

**TOWN OF WOODSTOCK, CONNECTICUT**

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

**JUNE 30, 2014**

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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, 2014, 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, 2014, 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 schedule of funding progress on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual fund financial statements and 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 financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, 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.

*Mahoney Sabol + Company, LLP*

Glastonbury, Connecticut  
December 5, 2014

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2014

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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, 2014.

**FINANCIAL HIGHLIGHTS**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$27,838,129 (net position). Of this amount, \$1,478,351 (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 \$405,785 during the current fiscal year.
- Beginning net position was increased by a restatement of \$1,497,922, due to the correction of prior period errors (*See Note M*).
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,730,621, an increase of \$645,938 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,828,567, or 12.4% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.
- The Town's total long-term debt decreased by \$362,375 or 7.5% during the current fiscal year primarily due to scheduled repayments.

**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 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.

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).

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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

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

The government-wide financial statements display information about the Town's governmental activities which include general government, public safety, public works, culture and recreation, health and welfare, 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 - 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.

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, and the Herbert W. Bowen 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 - 20 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 21 – 23 of this report.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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

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

***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 24 - 25 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 26 - 49 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 50 - 66 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

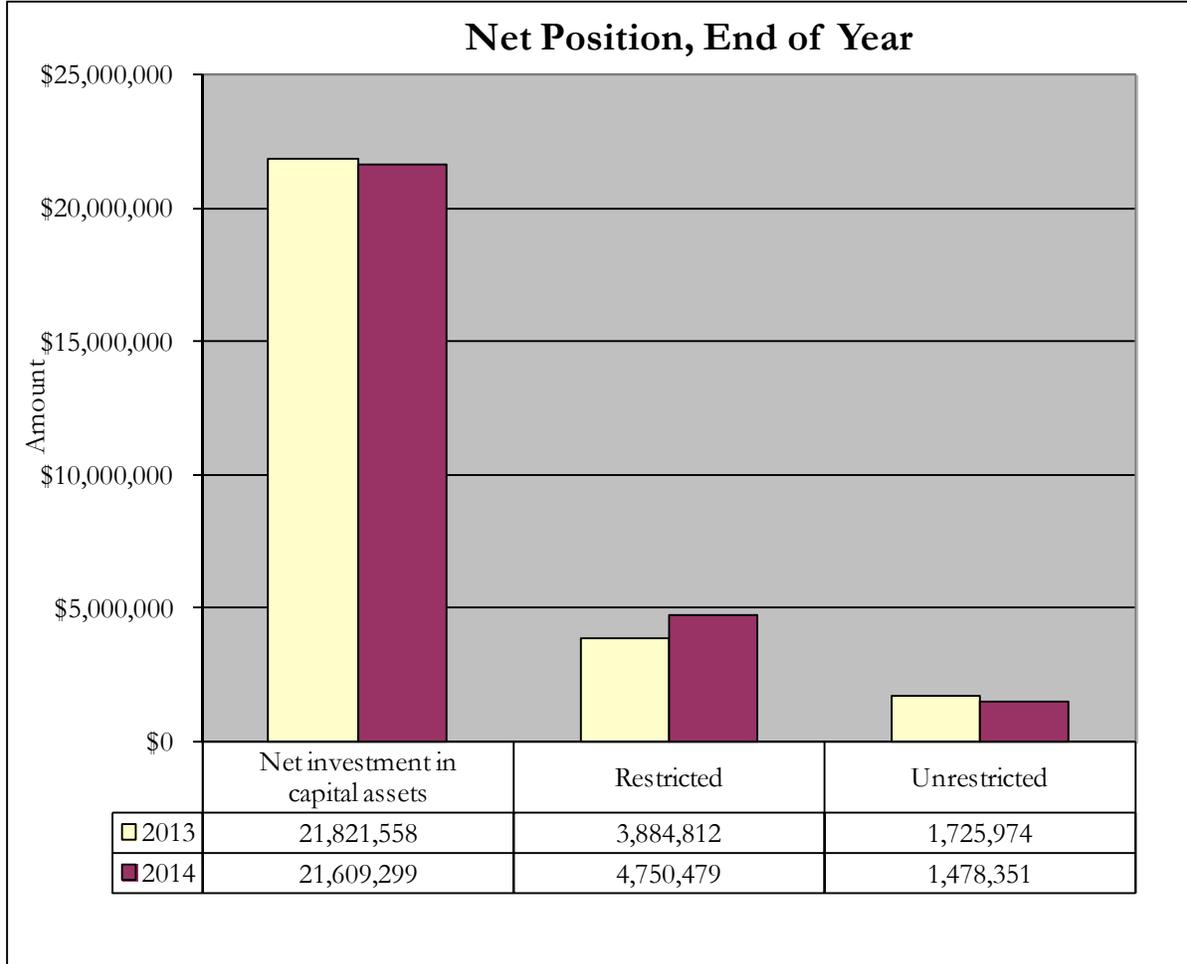
Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$27,838,129 and \$27,432,344 as of June 30, 2014 and 2013, respectively and are summarized as follows:

	Total <i>(as adjusted per Note M)</i>	
	2014	2013
Current and other assets	\$ 11,443,190	\$ 10,169,521
Capital assets, net	26,072,255	26,441,504
Total assets	37,515,445	36,611,025
Long-term liabilities	8,089,608	8,181,380
Other liabilities	1,587,708	997,301
Total liabilities	9,677,316	9,178,681
Net position:		
Net investment in capital assets	21,609,299	21,821,558
Restricted	4,750,479	3,884,812
Unrestricted	1,478,351	1,725,974
Total net position	\$ 27,838,129	\$ 27,432,344

**TOWN OF WOODSTOCK, CONNECTICUT**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
 JUNE 30, 2014

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

**Net Position *(Continued)***



Of the Town's net position, 77.6% 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 17.1% 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 \$405,785.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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

**Changes in Net Position**

Changes in net position for the years ended June 30, 2014 and 2013 are as follows:

	Total <i>(as adjusted)</i>	
	2014	2013
Program revenues:		
Charges for services	\$ 1,706,049	\$ 3,382,864
Operating grants and contributions	8,019,804	7,943,087
Capital grants and contributions	309,612	740,453
General revenues:		
Property taxes	15,082,474	14,700,630
Grants and contributions not restricted to specific programs	162,606	74,693
Unrestricted investment earnings	515,477	865,498
Total revenues	25,796,022	27,707,225
Program expenses:		
General government	1,902,906	2,021,493
Public safety	814,572	771,291
Public works	2,421,977	1,844,401
Health, welfare and recreation	394,731	580,027
Education	19,726,061	19,984,354
Interest expense	129,990	137,602
Total expenses	25,390,237	25,339,168
Change in net position	\$ 405,785	\$ 2,368,057

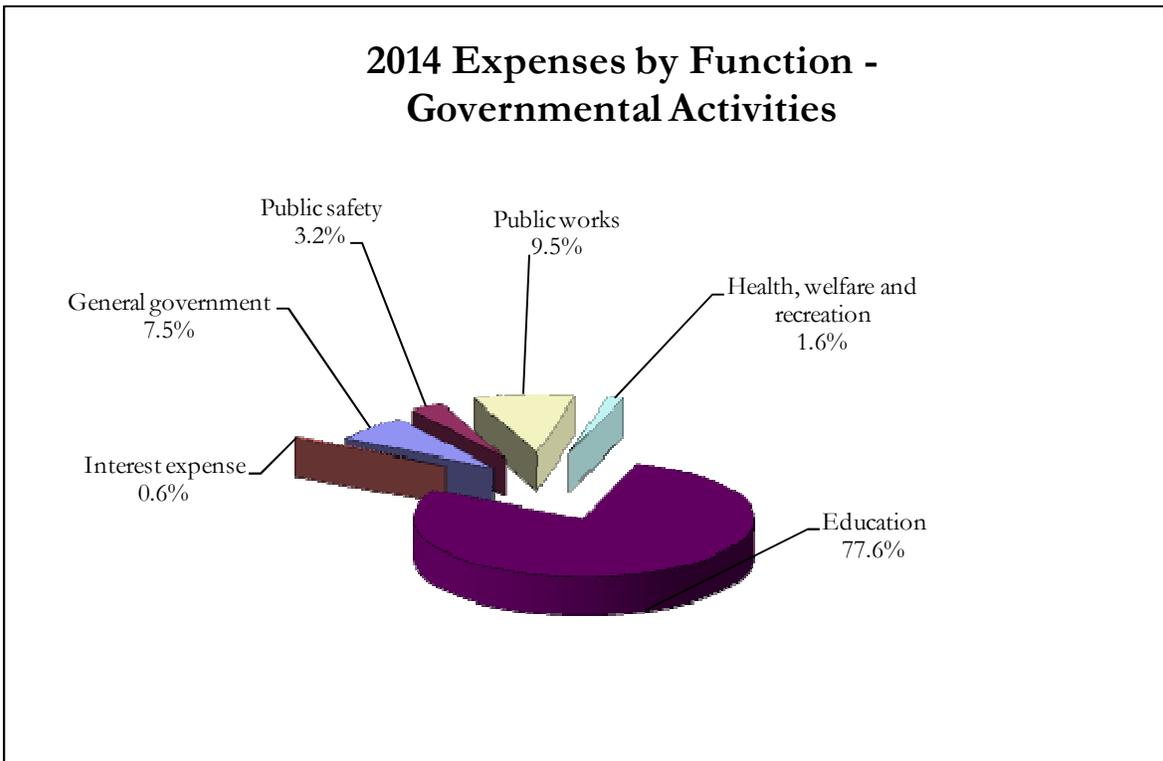
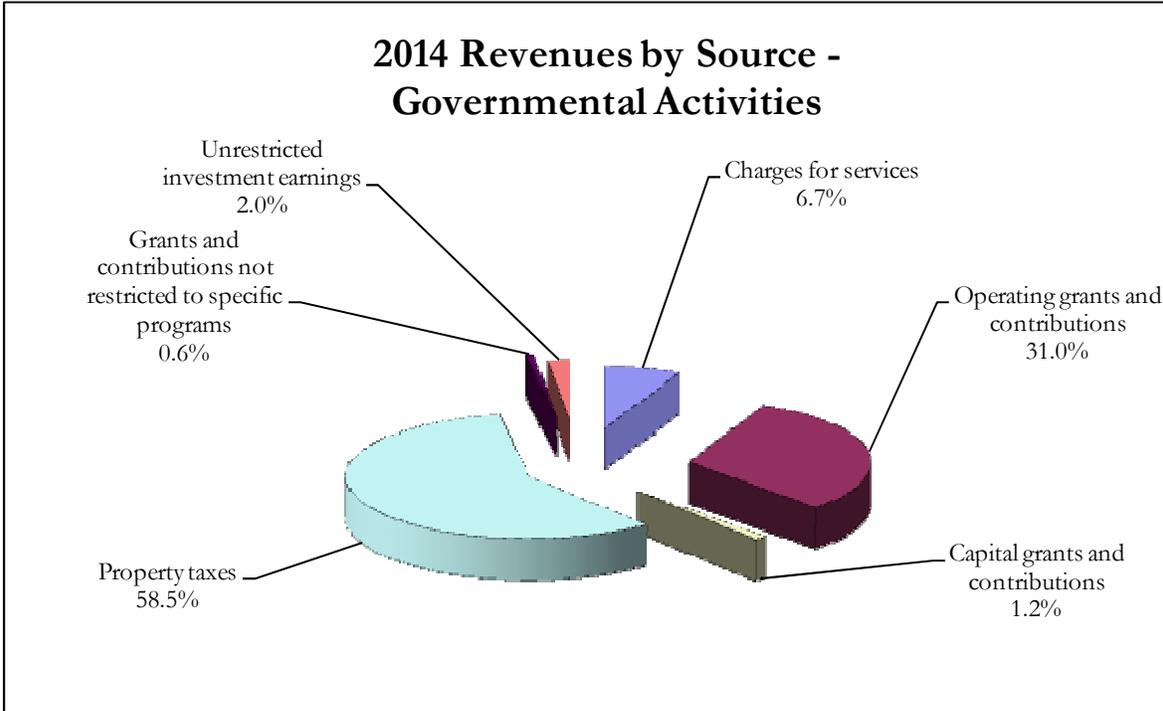
The Town has restated the changes in net position for the year ended June 30, 2013 for the effects of correcting the accounting for the Woodstock Academy sewer connection receivable balance and related capital improvements as outlined in Note M. The effects on the changes in net position for the other corrections were not readily determinable.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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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, 2014

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

**Governmental Activities**

Governmental activities increased the Town's net position by \$405,785. Revenues generated by the Town decreased by approximately \$1,900,000 in comparison to the prior year. Prior year revenues included both USDA grant proceeds and Woodstock Academy assessment revenues used to fund the Woodstock Academy sewer connection project. This project was substantially complete in the prior year, and as such, no related revenue was earned in the current year. The change in revenues was offset by an increase in expenses of approximately \$51,000 when compared to the prior year.

**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 \$8,730,621, an increase of \$645,938 in comparison with the prior year. Of this amount, \$2,826,252 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 \$2,828,567, while total fund balance was \$3,112,513. 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 12.4% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$156,870 during the current fiscal year, as a direct result of the favorable current year operating budget results.

**WPCA Fund**

The WPCA Fund has a fund balance of \$232,714 as of June 30, 2014, a decrease of \$163,056 from the prior year. This change is attributable to expenditures incurred for current year operations and debt repayment in excess of user and assessment charges received.

**Herbert W. Bowen Fund**

The fund balance of the Herbert W. Bowen Fund increased by \$503,757 during the current fiscal year. This increase related directly to current year market earnings on equity securities held.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original operating budget for the General Fund included the use of fund balance in the amount of \$263,599. Additional appropriations of \$54,420 were approved from fund balance during the current fiscal year for various nonrecurring capital projects. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$156,870.

During the year, revenues exceeded budgetary estimates by \$425,009, primarily as a result of increased tax collections. Expenditures were \$49,880 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, 2014 totaled \$26,072,255 (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 decreased by \$369,249 or 1.4%.

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

- Current year depreciation expense totaling \$769,894.
- An increase of \$388,964 in machinery and equipment related to two new buses and a dump truck, all obtained through capital lease financing.
- An increase to construction in progress of \$43,438 for ongoing improvements to the Transfer Station and Bradford Corner Road.
- The transfer of the Woodstock Academy sewer project from construction in progress to infrastructure in the amount of approximately \$1.3 million due to completion of the project in the current year.

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

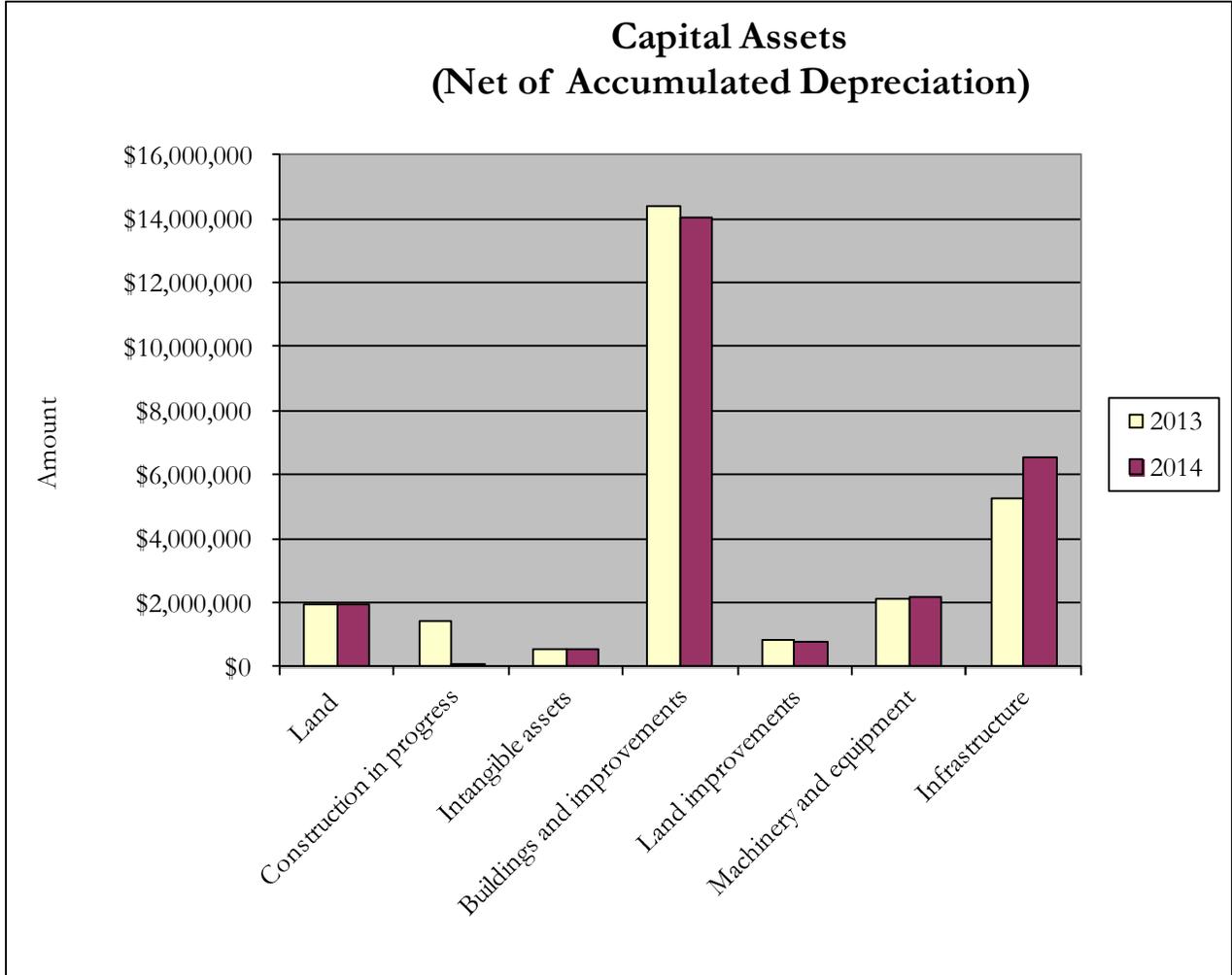
	Total	
	<i>(as adjusted per Note M)</i>	
	2014	2013
Land	\$ 1,922,121	\$ 1,922,121
Construction in progress	60,596	1,416,574
Intangibles	524,618	524,618
Buildings and improvements	14,038,281	14,379,357
Land improvements	803,717	822,900
Machinery and equipment	2,197,977	2,093,561
Infrastructure	6,524,945	5,282,373
Totals	\$ 26,072,255	\$ 26,441,504

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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

**Capital Assets *(Continued)***



Additional information on the Town's capital assets can be found in Note D on page 39 of this report.

**TOWN OF WOODSTOCK, CONNECTICUT**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
 JUNE 30, 2014

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

**Long-term Debt**

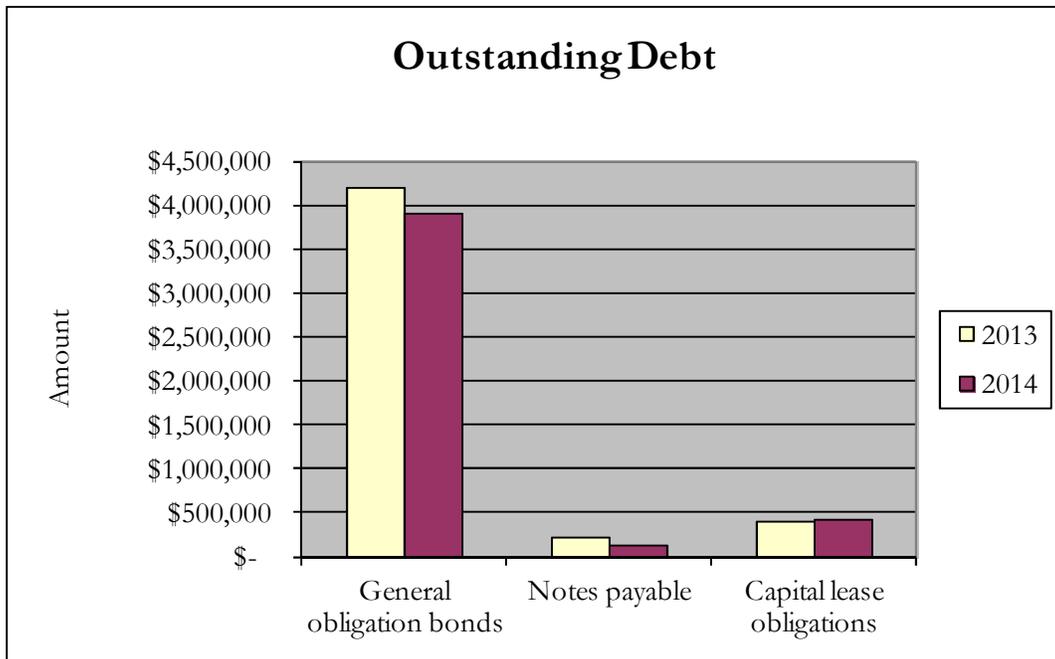
At the end of the current fiscal year, the Town had total debt outstanding of \$4,462,956, all of which is backed by the full faith and credit of the government. The Town's total debt decreased by \$362,375 or 7.5% during the current fiscal year primarily due to scheduled debt service payments.

As of June 30, 2014 the Town's general obligation bond rating was at Aa3 by Moody's.

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 \$108,907,505, 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:

	Totals	
	2014	2013
General obligation bonds	\$ 3,906,350	\$ 4,201,000
Notes payable	134,091	223,079
Capital lease obligations	422,515	401,252
Totals	\$ 4,462,956	\$ 4,825,331



Additional information on the Town's debt can be found in Notes G on pages 41 - 44 of this report.

**TOWN OF WOODSTOCK, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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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 unemployment rate for the Town is currently 4.7%. This compares favorably to the state's average unemployment rate of 6.5% and the national unemployment rate of 6.1%.
- 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 2015, 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.
  - Intergovernmental grants were based on estimates from the State.
  - 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.
  - Use of fund balance in the amount of \$283,946 has been assigned for use in the fiscal year 2015 budget.

All of these factors were considered in preparing the Town's budget for fiscal year 2015.

**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, 2014

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,746,669
Investments	318,581
Receivables:	
Property taxes and interest, net	339,911
Sewer usage and assessments, net	223,142
Grants and contracts receivable	297,249
Other receivables	19,561
Inventory	2,671
Restricted assets - investments	3,218,480
Grants and contracts receivable, long-term portion	746,700
Loans receivable, long-term	530,226
Capital assets	
Non-depreciable	2,507,335
Depreciable, net	23,564,920
Total assets	37,515,445
<b>LIABILITIES</b>	
Accounts payable	376,221
Accrued liabilities	41,924
Accrued interest payable	53,197
Unearned revenue	869,306
Claims payable	247,060
Noncurrent liabilities:	
Due within one year	730,482
Due in more than one year	7,359,126
Total liabilities	9,677,316
<b>NET POSITION</b>	
Net investment in capital assets	21,609,299
Restricted for:	
Endowment - nonexpendable	20,600
Endowment - expendable	3,213,678
Grants and contracts	749,851
Debt service	766,350
Unrestricted	1,478,351
Total net position	\$ 27,838,129

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

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:					
General government	\$ 1,902,906	\$ 262,451	\$ 57,925	\$ -	\$ (1,582,530)
Public safety	814,572	-	-	-	(814,572)
Public works	2,421,977	439,850	37,161	261,257	(1,683,709)
Health, welfare and recreation	394,731	125,701	4,000	-	(265,030)
Education	19,726,061	878,047	7,920,718	48,355	(10,878,941)
Interest expense	129,990	-	-	-	(129,990)
Total governmental activities	<u>\$ 25,390,237</u>	<u>\$ 1,706,049</u>	<u>\$ 8,019,804</u>	<u>\$ 309,612</u>	<u>(15,354,772)</u>
General revenues:					
					15,082,474
					162,606
					515,477
					<u>15,760,557</u>
					405,785
					25,934,422
					1,497,922
					<u>27,432,344</u>
					<u>\$ 27,838,129</u>

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

**TOWN OF WOODSTOCK, CONNECTICUT**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	<u>General Fund</u>	<u>WPCA Fund</u>	<u>Herbert W. Bowen Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,719,485	\$ 306,329	\$ 698	\$ 535,810	\$ 5,562,322
Investments	-	-	-	318,581	318,581
Receivables:					
Property taxes and interest, net	339,911	-	-	-	339,911
Sewer usage and assessments, net	-	223,142	-	-	223,142
Intergovernmental	-	-	-	277,599	277,599
Loans	-	-	-	530,226	530,226
Other	13,948	-	-	5,613	19,561
Due from other funds	291,363	-	-	1,655,614	1,946,977
Inventories	-	-	-	2,671	2,671
Restricted assets - investments	-	-	3,218,480	-	3,218,480
Total assets	<u>\$ 5,364,707</u>	<u>\$ 529,471</u>	<u>\$ 3,219,178</u>	<u>\$ 3,326,114</u>	<u>\$ 12,439,470</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 209,431	\$ 121,713	\$ -	\$ 22,733	\$ 353,877
Accrued liabilities	41,924	-	-	-	41,924
Due to other funds	1,738,688	23,504	-	267,859	2,030,051
Unearned revenue	-	-	-	869,306	869,306
Total liabilities	<u>1,990,043</u>	<u>145,217</u>	<u>-</u>	<u>1,159,898</u>	<u>3,295,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes and interest	262,151	-	-	-	262,151
Sewer usage and assessments	-	151,540	-	-	151,540
Total deferred inflows of resources	<u>262,151</u>	<u>151,540</u>	<u>-</u>	<u>-</u>	<u>413,691</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	5,500	17,771	23,271
Restricted	-	-	3,213,678	749,851	3,963,529
Committed	-	232,714	-	1,363,740	1,596,454
Assigned	283,946	-	-	37,169	321,115
Unassigned	2,828,567	-	-	(2,315)	2,826,252
Total fund balances	<u>3,112,513</u>	<u>232,714</u>	<u>3,219,178</u>	<u>2,166,216</u>	<u>8,730,621</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,364,707</u>	<u>\$ 529,471</u>	<u>\$ 3,219,178</u>	<u>\$ 3,326,114</u>	<u>\$ 12,439,470</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, 2014**

Total fund balance for governmental funds	\$	8,730,621
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	\$	1,922,121
Construction in progress		60,596
Intangibles		524,618
Buildings and improvements		21,220,332
Land improvements		1,135,481
Machinery and equipment		4,389,009
Infrastructure		8,580,464
Accumulated depreciation		<u>(11,760,366)</u>
Total capital assets, net		26,072,255
Contract receivable amount from Woodstock Academy are not susceptible to accrual and are therefore not reported in the funds.		
		766,350
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.		
		413,691
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		(53,197)
Long-term debt:		
General obligation bonds		(3,906,350)
Notes payable		(134,091)
Capital lease obligations		(422,515)
Other long-term liabilities:		
Contract payable		(27,298)
Compensated absences		(128,523)
Termination benefits		(120,000)
Post-closure landfill costs		(99,000)
Net OPEB obligation		<u>(3,251,831)</u>
Total long-term liabilities		(8,142,805)
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>(1,983)</u>
Net position of governmental activities	\$	<u><u>27,838,129</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 BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>WPCA Fund</u>	<u>Herbert W. Bowen Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ 15,163,436	\$ -	\$ -	\$ -	\$ 15,163,436
Grants and contracts	7,272,547	37,161	-	1,124,389	8,434,097
Charges for services	395,890	187,964	-	398,097	981,951
Miscellaneous revenue	87,558	41,478	-	130,099	259,135
Interest income	5,423	4	503,758	6,292	515,477
Total revenues	<u>22,924,854</u>	<u>266,607</u>	<u>503,758</u>	<u>1,658,877</u>	<u>25,354,096</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,880,916	-	-	35,883	1,916,799
Public safety	802,490	-	-	-	802,490
Public works	1,634,789	293,360	-	140,740	2,068,889
Health, welfare and recreation	164,741	-	-	200,328	365,069
Education	17,459,851	-	-	1,241,601	18,701,452
Capital outlays	421,852	-	-	249,687	671,539
Debt service:					
Principal payments	275,000	108,639	-	-	383,639
Interest and fiscal charges	103,463	27,664	-	-	131,127
Total expenditures	<u>22,743,102</u>	<u>429,663</u>	<u>-</u>	<u>1,868,239</u>	<u>25,041,004</u>
Excess (deficiency) of revenues over expenditures	181,752	(163,056)	503,758	(209,362)	313,092
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital lease obligations	310,418	-	-	-	310,418
Sale of capital assets	-	-	-	22,428	22,428
Transfers in	7	-	-	335,307	335,314
Transfers out	(335,307)	-	(1)	(6)	(335,314)
Total other financing sources (uses)	<u>(24,882)</u>	<u>-</u>	<u>(1)</u>	<u>357,729</u>	<u>332,846</u>
Net change in fund balances	156,870	(163,056)	503,757	148,367	645,938
Fund balances - beginning, as originally reported	2,955,643	395,770	2,715,421	2,543,868	8,610,702
Adjustments ( <i>See Note M</i> )	-	-	-	(526,019)	(526,019)
Fund balances - beginning, as adjusted	<u>2,955,643</u>	<u>395,770</u>	<u>2,715,421</u>	<u>2,017,849</u>	<u>8,084,683</u>
Fund balances - ending	<u>\$ 3,112,513</u>	<u>\$ 232,714</u>	<u>\$ 3,219,178</u>	<u>\$ 2,166,216</u>	<u>\$ 8,730,621</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, 2014**

Net change in fund balances - total governmental funds	\$	645,938
Total change in net position reported for governmental activities in the statement of activities is different because:		
<p>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:</p>		
Expenditures for capital assets	\$ 432,402	
Depreciation and amortization expense	<u>(769,894)</u>	
Net adjustment		(337,492)
<p>In the statement of activities, only the gain (loss) on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the governmental funds.</p>		
		(31,757)
<p>Contract revenue from Woodstock Academy is no 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.</p>		
		(19,650)
<p>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:</p>		
Debt issued or incurred:		
Capital lease financing	(310,418)	
Principal repayments:		
General obligation bonds	294,650	
Notes payable	88,988	
Capital lease obligations	<u>289,155</u>	
Net adjustment		362,375
<p>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.</p>		
Accrued interest	(6,741)	
Prepaid expenses	(35,000)	
Claims and judgments	20,565	
Contract payable	27,298	
Compensated absences	62,474	
Termination benefits	54,808	
Post-closure landfill costs	41,000	
Net OPEB obligation	<u>(476,748)</u>	
		(312,344)
<p>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.</p>		
		(65,124)
<p>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.</p>		
		<u>163,839</u>
Change in net position of governmental activities	\$	<u><u>405,785</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, 2014**

	<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	\$ 14,771,314	\$ 14,771,314	\$ 15,163,436	\$ 392,122
Intergovernmental revenues	5,727,392	5,727,392	5,757,021	29,629
Charges for services	384,000	384,000	395,890	11,890
Other revenues	86,620	86,620	87,565	945
Interest income	15,000	15,000	5,423	(9,577)
Total revenues	<u>20,984,326</u>	<u>20,984,326</u>	<u>21,409,335</u>	<u>425,009</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,965,706	1,956,248	1,906,368	(49,880)
Public safety	793,292	802,750	802,750	-
Public works	1,742,879	1,742,879	1,742,879	-
Health, recreation and welfare	212,176	212,176	212,176	-
Education	16,043,975	16,043,975	16,043,975	-
Debt service	489,897	489,897	489,897	-
Total expenditures	<u>21,247,925</u>	<u>21,247,925</u>	<u>21,198,045</u>	<u>(49,880)</u>
Excess (deficiency) of revenues over expenditures	(263,599)	(263,599)	211,290	474,889
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	263,599	318,019	-	(318,019)
Transfers out	-	(54,420)	(54,420)	-
Total other financing sources (uses)	<u>263,599</u>	<u>263,599</u>	<u>(54,420)</u>	<u>(318,019)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	156,870	<u>\$ 156,870</u>
Fund balance - beginning			<u>2,955,643</u>	
Fund balance - ending			<u>\$ 3,112,513</u>	

**TOWN OF WOODSTOCK, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<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	\$ -	\$ 184,347	\$ 184,347
Due from other funds	60,071	659	60,730
Total assets	<u>60,071</u>	<u>185,006</u>	<u>245,077</u>
<b>LIABILITIES</b>			
Claims payable	-	247,060	247,060
Total liabilities	<u>-</u>	<u>247,060</u>	<u>247,060</u>
<b>NET POSITION</b>			
Unrestricted	60,071	(62,054)	(1,983)
Total net position	<u>\$ 60,071</u>	<u>\$ (62,054)</u>	<u>\$ (1,983)</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, 2014**

	<b>Governmental Activities</b>		
	<b>Town Employees' Benefits Fund</b>	<b>Board of Education Employees' Benefits Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services and premiums:			
Employer	\$ 31,500	\$ 1,070,449	\$ 1,101,949
Employee	-	377,825	377,825
Total operating revenues	<u>31,500</u>	<u>1,448,274</u>	<u>1,479,774</u>
<b>OPERATING EXPENSES</b>			
Claims incurred and administrative expenses	<u>344</u>	<u>1,315,591</u>	<u>1,315,935</u>
Change in net position	31,156	132,683	163,839
Net position - beginning	<u>28,915</u>	<u>(194,737)</u>	<u>(165,822)</u>
Net position - ending	<u>\$ 60,071</u>	<u>\$ (62,054)</u>	<u>\$ (1,983)</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, 2014**

	<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	\$ 693	\$ 1,070,449	\$ 1,071,142
Employee	-	377,166	377,166
Cash paid for the following:			
Claims incurred and administrative expenses	(693)	(1,276,292)	(1,276,985)
Net cash provided by operating activities	<u>-</u>	<u>171,323</u>	<u>171,323</u>
Net increase in cash and cash equivalents	-	171,323	171,323
Cash and cash equivalents, beginning of year	-	13,024	13,024
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 184,347</u>	<u>\$ 184,347</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 31,156	\$ 132,683	\$ 163,839
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Increase in due from other funds	(30,807)	(659)	(31,466)
Increase (decrease) in claims payable	(349)	39,299	38,950
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 171,323</u>	<u>\$ 171,323</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, 2014**

	<b>Private Purpose Trust Fund - Scholarship Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 147,501
Investments, at fair value:		
Bond mutual funds	30,280	-
Due from other funds	-	22,344
Total assets	30,280	\$ 169,845
<b>LIABILITIES</b>		
Accounts payable	-	3,106
Due to student groups	-	19,751
Due to others	-	146,988
Total liabilities	-	\$ 169,845
<b>NET POSITION</b>		
Held in trust for other purposes	\$ 30,280	

*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, 2014**

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	<b>Private Purpose Trust Fund - Scholarship Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Net increase in the fair value of investments	\$ 4,591
Interest and dividends	507
Total investment earnings	<u>5,098</u>
Change in net position	<u>5,098</u>
Net position - beginning, as originally reported	-
Adjustments ( <i>See Note M</i> )	<u>25,182</u>
Net position - beginning, as adjusted	<u>25,182</u>
Net position - ending	<u><u>\$ 30,280</u></u>

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

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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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, 2014

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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.

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 land review fund and the 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 funds 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.

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.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

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

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 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.

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

**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 for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office, and in the Cooperative Liquid Asset Security Systems Fund (CLASS), which is an investment pool managed by Cutwater Asset Management. STIF and CLASS operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF and CLASS qualify as 2a7-like pools and are reported at the net position value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF and CLASS are subject to regulatory oversight even though they are not registered by the SEC.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

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

**Investments**

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 \$63,079 as of June 30, 2014.

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 \$8,452 as of June 30, 2014.

**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, 2014, loans receivable totaled \$530,226 under this program.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

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

**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:

Assets	Years	Capitalization Threshold
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
Intangible assets	Varies	20,000

**Unearned Revenue**

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items that qualify for reporting in this category.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and interest, and sewer assessments and usage charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

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

**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.

**Net Position and Fund Balances**

The statement of net position presents the Town's assets, deferred outflows 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.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

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

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

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 a governing board or body or official that has been delegated authority to assign amounts.

***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.

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.

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, when committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

**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.

**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.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

**Recently Issued Accounting Standards**

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the effect implementation of this standard will have on its financial statements.

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES**

**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, 2014 the Board of Finance approved additional appropriations from fund balance of \$54,420.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES *(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, 2014:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 21,409,335	\$ 21,198,045	\$ (54,420)	\$ 156,870
"On-behalf" payments - State Teachers Retirement Fund <i>(see Note I)</i>	1,252,852	1,252,852	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	262,674	262,674	-	-
Certain transfers recorded as revenues or expenditures for budgetary purposes	(7)	(280,887)	(280,880)	-
Noncash financing sources (uses) not recognized for budgetary purposes:				
Capital lease financing	-	310,418	310,418	-
GAAP basis	<u>\$ 22,924,854</u>	<u>\$ 22,743,102</u>	<u>\$ (24,882)</u>	<u>\$ 156,870</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

**NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES *(Continued)***

**Deficit Fund Balances**

The following funds have deficit fund balances as of June 30, 2014, none of which constitutes a violation of statutory provisions:

Fund	Amount
Board of Education	
Employees' Benefits Fund	\$ (62,054)
Town Beach Fund	(2,315)

The deficits are expected to be eliminated through future revenue sources and transfers in from the General Fund.

**NOTE C - CASH DEPOSITS AND INVESTMENTS**

Cash and cash equivalents consist of the following as of June 30, 2014:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 5,746,669
Statement of fiduciary net position:	
Cash and cash equivalents	133,785
	5,880,454
Add: certificates of deposit classified as investments	318,581
Less: cash equivalents considered investments under GASB Statement No. 40	(1,737,367)
	\$ 4,461,668

**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, 2014, \$3,955,509 of the Town's bank balance of \$4,902,099 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,559,958
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	395,551
	\$ 3,955,509

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

**Cash Deposits – Custodial Credit Risk *(Continued)***

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.

**Investments**

A reconciliation of the Town's investments as of June 30, 2014 is as follows:

Government-wide statement of net position:	
Investments	\$ 318,581
Restricted assets - investments	3,218,480
Statement of fiduciary net position:	
Investments	30,280
Add: cash equivalents considered investments under GASB Statement No. 40	1,737,367
Less: certificates of deposit classified as investments	<u>(318,581)</u>
	<u><u>\$ 4,986,127</u></u>

As of June 30, 2014, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years) Less Than 1
<b>Debt Securities:</b>		
Pooled fixed income accounts:		
CT Short Term Investment Fund	\$ 1,726,519	\$ 1,726,519
MBIA CLASS	10,848	10,848
	<u>1,737,367</u>	<u><u>\$ 1,737,367</u></u>
<b>Other investments:</b>		
Equity securities	3,218,480	
Bond mutual funds	30,280	
<b>Total</b>	<u><u>\$ 4,986,127</u></u>	

Because the pooled fixed income accounts have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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

**Investments *(Continued)***

**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.

**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.

The Town's investments in pooled fixed income accounts, whose ratings are required to be disclosed, were rated AAA by Standard & Poor's.

**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, mutual funds 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. The Town's investments in pooled fixed income accounts and in certain equity securities were the only individual holdings which exceeded 5% of the Town's total investments as of June 30, 2014.

**TOWN OF WOODSTOCK, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2014**

**NOTE D - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 consisted of the following:

	<b>Beginning Balance</b> <i>(as adjusted per Note M)</i>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,922,121	\$ -	\$ -	\$ -	\$ 1,922,121
Construction in progress	1,416,574	43,438	-	(1,399,416)	60,596
Intangibles	524,618	-	-	-	524,618
Total capital assets, not being depreciated	<u>3,863,313</u>	<u>43,438</u>	<u>-</u>	<u>(1,399,416)</u>	<u>2,507,335</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	4,232,186	388,964	(232,141)	-	4,389,009
Infrastructure	7,181,048	-	-	1,399,416	8,580,464
Total capital assets, being depreciated	<u>33,769,047</u>	<u>388,964</u>	<u>(232,141)</u>	<u>1,399,416</u>	<u>35,325,286</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	6,840,975	341,076	-	-	7,182,051
Land improvements	312,581	19,183	-	-	331,764
Machinery and equipment	2,138,625	252,791	(200,384)	-	2,191,032
Infrastructure	1,898,675	156,844	-	-	2,055,519
Total accumulated depreciation and amortization	<u>11,190,856</u>	<u>769,894</u>	<u>(200,384)</u>	<u>-</u>	<u>11,760,366</u>
Total capital assets, being depreciated, net	<u>22,578,191</u>	<u>(380,930)</u>	<u>(31,757)</u>	<u>1,399,416</u>	<u>23,564,920</u>
Governmental activities capital assets, net	<u>\$ 26,441,504</u>	<u>\$ (337,492)</u>	<u>\$ (31,757)</u>	<u>\$ -</u>	<u>\$ 26,072,255</u>

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

<b>Governmental Activities:</b>	
General government	\$ 37,934
Public safety	19,762
Public works	316,481
Health, welfare and recreation	37,471
Education	358,246
Total depreciation expense - governmental activities	<u>\$ 769,894</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

**NOTE E - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	WPCA Fund	\$ 23,504
	Nonmajor Governmental Funds	267,859
		<u>291,363</u>
Internal Service Funds	General Fund	<u>60,730</u>
Nonmajor Governmental Funds	General Fund	<u>1,655,614</u>
<b>Fiduciary Funds</b>		
Agency Funds	General Fund	<u>22,344</u>
Total interfund receivables/payables		<u><u>\$ 2,030,051</u></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 F - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2014 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Herbert W. Bowen Fund	\$ 1
	Nonmajor Governmental Funds	6
		<u>7</u>
Nonmajor Governmental Funds	General Fund	<u>335,307</u>
Total transfers		<u><u>\$ 335,314</u></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, 2014

**NOTE G - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<b>Governmental Activities</b>	<b>Beginning Balance</b> <i>(As adjusted per Note M)</i>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 4,201,000	\$ -	\$ (294,650)	\$ 3,906,350	\$ 289,650
Other liabilities:					
Notes payable	223,079	-	(88,988)	134,091	92,617
Capital lease obligations	401,252	310,418	(289,155)	422,515	226,962
Claims and judgments	20,565	-	(20,565)	-	-
Contract payable	54,596	-	(27,298)	27,298	27,298
Compensated absences	190,997	-	(62,474)	128,523	25,705
Termination benefits	174,808	3,275	(58,083)	120,000	60,000
Post-closure landfill costs	140,000	-	(41,000)	99,000	8,250
Net OPEB obligation	2,775,083	543,786	(67,038)	3,251,831	-
	<u>\$ 8,181,380</u>	<u>\$ 857,479</u>	<u>\$ (949,251)</u>	<u>\$ 8,089,608</u>	<u>\$ 730,482</u>

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

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2014 is as follows:

<b>Purpose of Bonds</b>	<b>Final Maturity Dates</b>	<b>Interest Rates</b>	<b>Amount Outstanding</b>
<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%	\$ 2,280,000
General obligation refunding bonds issued September 2010, original amount of \$1,245,000	8/1/2020	2.0% - 3.0%	860,000
General obligation sewer bonds issued June 2013, original amount of \$786,000	10/1/2053	2.75%	766,350
			<u>\$ 3,906,350</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

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

**General Obligation Bonds *(Continued)***

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2014:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 289,650	\$ 118,087	\$ 407,737
2016	284,650	111,866	396,516
2017	279,650	105,095	384,745
2018	269,650	98,117	367,767
2019	274,650	90,951	365,601
2020-2024	1,003,250	345,260	1,348,510
2025-2029	773,250	192,451	965,701
2030-2034	358,250	69,842	428,092
2035-2039	98,250	45,932	144,182
2040-2044	98,250	32,423	130,673
2045-2049	98,250	18,913	117,163
2050-2054	78,600	5,403	84,003
	<u>\$ 3,906,350</u>	<u>\$ 1,234,340</u>	<u>\$ 5,140,690</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, 2014 was \$19,650 and \$21,615, respectively. Additional reimbursements of principal and interest aggregating \$766,350 and \$421,594, respectively, are expected to be received through the applicable bond's maturity dates.

**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 \$108,907,505 as of June 30, 2014. The Town did not exceed any of the statutory debt limitations at June 30, 2014.

**Notes Payable**

The State of Connecticut Department of Environmental Protection has provided Clean Water financing in the form of permanently financed serial notes to the Town dated March 31, 1998, in the initial amount of \$1,580,232. The note is payable in 240 monthly installments of \$7,920 and matures in March 2017. The note bears an interest rate of 2.0%. Annual debt service requirements to maturity on these obligations are as follows as of June 30, 2014:

Year ending June 30:	Governmental Activities		
	Notes Payable		
	Principal	Interest	Total
2015	\$ 92,617	\$ 2,421	\$ 95,038
2016	41,474	1,441	42,915
	<u>\$ 134,091</u>	<u>\$ 3,862</u>	<u>\$ 137,953</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

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

**Capital Leases**

A summary of assets acquired through capital leases is as follows as of June 30, 2014:

	<b>Governmental Activities</b>
Machinery and equipment	\$ 803,682
Less: accumulated amortization	(81,058)
	\$ 722,624

Amortization expense relative to leased property under capital leases totaled \$47,081 for the year ended June 30, 2014 and is included in depreciation and amortization expense disclosed in Note D.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2015	\$ 238,677
2016	142,113
2017	57,021
Total minimum lease payments	437,811
Less: amount representing interest	(15,296)
Present value of minimum lease payments	\$ 422,515

**Claims and Judgments**

The Town had obtained worker's compensation insurance coverage as a member of the Municipal Interlocal Risk Management Agency ("MIRMA"), a public entity risk pool established for the purpose of administering an interlocal risk management program. MIRMA is to be self-sustaining through members' premiums. The Town incurred a supplemental assessment for its pro-rated portion of MIRMA's prior unfunded deficiencies. The remaining balance of \$20,565 was paid in full during the year ending June 30, 2014.

**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 \$136,489, with annual required payments of \$27,298. The remaining contractual payment of \$27,298 is expected to be paid during the fiscal year ending June 30, 2015.

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

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

**Termination Benefits**

The Board of Education provides special termination benefits to six former employees, based on early retirement incentive agreements. These amounts consist of payments due to retired individuals for annuity payments and will be paid out in equal payments of \$10,000 each annually through fiscal year 2016.

**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 \$8,250 per year for the next twelve years total \$99,000 at June 30, 2014. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**NOTE H - FUND BALANCE**

The various components of fund balance at June 30, 2014 are as follows:

	<u>General Fund</u>	<u>WPCA Fund</u>	<u>Herbert W. Bowen Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 2,671	\$ 2,671
Permanent principal	-	-	5,500	15,100	20,600
Restricted for:					
Donor restrictions	-	-	3,213,678	8,699	3,222,377
Open space - loan programs	-	-	-	530,226	530,226
Educational grants	-	-	-	69,719	69,719
Grant programs	-	-	-	66,172	66,172
Capital projects	-	-	-	44,331	44,331
Record restoration	-	-	-	30,704	30,704
Committed to:					
WPCA	-	232,714	-	-	232,714
Nonrecurring capital outlay	-	-	-	430,549	430,549
Education - non-lapsing	-	-	-	132,346	132,346
Revaluation	-	-	-	57,478	57,478
Cafeteria	-	-	-	62,756	62,756
Education	-	-	-	3,632	3,632
Capital outlay	-	-	-	572,511	572,511
General government	-	-	-	29,904	29,904
Recreation	-	-	-	74,564	74,564
Assigned to:					
Subsequent year's budget	283,946	-	-	-	283,946
Capital outlay	-	-	-	37,169	37,169
Unassigned	2,828,567	-	-	(2,315)	2,826,252
	<u>\$ 3,112,513</u>	<u>\$ 232,714</u>	<u>\$ 3,219,178</u>	<u>\$ 2,166,216</u>	<u>\$ 8,730,621</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2014

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**NOTE I - EMPLOYEE RETIREMENT PLANS**

**Connecticut Municipal Employees' Retirement Fund B**

**Plan Description and Benefit Provisions**

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 Connecticut Municipal Employees' Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, with annual cost of living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members which have reached age 55. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. 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. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

**Contributions**

Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.98% 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 MERF for the years ended June 30, 2014, 2013 and 2012 were \$213,680, \$139,112, and \$134,360, respectively, and were equal to the required contributions for each year.

**Teachers' Retirement System**

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board.

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. 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 State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis. For the year ended June 30, 2014, Town teachers contributed \$366,405 to the plan and covered payroll for the year was \$5,053,862.

The Town has reported "on-behalf" payments of \$1,252,852 made by the State of Connecticut into the plan as intergovernmental revenues and related education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

**NOTE J - 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 postemployment 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 in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities 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	\$ 567,789
Interest on net OPEB obligation	124,879
Adjustment to annual required contribution	<u>(148,882)</u>
Annual OPEB cost	543,786
Contributions made	<u>67,038</u>
Increase in net OPEB obligation	476,748
Net OPEB obligation, beginning of year	<u>2,775,083</u>
Net OPEB obligation, end of year	<u><u>\$ 3,251,831</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 years ended June 30, 2012 through 2014 is as follows:

Year Ended <u>June 30</u>	Annual <u>OPEB Cost</u>	Actual <u>Contribution</u>	Percentage of <u>Annual OPEB Cost Contributed</u>	Net OPEB <u>Obligation</u>
2012	\$ 545,774	\$ 94,856	17.4%	\$ 2,301,104
2013	547,886	73,907	13.5%	2,775,083
2014	543,786	67,038	12.3%	3,251,831

**TOWN OF WOODSTOCK, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 JUNE 30, 2014

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

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2012, the date of the most recent actuarial valuation, was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 7,895,074	\$ 7,895,074	0.0%	\$5,386,026	146.6%

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:

Valuation date:	June 30, 2012
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	30 years, closed
Asset valuation method:	N/A
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, 2014

**NOTE K - 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 2014, 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. The remaining balance in the fund as of June 30, 2014 is \$60,071.

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, 2014. Claims liabilities are recorded in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported 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 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
<b>General Government:</b>				
2012	\$ -	\$ 35,286	\$ 35,012	\$ 274
2013	274	33,358	33,283	349
2014	349	344	693	-
<b>Board of Education</b>				
2012	\$ 297,903	\$ 1,459,069	\$ 1,432,890	\$ 324,082
2013	324,082	1,259,780	1,376,101	207,761
2014	207,761	1,415,868	1,376,569	247,060

**NOTE L - 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, 2014

**NOTE L - 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 M - CORRECTIONS OF PRIOR PERIOD ERRORS**

The beginning net positions of the governmental activities and the private purpose trust fund, as well as the beginning fund balance of the nonmajor governmental funds, have been restated for the correction of an error. The effect of the adjustments on the prior year changes in net positions for the year ended June 30, 2013 cannot be readily determined.

As such, net position as of July 1, 2013 has been restated as follows:

	Governmental Activities	Governmental Funds	Fiduciary Funds Private Purpose Trust Fund
Net position - beginning, as originally reported	\$ 25,934,422	\$ 2,543,868	\$ -
Adjustment to properly record long-term receivable from Woodstock Academy	786,000	-	-
Adjustment to properly capitalize construction in progress as of June 30, 2013	1,416,574	-	-
Adjustment to properly state beginning balances of depreciable capital assets	(124,037)	-	-
Adjustment to properly capitalize long-term revaluation contract payable as of June 30, 2013	(54,596)	-	-
Adjustment to defer Town Aid Road Grant proceeds received but not yet earned	(526,019)	(526,019)	-
Adjustment to properly record private purpose trust fund as of June 30, 2013	-	-	25,182
Net position - beginning, as adjusted	<u>\$ 27,432,344</u>	<u>\$ 2,017,849</u>	<u>\$ 25,182</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**  
**JUNE 30, 2014**

**Other Post-Employment Benefits Program**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age normal (B)	Unfunded AAL (UAAAL) (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	146.6%
June 30, 2009	-	10,969,660	10,969,660	0.0%	4,557,569	240.7%

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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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>PROPERTY TAXES</b>				
Current taxes	\$ 14,451,314	\$ 14,451,314	\$ 14,610,082	\$ 158,768
Motor vehicle supplement	100,000	100,000	166,284	66,284
Prior taxes	150,000	150,000	248,417	98,417
Interest and lien fees	70,000	70,000	138,653	68,653
Total property taxes	<u>14,771,314</u>	<u>14,771,314</u>	<u>15,163,436</u>	<u>392,122</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
Education equalization grant	5,473,508	5,473,508	5,453,432	(20,076)
Transportation	-	-	56,923	56,923
Special education excess cost	88,000	88,000	-	(88,000)
Municipal revenue sharing	-	-	66,990	66,990
In lieu of taxes	-	-	8,634	8,634
Pequot grant	-	-	32,500	32,500
Elderly tax relief - homeowners	46,000	46,000	46,553	553
Totally disabled tax relief	1,044	1,044	942	(102)
Veterans tax relief	-	-	6,987	6,987
Local capital improvements grant	118,840	118,840	84,060	(34,780)
Total intergovernmental revenues	<u>5,727,392</u>	<u>5,727,392</u>	<u>5,757,021</u>	<u>29,629</u>
<b>CHARGES FOR SERVICES</b>				
Inland wetlands permits	1,000	1,000	590	(410)
Planning & zoning fees	10,000	10,000	11,527	1,527
Building permit fees	60,000	60,000	73,864	13,864
Conveyance tax	60,000	60,000	70,339	10,339
Town clerk fees	45,000	45,000	51,624	6,624
Landfill permits	180,000	180,000	187,486	7,486
Dog licenses	4,000	4,000	-	(4,000)
Fuel usage fees	24,000	24,000	460	(23,540)
Total charges for services	<u>384,000</u>	<u>384,000</u>	<u>395,890</u>	<u>11,890</u>
<b>INTEREST INCOME</b>				
	<u>15,000</u>	<u>15,000</u>	<u>5,423</u>	<u>(9,577)</u>
<b>OTHER REVENUES</b>				
Utility grant	25,000	25,000	19,250	(5,750)
Miscellaneous receipts	27,500	27,500	36,533	9,033
Trust fund interest	20	20	7	(13)
WPCA administration fees	4,100	4,100	4,100	-
Cell tower rental	30,000	30,000	27,675	(2,325)
Total other revenues	<u>86,620</u>	<u>86,620</u>	<u>87,565</u>	<u>945</u>
Total revenues	<u>20,984,326</u>	<u>20,984,326</u>	<u>21,409,335</u>	<u>425,009</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriation of fund balance	<u>263,599</u>	<u>318,019</u>	<u>-</u>	<u>(318,019)</u>
Total revenues and other financing sources	<u>\$ 21,247,925</u>	<u>\$ 21,302,345</u>	<u>\$ 21,409,335</u>	<u>\$ 106,990</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Board of Selectmen	\$ 162,856	\$ 164,836	\$ 164,836	\$ -
Assessor	98,428	98,428	98,428	-
Tax collector	102,321	102,640	102,640	-
Finance	135,178	136,368	136,368	-
Town clerk	115,746	116,186	116,186	-
Election	22,535	22,535	22,535	-
Probate Court	6,596	6,596	6,596	-
Town counsel	20,000	20,000	20,000	-
Town hall	131,677	136,353	136,353	-
Data processing	63,308	63,308	63,308	-
Insurance and employee benefits	923,835	908,146	908,146	-
Planning and zoning commission	7,300	4,926	4,926	-
Town planner	74,463	74,463	74,463	-
Inland/Wetlands commission	5,000	5,000	5,000	-
Economic development commission	375	375	375	-
Contingency fund	50,000	50,000	120	(49,880)
Boards and commissions	46,088	46,088	46,088	-
Total general government	1,965,706	1,956,248	1,906,368	(49,880)
<b>PUBLIC SAFETY</b>				
Building department	116,779	119,249	119,249	-
Fire marshal	23,443	24,434	24,434	-
Fire protection association	448,300	448,300	448,300	-
Police protection	10,485	10,485	10,485	-
Public safety boards and commissions	194,285	200,282	200,282	-
Total public safety	793,292	802,750	802,750	-
<b>PUBLIC WORKS</b>				
Highway department	1,423,085	1,423,085	1,423,085	-
Fuel depot	24,000	24,000	24,000	-
Environmental	48,520	48,520	48,520	-
Transfer station/recycling center	247,274	247,274	247,274	-
Total public works	1,742,879	1,742,879	1,742,879	-
<b>HEALTH, WELFARE AND RECREATION</b>	212,176	212,176	212,176	-

*(Continued)*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<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	\$ 16,043,975	\$ 15,944,325	\$ 15,944,325	\$ -
Nonlapsing transfer	-	99,650	99,650	-
	<u>16,043,975</u>	<u>16,043,975</u>	<u>16,043,975</u>	<u>-</u>
<b>DEBT SERVICE</b>				
Principal payments	275,000	275,000	275,000	-
Interest and fiscal charges	102,463	102,463	102,463	-
Continuing disclosure	1,000	1,000	1,000	-
Capital outlay - lease payments	111,434	111,434	111,434	-
Total debt service	<u>489,897</u>	<u>489,897</u>	<u>489,897</u>	<u>-</u>
Total expenditures	<u>21,247,925</u>	<u>21,247,925</u>	<u>21,198,045</u>	<u>(49,880)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>54,420</u>	<u>54,420</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 21,247,925</u>	<u>\$ 21,302,345</u>	<u>\$ 21,252,465</u>	<u>\$ (49,880)</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, 2014**

Grand List Year	Balance	Current Levy	Lawful Corrections		Transfers To Suspense	Balance	Collections			Balance
	Uncollected		Additions	Deductions		To Be	Taxes	Interest, Liens and Fees	Total	Uncollected
	June 30, 2013					Collected				June 30, 2014
2012	\$ -	\$ 14,981,282	\$ 31,992	\$ 32,257	\$ 2,257	\$ 14,978,760	\$ 14,755,377	\$ 50,654	\$ 14,806,031	\$ 223,383
2011	229,016	-	351	904	4,603	223,860	130,034	36,395	166,429	93,826
2010	103,074	-	-	-	5,597	97,477	64,712	23,733	88,445	32,765
2009	48,843	-	-	-	3,145	45,698	34,531	14,064	48,595	11,167
2008	21,675	-	-	-	2,383	19,292	15,312	11,321	26,633	3,980
2007	3,377	-	-	-	1,171	2,206	2,054	616	2,670	152
2006	544	-	-	-	544	-	-	31	31	-
2005	523	-	-	-	523	-	-	-	-	-
2004	246	-	-	-	246	-	-	52	52	-
2003	237	-	-	-	237	-	-	69	69	-
2002	233	-	-	-	233	-	-	107	107	-
2001	219	-	-	-	219	-	-	-	-	-
2000	216	-	-	-	216	-	-	96	96	-
1999	281	-	-	-	281	-	-	524	524	-
1998 and prior	833	-	-	552	281	-	-	503	503	-
	<u>\$ 409,317</u>	<u>\$ 14,981,282</u>	<u>\$ 32,343</u>	<u>\$ 33,713</u>	<u>\$ 21,936</u>	<u>\$ 15,367,293</u>	<u>\$ 15,002,020</u>	<u>\$ 138,165</u>	<u>\$ 15,140,185</u>	<u>\$ 365,273</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, 2014**

Total cash collections for the year ended

June 30, 2014:

Taxes	\$ 15,002,020
Interest and lien fees	<u>138,165</u>
Total	15,140,185

Total cash collections for the year ended

June 30, 2014 - coterminous governments 363,548

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d) 54,482

Base \$ 15,558,215

	<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	\$ 35,005,984	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	70,011,968	-	-	-
3-3/4 times base	-	-	58,343,306	-	-
3-1/4 times base	-	-	-	50,564,199	-
3 times base	-	-	-	-	46,674,645
Total debt limitation	<u>35,005,984</u>	<u>70,011,968</u>	<u>58,343,306</u>	<u>50,564,199</u>	<u>46,674,645</u>
Indebtedness:					
Bonds payable	3,140,000	-	766,350	-	-
Notes payable	-	-	134,091	-	-
Coterminous debt	<u>150,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>3,290,877</u>	<u>-</u>	<u>900,441</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 31,715,107</u>	<u>\$ 70,011,968</u>	<u>\$ 57,442,865</u>	<u>\$ 50,564,199</u>	<u>\$ 46,674,645</u>
Total capacity of borrowing (7 times base)	\$ 108,907,505				
Total present indebtedness	<u>4,191,318</u>				
Margin for additional borrowing	<u>\$ 104,716,187</u>				

*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, 2014**

	<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>Revaluation Fund</b>	<b>Beautification Committee Fund</b>	<b>Recreation Committee Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,752	\$ 48,352	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	19,940	-	257,659	-	-	-
Loans	-	-	-	-	-	-	-
Other	-	5	-	5,608	-	-	-
Due from other funds	-	-	4,882	-	-	1,320	50,990
Inventories	-	2,671	-	-	-	-	-
Total assets	<u>\$ 1,752</u>	<u>\$ 70,968</u>	<u>\$ 4,882</u>	<u>\$ 263,267</u>	<u>\$ -</u>	<u>\$ 1,320</u>	<u>\$ 50,990</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ -
Due to other funds	1	-	-	186,492	-	-	-
Unearned revenue	-	5,541	-	7,056	-	-	-
Total liabilities	<u>1</u>	<u>5,541</u>	<u>1,250</u>	<u>193,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	2,671	-	-	-	-	-
Restricted	-	-	-	69,719	-	-	-
Committed	1,751	62,756	3,632	-	-	1,320	50,990
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,751</u>	<u>65,427</u>	<u>3,632</u>	<u>69,719</u>	<u>-</u>	<u>1,320</u>	<u>50,990</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,752</u>	<u>\$ 70,968</u>	<u>\$ 4,882</u>	<u>\$ 263,267</u>	<u>\$ -</u>	<u>\$ 1,320</u>	<u>\$ 50,990</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2014**

	Nonmajor Special Revenue Funds					
	Recycling Fund	Town Beach Fund	Town Aid Road Fund	Camp Nahaco Revenue Fund	Arboretum Fund	Record Restoration Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,678	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	25,957	-	795,117	54,933	-	30,704
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 25,957</u>	<u>\$ -</u>	<u>\$ 795,117</u>	<u>\$ 54,933</u>	<u>\$ 1,678</u>	<u>\$ 30,704</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 1,734	\$ 1,659	\$ -	\$ -
Due to other funds	-	2,315	-	-	802	-
Unearned revenue	-	-	793,383	45,732	-	-
Total liabilities	<u>-</u>	<u>2,315</u>	<u>795,117</u>	<u>47,391</u>	<u>802</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	30,704
Committed	25,957	-	-	7,542	876	-
Assigned	-	-	-	-	-	-
Unassigned	-	(2,315)	-	-	-	-
Total fund balances (deficit)	<u>25,957</u>	<u>(2,315)</u>	<u>-</u>	<u>7,542</u>	<u>876</u>	<u>30,704</u>
Total liabilities and fund balances (deficit)	<u>\$ 25,957</u>	<u>\$ -</u>	<u>\$ 795,117</u>	<u>\$ 54,933</u>	<u>\$ 1,678</u>	<u>\$ 30,704</u>

*See accompanying Independent Auditor's Report.*

*(Continued)*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 JUNE 30, 2014

	Nonmajor Special Revenue Funds				Capital Projects Funds		
	Small Cities Fund	Miscellaneous Grants Fund	Fuel Depot Fund	Total Special Revenue Funds	Open Space Fund	Capital Nonrecurring Fund	Nonlapsing Education Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 57,830	\$ -	\$ -	\$ 109,612	\$ 271,950	\$ 147,701	\$ -
Investments	-	-	-	-	298,593	-	-
Receivables:							
Intergovernmental	-	-	-	277,599	-	-	-
Loans	530,226	-	-	530,226	-	-	-
Other	-	-	-	5,613	-	-	-
Due from other funds	-	1,992	16,032	981,927	24,237	628,770	-
Inventories	-	-	-	2,671	-	-	-
Total assets	<u>\$ 588,056</u>	<u>\$ 1,992</u>	<u>\$ 16,032</u>	<u>\$ 1,907,648</u>	<u>\$ 594,780</u>	<u>\$ 776,471</u>	<u>\$ -</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 4,643	\$ -	\$ -	\$ -
Due to other funds	915	-	-	190,525	-	74,598	-
Unearned revenue	17,594	-	-	869,306	-	-	-
Total liabilities	<u>18,509</u>	<u>-</u>	<u>-</u>	<u>1,064,474</u>	<u>-</u>	<u>74,598</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	2,671	-	-	-
Restricted	569,547	1,992	-	671,962	24,859	44,331	-
Committed	-	-	16,032	170,856	569,921	620,373	-
Assigned	-	-	-	-	-	37,169	-
Unassigned	-	-	-	(2,315)	-	-	-
Total fund balances (deficit)	<u>569,547</u>	<u>1,992</u>	<u>16,032</u>	<u>843,174</u>	<u>594,780</u>	<u>701,873</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 588,056</u>	<u>\$ 1,992</u>	<u>\$ 16,032</u>	<u>\$ 1,907,648</u>	<u>\$ 594,780</u>	<u>\$ 776,471</u>	<u>\$ -</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*  
 JUNE 30, 2014

	Capital Projects Funds			Permanent Funds			Total Nonmajor Governmental Funds
	School Roof Fund	Highway Fund	Total Capital Projects Funds	Brandford Mercy Cemetery Fund	Memorial Fund	Total Permanent Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 419,651	\$ 809	\$ 5,738	\$ 6,547	\$ 535,810
Investments	-	-	298,593	19,988	-	19,988	318,581
Receivables:							
Intergovernmental	-	-	-	-	-	-	277,599
Loans	-	-	-	-	-	-	530,226
Other	-	-	-	-	-	-	5,613
Due from other funds	20,680	-	673,687	-	-	-	1,655,614
Inventories	-	-	-	-	-	-	2,671
Total assets	<u>\$ 20,680</u>	<u>\$ -</u>	<u>\$ 1,391,931</u>	<u>\$ 20,797</u>	<u>\$ 5,738</u>	<u>\$ 26,535</u>	<u>\$ 3,326,114</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 18,090	\$ -	\$ 18,090	\$ -	\$ -	-	22,733
Due to other funds	-	-	74,598	2,730	6	2,736	267,859
Unearned revenue	-	-	-	-	-	-	869,306
Total liabilities	<u>18,090</u>	<u>-</u>	<u>92,688</u>	<u>2,730</u>	<u>6</u>	<u>2,736</u>	<u>1,159,898</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	10,100	5,000	15,100	17,771
Restricted	-	-	69,190	7,967	732	8,699	749,851
Committed	2,590	-	1,192,884	-	-	-	1,363,740
Assigned	-	-	37,169	-	-	-	37,169
Unassigned	-	-	-	-	-	-	(2,315)
Total fund balances (deficit)	<u>2,590</u>	<u>-</u>	<u>1,299,243</u>	<u>18,067</u>	<u>5,732</u>	<u>23,799</u>	<u>2,166,216</u>
Total liabilities and fund balances (deficit)	<u>\$ 20,680</u>	<u>\$ -</u>	<u>\$ 1,391,931</u>	<u>\$ 20,797</u>	<u>\$ 5,738</u>	<u>\$ 26,535</u>	<u>\$ 3,326,114</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Nonmajor Special Revenue Funds						
	Conservation Commission Fund	School Cafeteria Fund	Quasset School Fund	Education Grant Fund	Revaluation Fund	Beautification Committee Fund	Recreation Committee Fund
<b>REVENUES</b>							
Grants and contracts	\$ -	\$ 86,743	\$ -	\$ 719,188	\$ -	\$ -	\$ -
Charges for services	-	242,441	-	-	-	-	54,851
Miscellaneous revenue	-	5,935	-	81,485	-	-	-
Interest income	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>335,119</u>	<u>-</u>	<u>800,673</u>	<u>-</u>	<u>-</u>	<u>54,851</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health, welfare and recreation	-	-	-	-	-	-	68,164
Education	-	314,826	1,250	859,136	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>314,826</u>	<u>1,250</u>	<u>859,136</u>	<u>-</u>	<u>-</u>	<u>68,164</u>
Excess (deficiency) of revenues over expenditures	-	20,293	(1,250)	(58,463)	-	-	(13,313)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	452	-	-	-	21,608
Transfers out	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,608</u>
Net change in fund balances	-	20,293	(798)	(58,463)	-	-	8,295
Fund balances (deficit) - beginning	1,751	45,134	4,430	128,182	84,776	1,320	42,695
Adjustments ( <i>See Note M</i> )	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,776)</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - beginning, as adjusted	<u>1,751</u>	<u>45,134</u>	<u>4,430</u>	<u>128,182</u>	<u>-</u>	<u>1,320</u>	<u>42,695</u>
Fund balances (deficit) - ending	<u>\$ 1,751</u>	<u>\$ 65,427</u>	<u>\$ 3,632</u>	<u>\$ 69,719</u>	<u>\$ -</u>	<u>\$ 1,320</u>	<u>\$ 50,990</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 FOR THE YEAR ENDED JUNE 30, 2014

	Nonmajor Special Revenue Funds					
	Recycling Fund	Town Beach Fund	Town Aid Road Fund	Camp Nahaco Revenue Fund	Arboretum Fund	Record Restoration Fund
<b>REVENUES</b>						
Grants and contracts	\$ -	\$ -	\$ 112,522	\$ -	\$ -	\$ 4,000
Charges for services	-	1,255	-	67,836	-	3,806
Miscellaneous revenue	1,148	-	28,218	1,721	554	-
Interest income	-	-	-	20	1	-
Total revenues	<u>1,148</u>	<u>1,255</u>	<u>140,740</u>	<u>69,577</u>	<u>555</u>	<u>7,806</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	7,885
Public works	-	-	140,740	-	-	-
Health, welfare and recreation	-	27,810	-	70,900	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>27,810</u>	<u>140,740</u>	<u>70,900</u>	<u>-</u>	<u>7,885</u>
Excess (deficiency) of revenues over expenditures	1,148	(26,555)	-	(1,323)	555	(79)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	24,925	-	900	-	-
Transfers out	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>24,925</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,148	(1,630)	-	(423)	555	(79)
Fund balances (deficit) - beginning	24,809	(685)	526,019	7,965	321	30,783
Adjustments <i>(See Note M)</i>	-	-	(526,019)	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>24,809</u>	<u>(685)</u>	<u>-</u>	<u>7,965</u>	<u>321</u>	<u>30,783</u>
Fund balances (deficit) - ending	<u>\$ 25,957</u>	<u>\$ (2,315)</u>	<u>\$ -</u>	<u>\$ 7,542</u>	<u>\$ 876</u>	<u>\$ 30,704</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 JUNE 30, 2014

	Nonmajor Special Revenue Funds				Capital Projects Funds		
	Small Cities Fund	Miscellaneous Grants Fund	Fuel Depot Fund	Total Special Revenue Funds	Open Space Fund	Capital Nonrecurring Fund	Nonlapsing Education Fund
<b>REVENUES</b>							
Grants and contracts	\$ 88,906	\$ -	\$ -	\$ 1,011,359	\$ -	\$ 113,030	\$ -
Charges for services	-	-	16,032	386,221	8,237	3,639	-
Miscellaneous revenue	38	-	-	119,099	11,000	-	-
Interest income	-	-	-	21	5,468	540	-
Total revenues	<u>88,944</u>	<u>-</u>	<u>16,032</u>	<u>1,516,700</u>	<u>24,705</u>	<u>117,209</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	7,885	-	27,298	-
Public works	-	-	-	140,740	-	-	-
Health, welfare and recreation	33,454	-	-	200,328	-	-	-
Education	-	-	-	1,175,212	-	66,389	-
Capital outlays	-	-	-	-	-	182,005	-
Total expenditures	<u>33,454</u>	<u>-</u>	<u>-</u>	<u>1,524,165</u>	<u>-</u>	<u>275,692</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	55,490	-	16,032	(7,465)	24,705	(158,483)	-
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	47,885	25,000	242,422	-
Transfers out	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	22,428	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,885</u>	<u>25,000</u>	<u>264,850</u>	<u>-</u>
Net change in fund balances	55,490	-	16,032	40,420	49,705	106,367	-
Fund balances (deficit) - beginning	514,057	1,992	-	1,413,549	545,075	411,645	99,085
Adjustments <i>(See Note M)</i>	-	-	-	(610,795)	-	183,861	(99,085)
Fund balances (deficit) - beginning, as adjusted	<u>514,057</u>	<u>1,992</u>	<u>-</u>	<u>802,754</u>	<u>545,075</u>	<u>595,506</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 569,547</u>	<u>\$ 1,992</u>	<u>\$ 16,032</u>	<u>\$ 843,174</u>	<u>\$ 594,780</u>	<u>\$ 701,873</u>	<u>\$ -</u>

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*  
 JUNE 30, 2014

	Capital Projects Funds			Permanent Funds			Total Nonmajor Governmental Funds
	School Roof Fund	Highway Fund	Total Capital Projects Funds	Brandford Mercy Cemetery Fund	Memorial Fund	Total Permanent Funds	
<b>REVENUES</b>							
Grants and contracts	\$ -	\$ -	\$ 113,030	\$ -	\$ -	\$ -	\$ 1,124,389
Charges for services	-	-	11,876	-	-	-	398,097
Miscellaneous revenue	-	-	11,000	-	-	-	130,099
Interest income	-	-	6,008	255	8	263	6,292
Total revenues	-	-	141,914	255	8	263	1,658,877
<b>EXPENDITURES</b>							
Current:							
General government	-	-	27,298	700	-	700	35,883
Public works	-	-	-	-	-	-	140,740
Health, welfare and recreation	-	-	-	-	-	-	200,328
Education	-	-	66,389	-	-	-	1,241,601
Capital outlays	37,360	30,322	249,687	-	-	-	249,687
Total expenditures	37,360	30,322	343,374	700	-	700	1,868,239
Excess (deficiency) of revenues over expenditures	(37,360)	(30,322)	(201,460)	(445)	8	(437)	(209,362)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	20,000	-	287,422	-	-	-	335,307
Transfers out	-	-	-	-	(6)	(6)	(6)
Sale of capital assets	-	-	22,428	-	-	-	22,428
Total other financing sources (uses)	20,000	-	309,850	-	(6)	(6)	357,729
Net change in fund balances	(17,360)	(30,322)	108,390	(445)	2	(443)	148,367
Fund balances (deficit) - beginning	19,950	30,322	1,106,077	18,512	5,730	24,242	2,543,868
Adjustments <i>(See Note M)</i>	-	-	84,776	-	-	-	(526,019)
Fund balances (deficit) - beginning, as adjusted	19,950	30,322	1,190,853	18,512	5,730	24,242	2,017,849
Fund balances (deficit) - ending	\$ 2,590	\$ -	\$ 1,299,243	\$ 18,067	\$ 5,732	\$ 23,799	\$ 2,166,216

*See accompanying Independent Auditor's Report.*

**TOWN OF WOODSTOCK, CONNECTICUT**  
**PROJECT STATUS SUMMARY**  
**CAPITAL NONRECURRING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Fund Balance June 30, 2013	Revenues		Expenditures			Transfers In (Out)	Fund Balance June 30, 2014
		Capital Grants	Other Income	General Government	Education	Capital Outlay		
<b>Restricted Fund Balance</b>								
Public Act 05-228	\$ 40,692	\$ -	\$ 3,639	\$ -	\$ -	\$ -	\$ -	\$ 44,331
<b>Committed Fund Balance</b>								
Revaluation	84,776	-	-	(27,298)	-	-	-	57,478
Nonlapsing education funds	99,085	-	-	-	(66,389)	-	99,650	132,346
Transfer station	100,362	-	-	-	-	(30,015)	34,420	104,767
Highway equipment	98,535	-	22,428	-	-	(40,000)	-	80,963
Bradford Corner Road	65,055	-	-	-	-	(13,423)	-	51,632
Parking lot expansion	53,727	-	-	-	-	-	10,000	63,727
Public school security lock system	40,000	-	-	-	-	(31,019)	-	8,981
Plan of development	25,000	-	-	-	-	(2,873)	-	22,127
Camp Nahaco infrastructure upgrade	-	-	-	-	-	-	10,000	10,000
Town Hall HVAC system upgrade	-	-	-	-	-	-	15,000	15,000
English Neighborhood Road Project - Phase II	-	-	-	-	-	-	73,352	73,352
Municipal-aid grant	-	64,675	-	-	-	(64,675)	-	-
	<u>566,540</u>	<u>64,675</u>	<u>22,428</u>	<u>(27,298)</u>	<u>(66,389)</u>	<u>(182,005)</u>	<u>242,422</u>	<u>620,373</u>
<b>Assigned Fund Balance</b>								
Uncommitted capital projects funding	-	36,629	540	-	-	-	-	37,169
<b>Unassigned Fund Balance</b>	<u>(11,726)</u>	<u>11,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 595,506</u>	<u>\$ 113,030</u>	<u>\$ 26,607</u>	<u>\$ (27,298)</u>	<u>\$ (66,389)</u>	<u>\$ (182,005)</u>	<u>\$ 242,422</u>	<u>\$ 701,873</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, 2014

	<u>Student Activities</u>	<u>Employee Medical Savings Account</u>	<u>Land Review</u>	<u>Performance Bond Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,751	\$ 13,556	\$ -	\$ 114,194	\$ 147,501
Due from other funds	-	-	22,344	-	22,344
Total assets	<u>\$ 19,751</u>	<u>\$ 13,556</u>	<u>\$ 22,344</u>	<u>\$ 114,194</u>	<u>\$ 169,845</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 3,106	\$ -	\$ 3,106
Due to student groups	19,751	-	-	-	19,751
Due to others	-	13,556	19,238	114,194	146,988
Total liabilities	<u>\$ 19,751</u>	<u>\$ 13,556</u>	<u>\$ 22,344</u>	<u>\$ 114,194</u>	<u>\$ 169,845</u>

**TOWN OF WOODSTOCK, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

	<b>Balance, July 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2014</b>
<b>Student Activities</b>				
Assets				
Cash and cash equivalents	\$ 24,134	\$ 101,235	\$ 105,618	\$ 19,751
Total assets	<u>\$ 24,134</u>	<u>\$ 101,235</u>	<u>\$ 105,618</u>	<u>\$ 19,751</u>
Liabilities				
Due to student groups	\$ 24,134	\$ 101,235	\$ 105,618	\$ 19,751
Total liabilities	<u>\$ 24,134</u>	<u>\$ 101,235</u>	<u>\$ 105,618</u>	<u>\$ 19,751</u>
<b>Employee Medical Savings Account</b>				
Assets				
Cash and cash equivalents	\$ 16,254	\$ 43,979	\$ 46,677	\$ 13,556
Total assets	<u>\$ 16,254</u>	<u>\$ 43,979</u>	<u>\$ 46,677</u>	<u>\$ 13,556</u>
Liabilities				
Due to others	\$ 16,254	\$ 43,979	\$ 46,677	\$ 13,556
Total liabilities	<u>\$ 16,254</u>	<u>\$ 43,979</u>	<u>\$ 46,677</u>	<u>\$ 13,556</u>
<b>Land Review</b>				
Assets				
Due from other funds	\$ 13,625	\$ 45,260	\$ 36,541	\$ 22,344
Total assets	<u>\$ 13,625</u>	<u>\$ 45,260</u>	<u>\$ 36,541</u>	<u>\$ 22,344</u>
Liabilities				
Accounts payable	\$ 4,241	\$ 17,234	\$ 18,369	\$ 3,106
Due to others	9,384	28,026	18,172	19,238
Total liabilities	<u>\$ 13,625</u>	<u>\$ 45,260</u>	<u>\$ 36,541</u>	<u>\$ 22,344</u>
<b>Performance Bond Fund</b>				
Assets				
Cash and cash equivalents	\$ 151,424	\$ 53	\$ 37,283	\$ 114,194
Total assets	<u>\$ 151,424</u>	<u>\$ 53</u>	<u>\$ 37,283</u>	<u>\$ 114,194</u>
Liabilities				
Due to others	\$ 151,424	\$ 53	\$ 37,283	\$ 114,194
Total liabilities	<u>\$ 151,424</u>	<u>\$ 53</u>	<u>\$ 37,283</u>	<u>\$ 114,194</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 191,812	\$ 145,267	\$ 189,578	\$ 147,501
Due from other funds	13,625	45,260	36,541	22,344
Total assets	<u>\$ 205,437</u>	<u>\$ 190,527</u>	<u>\$ 226,119</u>	<u>\$ 169,845</u>
Liabilities				
Accounts payable	\$ 4,241	\$ 17,234	\$ 18,369	\$ 3,106
Due to student groups	24,134	101,235	105,618	19,751
Due to others	177,062	72,058	102,132	146,988
Total liabilities	<u>\$ 205,437</u>	<u>\$ 190,527</u>	<u>\$ 226,119</u>	<u>\$ 169,845</u>

*See accompanying Independent Auditor's Report.*