</b>						
Current:						
General government	-	16,484	566	-	566	18,839
Public works	-	-	-	-	-	97,541
Health, welfare and recreation	-	-	-	-	-	174,397
Education	-	54,064	-	-	-	1,016,941
Capital outlays	-	309,858	-	-	-	376,785
Total expenditures	-	380,406	566	-	566	1,684,503
Excess (deficiency) of revenues over expenditures	-	(211,808)	(361)	4	(357)	(112,851)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	164,252	-	-	-	192,515
Total other financing sources	-	164,252	-	-	-	192,515
Net change in fund balances	-	(47,556)	(361)	4	(357)	79,664
Fund balances - beginning	-	1,512,472	15,733	4,974	20,707	2,605,915
Fund balances - ending	\$ -	\$ 1,464,916	\$ 15,372	\$ 4,978	\$ 20,350	\$ 2,685,579

*See accompanying Independent Auditor's Report.*

TOWN OF WOODSTOCK, CONNECTICUT  
PROJECT STATUS SUMMARY  
CAPITAL NONRECURRING FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Fund Balance June 30, 2016	Revenues		Expenditures			Transfers In (Out)	Fund Balance June 30, 2017
		Capital Grants	Other Income	General Government	Public Works	Education		
<b>Restricted Fund Balance</b>								
Public Act 05-228	\$ 51,363	\$ -	\$ 3,681	\$ -	\$ -	\$ -	\$ -	\$ 55,044
<b>Committed Fund Balance</b>								
Municipal-aid grant	-	123,998	13,536	-	-	-	(137,534)	-
Revaluation	2,948	-	-	(2,948)	-	-	-	-
Nonlapsing education funds	61,395	-	-	-	-	(54,064)	154,252	161,583
Transfer station	102,465	-	-	-	-	-	(16,132)	86,333
Highway equipment	96,641	-	-	-	-	-	-	96,641
Parking lot expansion	88,727	-	-	-	-	-	-	88,727
Plan of development	18,439	-	-	-	-	-	-	18,439
Town Hall HVAC system upgrade	30,000	-	-	(12,975)	-	-	-	17,025
English Neighborhood Road Project - Phase II	38,146	-	-	-	-	-	(38,146)	-
English Neighborhood Road Project - Phase III	52,839	-	-	-	-	-	-	52,839
Quasset School	20,000	-	-	-	-	(1,000)	-	19,000
Quasset School Phase II	-	-	-	-	-	-	15,000	15,000
County Road Phase 1	54,363	-	-	-	(22,267)	-	-	32,096
WPS Capital Projects	-	-	-	-	(95,340)	-	95,340	-
Underground Storage Tank	30,000	-	-	-	-	-	-	30,000
Lebanon Hill Road Phase I	52,839	-	-	-	-	-	-	52,839
	<u>648,802</u>	<u>123,998</u>	<u>13,536</u>	<u>(15,923)</u>	<u>(117,607)</u>	<u>(55,064)</u>	<u>(191,812)</u>	<u>670,522</u>
<b>Assigned Fund Balance</b>								
Uncommitted capital projects funding	228,916	-	318	-	-	-	(110,340)	118,894
<b>Total</b>	<u>\$ 929,081</u>	<u>\$ 123,998</u>	<u>\$ 17,535</u>	<u>\$ (15,923)</u>	<u>\$ (117,607)</u>	<u>\$ (55,064)</u>	<u>\$ (191,812)</u>	<u>\$ 844,460</u>

See accompanying Independent Auditor's Report.

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## FIDUCIARY FUNDS

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**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	<u>Student Activities</u>	<u>Employee Medical Savings Account</u>	<u>Land Review and Performance Bond</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,215	\$ 701	\$ 142,937	\$ 168,853
Due from others	-	-	313	313
Other assets	-	-	21,009	21,009
Total assets	<u>\$ 25,215</u>	<u>\$ 701</u>	<u>\$ 164,259</u>	<u>\$ 190,175</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 17,600	\$ -	\$ 7,255	\$ 24,855
Due to student groups	7,615	-	-	7,615
Due to others	-	701	157,004	157,705
Total liabilities	<u>\$ 25,215</u>	<u>\$ 701</u>	<u>\$ 164,259</u>	<u>\$ 190,175</u>

*See accompanying Independent Auditor's Report.*



**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2017</u>
<b>Student Activities</b>				
Assets				
Cash and cash equivalents	\$ 26,338	\$ 116,650	\$ 117,773	\$ 25,215
Total assets	<u>\$ 26,338</u>	<u>\$ 116,650</u>	<u>\$ 117,773</u>	<u>\$ 25,215</u>
Liabilities				
Due to student groups	\$ 26,338	\$ 99,050	\$ 117,773	\$ 7,615
Accounts payable	-	17,600	-	17,600
Total liabilities	<u>\$ 26,338</u>	<u>\$ 116,650</u>	<u>\$ 117,773</u>	<u>\$ 25,215</u>
<b>Employee Medical Savings Account</b>				
Assets				
Cash and cash equivalents	\$ 435	\$ 10,295	\$ 10,029	\$ 701
Total assets	<u>\$ 435</u>	<u>\$ 10,295</u>	<u>\$ 10,029</u>	<u>\$ 701</u>
Liabilities				
Due to others	\$ 435	\$ 10,295	\$ 10,029	\$ 701
Total liabilities	<u>\$ 435</u>	<u>\$ 10,295</u>	<u>\$ 10,029</u>	<u>\$ 701</u>
<b>Land Review &amp; Performance Bond</b>				
Assets				
Cash and cash equivalents	\$ 142,828	\$ 109	\$ -	\$ 142,937
Due from others	-	313	-	313
Due from other funds	22,240	20,495	21,726	21,009
Total assets	<u>\$ 165,068</u>	<u>\$ 20,917</u>	<u>\$ 21,726</u>	<u>\$ 164,259</u>
Liabilities				
Accounts payable	\$ 10,109	\$ 32,404	\$ 35,258	\$ 7,255
Due to others	154,959	7,571	5,526	157,004
Total liabilities	<u>\$ 165,068</u>	<u>\$ 39,975</u>	<u>\$ 40,784</u>	<u>\$ 164,259</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 169,601	\$ 127,054	\$ 127,802	\$ 168,853
Due from others	-	313	-	313
Due from other funds	22,240	20,495	21,726	21,009
Total assets	<u>\$ 191,841</u>	<u>\$ 147,862</u>	<u>\$ 149,528</u>	<u>\$ 190,175</u>
Liabilities				
Accounts payable	\$ 10,109	\$ 50,004	\$ 35,258	\$ 24,855
Due to student groups	26,338	99,050	117,773	7,615
Due to others	155,394	17,866	15,555	157,705
Total liabilities	<u>\$ 191,841</u>	<u>\$ 166,920</u>	<u>\$ 168,586</u>	<u>\$ 190,175</u>

*See accompanying Independent Auditor's Report.*