

TOWN OF RIDGEFIELD, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF RIDGEFIELD,
CONNECTICUT**

**FOR THE YEAR ENDED
JUNE 30, 2013**

PREPARED BY:

**THE FINANCE DEPARTMENT
KEVIN F. REDMOND, TOWN CONTROLLER**

TOWN OF RIDGEFIELD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Organizational Chart	i
Letter of Transmittal	ii-vi
List of Principal Officials	vii
Certificate of Achievement for Excellence in Financial Reporting for the Year Ended June 30, 2012	viii
Financial Section	
Independent Auditors' Report	1-3
Management Discussion and Analysis	4-14
<u>Exhibit</u>	
Basic Financial Statements:	
Government-Wide Financial Statements:	
I Statement of Net Position	15
II Statement of Activities	16
Fund Financial Statements:	
Governmental Funds:	
III Balance Sheet	17-18
IV Statement of Revenues, Expenditures and Changes in Fund Balances	19-20
Proprietary Funds:	
V Statement of Net Position	21
VI Statement of Revenues, Expenses and Changes in Net Position	22
VII Statement of Cash Flows	23
Fiduciary Funds:	
VIII Statement of Fiduciary Net Position	24
IX Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26-58
Required Supplementary Information:	
General Fund:	
RSI-1 Schedule of Revenues and Other Financing Sources - Budget and Actual	59
RSI-2 Schedule of Expenditures and Other Financing Uses - Budget and Actual	60-61

Combining and Individual Fund Statements and Schedules:

	General Fund:	
A-1	Report of Tax Collector	62
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet	63-64
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65-66
B-3	Schedules of Sewer Use Charges	67
	Internal Service Funds:	
C-1	Combining Statement of Net Position	68
C-2	Combining Statement of Revenues, Expenses and Changes in Net Position	69
C-3	Combining Statement of Cash Flows	70
	Fiduciary Funds:	
D-1	Agency Funds - Combining Statement of Changes in Assets and Liabilities	71

Statistical Section

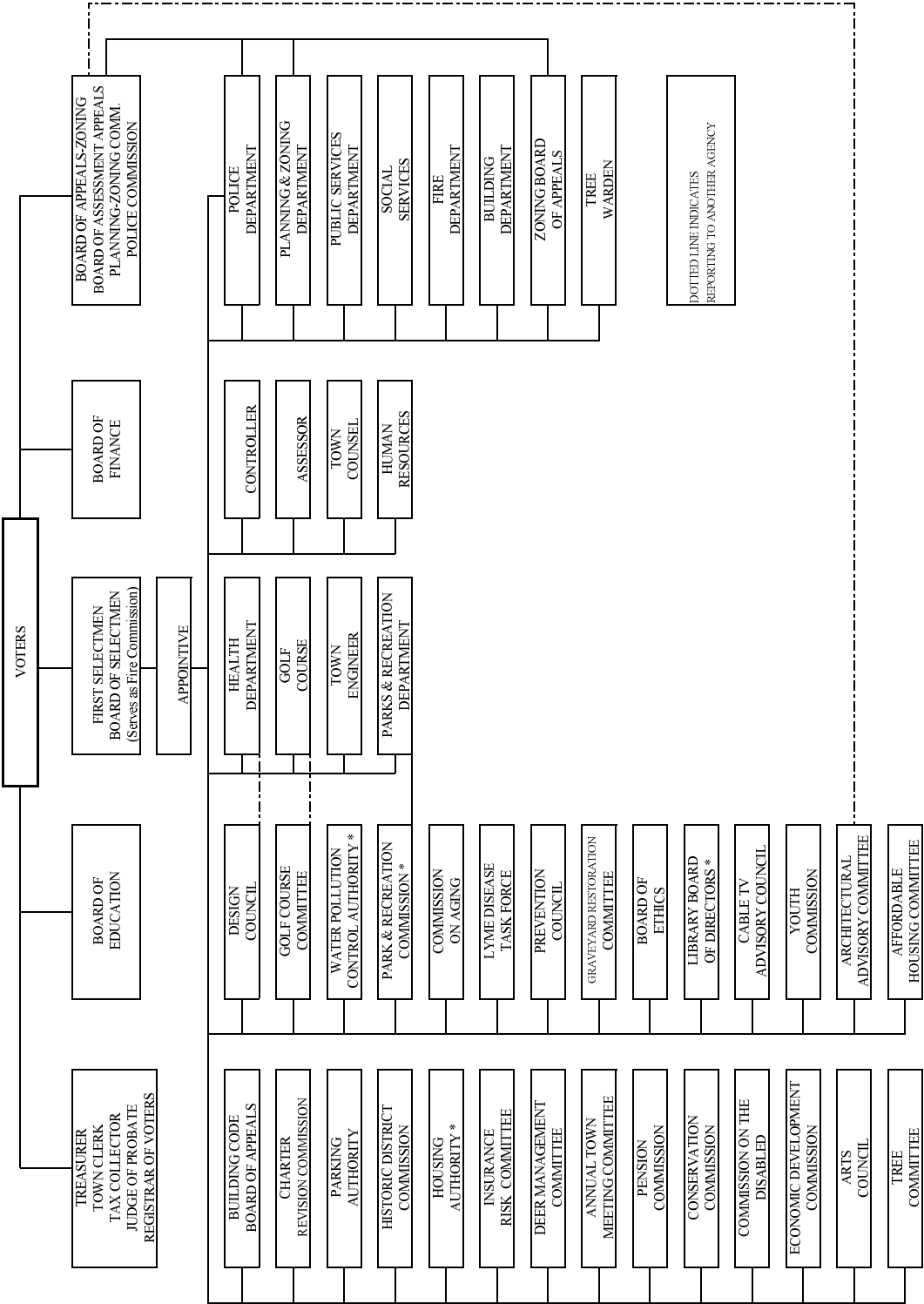
Table

	Financial Trends:	
1	Net Position by Component	72
2	Changes in Net Position	73
3	Fund Balances of Governmental Funds	74
4	Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	75
	Revenue Capacity:	
5	Assessed and Estimated Actual Value of Taxable Property	76
6	Direct Property Tax Rates	77
7	Principal Taxpayers	78
8	Property Tax Levies and Collections	79
	Debt Capacity:	
9	Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita	80
10	Schedule of Debt Limitation	81
11	Legal Debt Margin Information	82
	Demographic and Economic Statistics:	
12	Demographic and Economic Statistics	83
13	Principal Employers	84
	Operating Information:	
14	Full-Time Equivalent Government Employees by Function/Program	85
15	Operating Indicators by Function/Program	86
16	Capital Asset Statistics by Function/Program	87

Introductory Section

TOWN OF RIDGEFIELD, CONNECTICUT

ORGANIZATIONAL CHART



DOTTED LINE INDICATES
REPORTING TO ANOTHER AGENCY

* Appointed by Board of Selectmen but no direct reporting control



TOWN OF RIDGEFIELD

Finance Department

December 14, 2013

Board of Finance
Town of Ridgefield
Ridgefield, Connecticut 06877

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Ridgefield, Connecticut, for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the Town of Ridgefield. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Ridgefield has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Ridgefield's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town of Ridgefield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Ridgefield's financial statements have been audited by Blum, Shapiro & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Ridgefield for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Ridgefield's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Ridgefield was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies and a similar State Single Audit. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of major federal and state awards. These reports are available in the Town of Ridgefield’s separately issued Federal and State Single Audit Reports. GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Ridgefield’s MD&A can be found immediately following the independent auditors’ report.

Profile of the Government

The Town of Ridgefield was settled in 1708 by settlers from Norwalk and was incorporated as Connecticut’s forty-third town in October 1709. It covers an area of 35 square miles in western Fairfield County on the New York State border and serves a population of approximately 25,000. The Town of Ridgefield is empowered to levy a property tax on both real and personal properties located within its boundaries. U.S. Route 7 and State Route Numbers 33, 35, 102 and 116 traverse the Town. The interchange of Interstate Routes 84 and 684 is conveniently located and accessible to Ridgefield. MetroNorth and intrastate buses provide passenger transportation.

The Town of Ridgefield, pursuant to its home-rule charter, has a Town Meeting form of government with a five-member elected Board of Selectmen and a five-member elected Board of Finance. Elections are held biennially in every odd-numbered year, and members of both the Board of Selectmen and Board of Finance serve for four-year terms. Minority representation is guaranteed on all boards and commissions. The inhabitants also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time chief executive and administrative officer of the Town and oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges on the Board. He or his designee is also an ex-officio member of all Town boards, commissions and agencies, but without power to vote.

The responsibility for performing the day-to-day financial operations is shared by the Town Treasurer and a full-time Controller. The chief duties of the Treasurer are the custody of all funds, receipts and deposits of all monies due the Town, disbursement of the Town funds on order from authorized officials and execution of long and short-term investments for all funds. The Controller is responsible for the coordination and the administration of the financial affairs of the Town. He is responsible for the keeping of the accounts and financial records, the control over expenditures, payroll and preparing financial reports for proper budget control. He also works closely with the First Selectman and the Board of Finance in preparing the budget and financial planning.

Profile of the Government (continued)

The Town of Ridgefield provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, public works, health and welfare, education and recreational activities. In addition to general Town activities, the governing body is financially accountable for the Ridgefield Library Association, Inc., a discretely presented component unit. Information regarding the activity of the Ridgefield Library Association, Inc., has been included as an integral part of the Town of Ridgefield's financial statements. Additional information about each entity can be found in Note 1.A. of the notes to the basic financial statements.

The annual budget serves as the foundation for the Town of Ridgefield's financial planning and control. The general fund is the only fund for which a legal budget is adopted. The budget policy and procedures are described in Note 2.A. of the notes to the basic financial statements. Budget to actual comparisons are provided in this report on Required Supplementary Information Schedules 1 and 2.

Factors Affecting Financial Condition

The Town of Ridgefield, located in one of the highest per capita income areas of the United States, is a suburban residential community. Residents are predominantly professional, technical and managerial people employed in Fairfield County, Westchester County and New York City.

Local Economy. Boehringer-Ingelheim, Ltd., a German drug research, development and manufacturing firm, owns 250 acres in the Town of Ridgefield. Facilities include an administrative office building, a research and development center, and an assessment and administrative support facility, totaling approximately 900,000 square feet.

Ridgefield has continued to see new commercial and retail development consisting of both new construction and conversions of existing dwellings. Part of this trend is the development of mixed-use (commercial/residential) construction. In addition, new commercial development continues to expand along Route 35.

Long-Term Financial Planning. The cooperative relationship between Boehringer-Ingelheim and the Town is the model of future relationships envisioned by the Ridgefield Economic Development Commission. Boehringer-Ingelheim has initiated a multi-million dollar plan to expand its facilities in Ridgefield with upgrades to its manufacturing, research and development plant. To foster a favorable investment environment, the Town granted a seven-year tax incentive plan to Boehringer-Ingelheim upon obtaining its certificate of occupancy. The eventual tax benefit to Ridgefield will represent a significant increase to its commercial tax base.

Residential construction in the form of small to mid-sized multi-family dwellings is on the rise in and around the center of town. These developments are attractive to current residents as well as nearby communities because of Ridgefield's attractive Main Street and retail establishments that fill its side streets. These developments provide welcome growth to Ridgefield's Grand List.

Factors Affecting Financial Condition (continued)

General Fund Balance. The unassigned fund balance of the General Fund increased by 1.7% in 2013. The current undesignated fund balance provides the Town with the equivalence of approximately 34 working days of expenditures. This significantly reduces the likelihood of the Town entering the short-term debt market to pay for current operating expenditures.

Pension Trust Fund Operations. The operations of the Pension Trust Fund continued to be positively impacted by the market improvement in 2013. The net assets held in trust increased \$9,534,025 to \$80,106,928 at June 30, 2013 as a result of current year activity. The Pension Trust Fund experienced a trust yield of 12.2% on a time weighted market value basis for this same period. Additional information on the Town of Ridgefield's pension arrangements can be found in Note 4.A. of the notes to the basic financial statements.

Relevant Financial Policies

Cash and Investment Management. Cash temporarily idle during the year was invested in demand deposits and certificates of deposit. The Pension Trust Fund's investment portfolio also includes equities, commercial paper and mutual funds. The Town is limited, except for the Pension Trust Fund, by existing State of Connecticut Statutes as to the investment instruments it can purchase. Therefore, the Town investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio within the State's guidelines.

Risk Management. The Town has a risk management program for property, casualty, worker's compensation and other claims. As part of this program, resources have been accumulated in an internal service fund to pay deductibles and losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented to minimize related losses. Third-party coverage is maintained for claims greater than the established risk assumption policy.

Other Post Employment Benefits. The Town implemented GASB Statement 45 in fiscal year ended 2009. A trust was formally established in December 2009. The Town is using a five year phase-in funding approach. For fiscal 2013, the Town and Board of Education contributed a total of \$626,000 to the trust.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Ridgefield for its Comprehensive Annual Financial Report for the year ended June 30, 2012. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Department staff and assistance from the Treasurer and Chairman of the Pension Commission. In addition, without the leadership and support of the First Selectman, Rudolph Marconi, the Board of Selectmen and Board of Finance, this report would not have been possible.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "K. F. Redmond".

Kevin F. Redmond
Town Controller

TOWN OF RIDGEFIELD, CONNECTICUT

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013**

BOARD OF SELECTMEN

Rudolph Marconi, First Selectman
Andrew Bodner, Selectman
Barbara Manners, Selectman
Di Masters, Selectman
Maureen Kozlark, Selectman

BOARD OF FINANCE

Dave Ulmer, Chairman
Paul Sutherland, Vice Chairman
Jill Bornstein, Member
Marty Heiser, Member
Jessica Mancini, Member

TOWN DEPARTMENTS

Maureen Kiernan, Treasurer
Kevin F. Redmond, Controller
Alfred Garzi, Tax Assessor
Jane Berendsen-Hill, Tax Collector
Dr. Deborah Low, Superintendent of Schools
Paul Hendrickson, Business Manager of Schools
Peter Hill, Superintendent of Highways
Charles Fisher, Town Engineer
Barbara Serfilippi, Town Clerk
John Roche, Chief of Police
Heather Burford, Fire Chief
William Reynolds, Building Official
Betty Brosius, Planning & Zoning
Edward Briggs, Health Department
Paul Roche, Parks & Recreation Director
Tony Phillips, Social Services Director

AUDITORS

Blum, Shapiro & Company, P.C.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Ridgefield
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Ridgefield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Ridgefield, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Ridgefield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Ridgefield, Connecticut, as of June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the budgetary comparison information on pages 59 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2013 on our consideration of the Town of Ridgefield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ridgefield, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 14, 2013

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

Introduction

This Comprehensive Annual Financial Report (CAFR) incorporates the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. Fund statements measure and report the “operating results” of many funds by presenting the short-term performance of individual funds using the same measures governments use when financing current operations. Showing budgetary compliance is an important part of governmental accountability; therefore, we include the *original* budget as well as the final amended budget in this report.

Our objective is to provide a readable analysis of our financial performance for the year. Taken together, the following statements should enable you to assess whether the Town of Ridgefield’s financial position has improved or deteriorated as a result of the year’s operations. The CAFR includes government-wide financial statements prepared on the accrual basis for all of the Town’s activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year.

In summary, the government-wide financial statements will allow:

- The assessment of the finances of the Town in its entirety, including the year’s operating results;
- Determination whether the overall financial position improved or deteriorated;
- Evaluation of whether current year revenues were sufficient to pay for current year services;
- Presentation of the costs of services the Town provides;
- Presentation of how each service is financed - through user fees and other program revenues versus general tax revenues;
- Understanding the extent to which your government has invested in capital assets, including roads, bridges, sewers, schools, parks, and other infrastructure assets.

Overview of the Financial Statements

Management Discussion and Analysis (MD&A) - An introduction to the basic financial statements and an analytical overview of the Town’s financial activities. The MD&A provides an objective and easily readable analysis of the Town’s financial activities based on currently known facts, decisions, or conditions.

Basic Financial Statements

Government-Wide Financial Statements are designed to provide readers with a broad overview of Ridgefield’s finances in a manner similar to private-sector businesses. They include a *statement of net position* which presents information on all of the Town’s assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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*. The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the legally separate Ridgefield Library and Historical Association, Inc. for which the Town is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

Fiduciary activities whose resources are not available to finance our governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net position is reported as net investment in capital assets, restricted, and unrestricted. Permanent endowments, or permanent fund principal amounts included in restricted net position, are shown as either expendable or nonexpendable.

Expenses are presented reduced by program revenues resulting in a measurement of “net (expense) revenue” for each of the government’s functions. Program expenses include all direct expenses. General revenues such as taxes, unrestricted grants and contributions, and investment income are reported separately, ultimately arriving at the change in net position for the period.

Fund Financial Statements are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Ridgefield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements include financial data for the general fund, special revenue funds, capital projects, and permanent fund. *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 a government’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 activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’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 eighteen 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 capital nonrecurring fund, the bonded projects fund, and the sewer bond repayment fund, all of which are considered to be major funds. Data from the other thirteen special revenue governmental funds are combined into a single, aggregated presentation. Information for the permanent Ballard Park fund is presented separately. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Ridgefield adopts an annual appropriated budget for its general fund.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary fund financial statements include the financial data for the internal service fund which is the only type of proprietary fund maintained by the Town. *Internal service funds* are an accounting device used to calculate and allocate costs internally among the Town's various functions. The Town uses internal service funds for the risk management program for property, casualty, worker's compensation and other claims. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Ridgefield's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Basic Financial Statements

Consist of notes that provide information essential to your understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI)

Consists of MD&A and the Town of Ridgefield's schedule of revenues and other sources and schedule of expenditures and other uses - budget and actual.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Highlights

- ❖ The assets of the Town of Ridgefield exceeded its liabilities at the close of the most recent year by \$114,766,512 (net position). Of this amount, \$22,188,988 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position grew by \$6,365,177. This increase resulted primarily from an increase in fund balances of \$6,211,527 driven by the issuance of \$10,600,000 of new bonds recorded in the bonded projects account while various other results and transactions contributed to an overall additional net decrease of \$264,823.
- ❖ As of the close of the current fiscal year, the Town's governmental funds reported combining ending fund balances of \$14,484,321, an increase of \$6,211,527 in comparison with the prior year. Of this amount, \$7,958,003 is available for spending at the government's discretion (unassigned fund balance).
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,709,896, or 8.67% of total general fund revenues of \$134,995,292. Total general fund balance of \$14,651,084 represented 10.85% of total general fund revenues.
- ❖ Ridgefield amortized \$9,665,000 (10.89%) of outstanding long-term bonds and \$218,836 (32.08%) of long-term notes. Concurrently, we issued \$10.6 million of new bonds with \$8.855 million applied to general public improvements and \$1.745 million applied to school uses. We also paid \$504,724 against outstanding capital leases but added \$510,000 of new leases.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Most of Ridgefield's net position (80.63%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are 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.

Table 1. Net Position

	Total Primary Government 2013	Total Primary Government 2012
Current and other assets	\$ 33,644,074	\$ 35,220,628
Capital assets	191,411,754	190,476,580
Total Assets	<u>225,055,828</u>	<u>225,697,208</u>
Long-term liabilities	98,506,445	98,352,728
Other liabilities	11,782,871	18,943,145
Total Liabilities	<u>110,289,316</u>	<u>117,295,873</u>
Net position:		
Net investment in capital assets	92,535,842	82,564,434
Restricted	41,682	54,475
Unrestricted	<u>22,188,988</u>	<u>25,782,426</u>
Total Net Position	<u>\$ 114,766,512</u>	<u>\$ 108,401,335</u>

The balance of *unrestricted net position*, \$22,188,988, may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position both for the Town as a whole as well as for its separate governmental activities.

The government's net position increased by \$6,365,177 during the current fiscal year as previously indicated. The primary contributing components to the net position increase was the \$6,211,527 increase in fund balances, a net \$1,033,891 excess of capital expenditures over depreciation charges, and the payoff of \$6,630,000 of bond anticipation notes offset somewhat by a net liability increase of \$933,902 related to various bond, note, and lease transactions.

Governmental activities brought in general revenues of \$142,366,564 which exceeded its gross operating expenses of \$136,001,387 by the amount of the net asset increase. Gross expenses were offset by \$12,803,701 in charges for services and \$15,679,679 in operating grants and contributions. Of the net expenses, \$79,352,753 was accounted for by the Board of Education. Public safety net expenses of \$11,564,809, public works net expenditures of \$4,894,516, interest expense of \$3,304,355, and general government net expenses of \$3,814,653 accounted for most of the expenses. The majority of the Town's revenue was \$113,078,138 in property tax collections. Other revenue sources were \$818,089 in unrestricted grants and contributions, \$49,688 in investment income, and \$48,768 of miscellaneous income.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities accounted for all of Ridgefield's increase in net position. Key elements contributing to this increase are as follows:

	Total Primary Government 2013	Total Primary Government 2012
Revenues:		
Program revenues:		
Charges for services	\$ 12,803,701	\$ 13,263,057
Operating grants and contributions	15,679,679	13,728,634
General revenues:		
Property taxes	113,078,138	114,105,779
Grants and contributions not restricted to specific purpose	706,590	867,242
Unrestricted investment earnings	49,688	69,732
Miscellaneous	48,768	4,418,333
Total Revenues	<u>142,366,564</u>	<u>146,452,777</u>
Program Expenses:		
General government	5,547,382	5,080,033
Health and welfare	766,590	854,954
Recreation	7,270,110	7,062,174
Public safety	12,854,341	12,233,586
Public works	8,536,286	9,208,835
Education	96,137,658	94,281,327
Library	1,584,665	1,685,946
Interest	3,304,355	3,655,086
Total Program Expenses	<u>136,001,387</u>	<u>134,061,941</u>
Change in net position	6,365,177	12,390,836
Net Position - July 1	<u>108,401,335</u>	<u>96,010,499</u>
Net Position - June 30	\$ <u><u>114,766,512</u></u>	\$ <u><u>108,401,335</u></u>

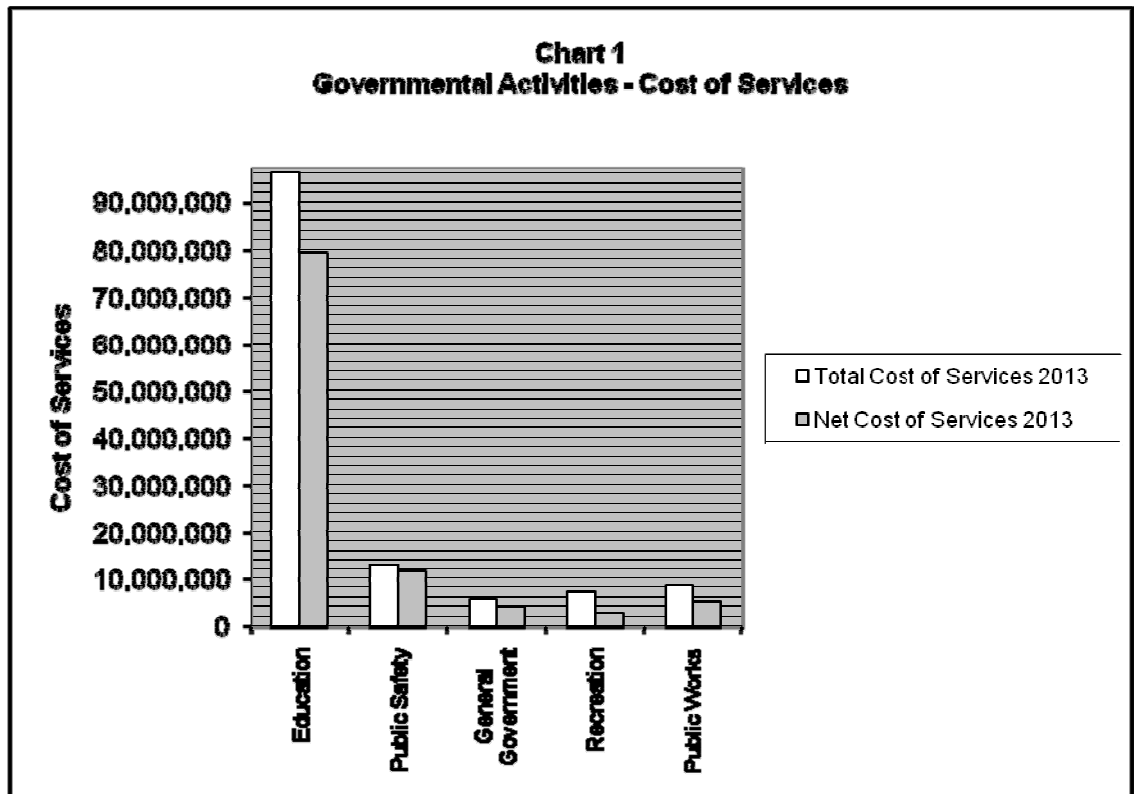
Property taxes collected declined by \$1.028 million (0.90%) between fiscal year 2012 and 2013 in keeping with a lower budgeted amount driven by a budgeted \$3.2 million use of fund balance. The collection rate remained at 98.5%, the same as last year. Charges for services were lower by \$459 thousand primarily as a result of \$660 thousand of lower charges for service by the Board of Education. The marked decrease in miscellaneous revenues, \$4.370 million, reflects the CL&P settlement (\$4.316 million) for eight years of overcharges on the high school received last fiscal year but not this year.

Overall, program expenses rose \$1.939 million from last year over many lines. General government was up by \$467 thousand, public safety by \$621 thousand, and education by \$1.856 million. Drops in public works (\$673 thousand) and interest on long-term debt (\$351 thousand) helped to moderate the overall increase.

Chart 1 presents the costs of educational services and the four most costly government services as well as each group's net cost (total cost less revenues and grants generated by the activities).

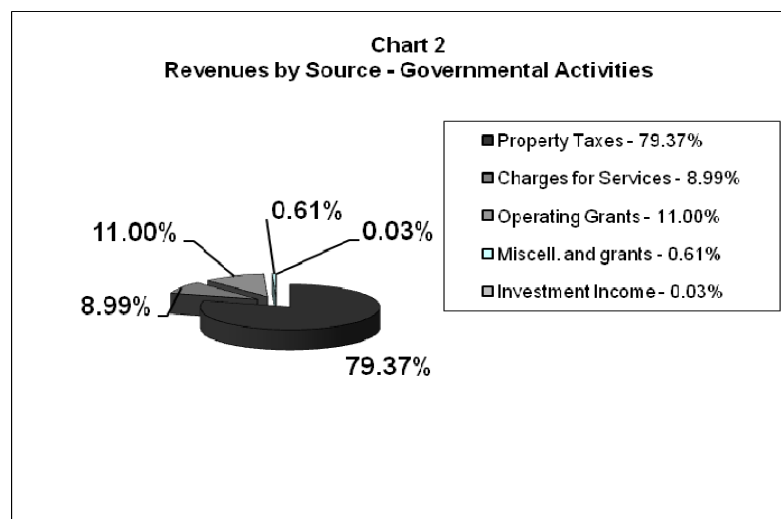
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Net Cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.



For the most part, the rise in expenses reflects higher costs of education with its increased salaries and benefits.

Chart 2 presents in five categories the most significant sources of revenues Ridgefield drew upon to fund its operations during the year and the percentage of total revenues represented by each.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

As noted earlier, Ridgefield uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Town of Ridgefield's overall financial position improved over last year with an increase in net position of \$6,365,177.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,484,321, an increase of \$6,211,527 from the prior year's \$8,272,794. At June 30, 2013, \$7,958,003 of the governmental funds fund balance constitutes *unassigned fund balance* that is available for spending at the government's discretion. Included in the combined fund balances of *restricted, committed, and assigned* are \$6,502,432 of balances with restricted balances of \$1,630,657, committed balances in the amount of \$1,930,587, and assigned balances of \$2,941,188 comprised of \$1,750,000 of future use of fund balance and \$1,191,188 of encumbrances. Further detail on the allocation of these different categories may be found in Note 3.G. of the Notes to the Financial Statements herein.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the total general fund balance amounted to \$14,651,084, and the unassigned general fund balance was \$11,709,896. As a measure of the general fund's liquidity, it may be useful to compare both unassigned general fund balance and total general fund balance to total general fund revenues. Unassigned general fund balance represents 8.67% of general fund revenues of \$134,995,292 while total general fund balance represents 10.85%.

The Town of Ridgefield's governmental funds fund balance increased by \$6,211,527 during the current fiscal year. Key factors in this increase are as follows:

- The General Fund realized revenues of \$134,995,292 and expenditures of \$134,882,642 for a positive operating result of \$112,650. Transfers out of \$1,084,883 to other funds and transfers in of \$111,555 generated a net other financing use of (\$973,328). The net change in fund balance for the general fund was a decrease of \$972,177 to \$14,651,084. As will be discussed later, while the overall budget variance was positive for both revenues and expenditures, the Town determined to return a goodly portion of the previous year's CL&P settlement to the taxpayers through a \$3,200,000 drawdown of the general fund balance applied to the 2013 budget, but this amount was not fully utilized.
- The capital nonrecurring fund reflects revenues of \$539,640 and expenditures of \$1,147,037 producing a net excess of expenditures over revenues of (\$607,397). The inclusion of \$510,000 of capital lease proceeds and \$700,602 of transfers in brought the fund balance from the prior year's negative \$145,846 to a positive \$457,359. We use this fund to account for our various projects and large fluctuations in fund balance are common due to the timing of cash flows in and out of the fund.
- The bonded projects fund accounts for our debt transactions and capital outlays not paid for from the operating budget. This fund generated \$147,647 of grant revenues in fiscal year 2013 and recorded \$4,411,280 of expenditures for capital projects for negative operating results of \$4,263,633. However, we applied \$10,600,000 of bond proceeds plus a bond premium paid over par of \$272,462 less a transfer out of \$140,602 for a net increase in fund balance of \$6,468,227. When applied to the prior year negative fund balance of \$10,010,886, the fund ended the year with a negative

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

fund balance of \$3,542,659. Like the capital nonrecurring fund above, fund balance fluctuations are expected and are part of our normal operating procedures.

- The sewer bond repayment fund realized \$185,210 of revenues, mostly from service charges and experienced no direct disbursements. A \$560,000 transfer out for sewer bond debt service resulted in negative operating results of \$374,790 which, when applied to the existing fund balance of \$1,851,056, dropped the final fund balance for this fund to \$1,476,266.
- Other nonmajor governmental funds collectively realized total revenues of \$6,989,939 and total expenditures of \$7,333,705 for a combined operating shortfall \$343,766. Coupled with a net other financing sources and uses input of \$830,828, the nonmajor governmental funds fund balance increased a total of \$487,062 to \$1,442,271.

General Fund Budgetary Highlights

During the year, there was \$210,000 of additional funds provided for the police department and \$140,000 parks and recreation increasing the original revenue budget of \$123,429,404 to \$123,779,404. The police item represented police private duty revenue more than contemplated and the parks and recreation realized higher activity fees.

On the expenditure side, general government expenditures were also increased \$350,000 with several line item adjustments. The police department was accorded an additional \$150,000 and parks and recreation an extra \$140,000. In general government, an additional \$60,000 was added to legal counsel somewhat offset by a \$110,000 reduction in insurance and benefits. The heart and hypertension account was increased to \$142,500 from \$42,500. There were multiple adjustments within the education budget that resulted in no net change to its original \$81,289,473 budget. Combined budget increases represented 0.28% of the original budget.

Operational results generated a positive revenue variance over budget of a net \$1,134,1654 primarily due to \$781,752 more taxes collected, \$116,938 of additional Town Clerk fees, and an added \$255,935 in building, plumbing, and electrical permits. We did not use \$3,200,000 of budgeted general fund balance which produced an overall net negative revenue variance of \$1,867,781. We exceeded in all major revenue categories save for the fund balance drawdown previously mentioned.

We continued to control expenditures in a variety of ways that ultimately generated a net positive expenditure budget variance of \$766,506. Every major department contributed to this effort with public safety favorable by \$202,478, general government \$159,144, public works with \$154,874, and parks and recreation with \$111,328.

In summary, the final general fund balance drawdown amounted to \$972,177 for a closing balance of \$14,651,084.

Capital Asset and Debt Administration

Capital Assets. The Town of Ridgefield's investment in capital assets for its governmental assets includes land, buildings, and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Note 3.C. of Notes to the Financial Statements for June 30, 2013 details our capital asset additions of \$5,121,216 during the fiscal year before dispositions of \$492,467. The total net increase (before depreciation) in the Town's investment in capital assets for the current fiscal year was \$4,628,749, a 1.80% increase for governmental activities.

Major capital asset acquisitions/disposals during the current fiscal year included the following:

- The Construction in Progress of \$443,666 is a pedestrian bridge over a brook next to CT Route 35 (near the Parks and Recreation Center tying into existing sidewalk there) and StreetScape Improvements on Route 35 near Copps Hill Road such as sidewalks and decorative lighting.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- Land improvements of \$28,000 represent repaving the cart paths on the municipal golf course.
- Building improvements of \$1,290,429
 - ❖ Venus Roof Replacement - \$422,000
 - ❖ Market Street Gas Main Extension – \$296,000
 - ❖ Weatherization of Buildings – \$239,000
- Machinery and Equipment - \$2,585,659
 - ❖ Public Works, \$248,000 (Mack Truck - \$169,000)
 - ❖ Police Department, \$94,000 (4 new cruisers)
 - ❖ Fire Department, \$575,000 new pumper
 - ❖ Board of Education, \$1,434,000 equipment, computers
- Infrastructure - \$773,462
 - ❖ Roads, \$90,000
 - ❖ Sewer pipe relining, \$511,000
 - ❖ Dams, bridges, sidewalks, \$172,000 (Portland Avenue Bridge, Market Street sidewalks)
- Our deletions of \$492,467 represent the sale or junking of 100% depreciated vehicles.

Table 3. Net Investment in Capital Assets at Year End

	Total Primary Government	
	2013	2012
Land	\$ 30,862,176	\$ 30,862,176
Land improvements	1,755,556	1,835,963
Buildings	120,628,466	121,471,186
Machinery and equipment	7,258,916	5,915,093
Infrastructure	3,462,974	30,392,162
Construction in progress	443,666	--
Total	<u>\$ 191,411,754</u>	<u>\$ 190,476,580</u>

Additional information on the Town of Ridgefield's capital assets can be found in the Notes to Financial Statements, June 30, 2013, Note 3. C., Capital Assets, of this report.

Long-term and Short-term Debt. At the end of the current fiscal year, the Town of Ridgefield had outstanding \$89,690,000 of long-term bonded debt and \$463,361 of long-term notes. During the year, we retired \$9,665,000 of maturing bond principal and \$218,836 of maturing long-term note principal. We retired \$12,830,000 of BANs issued to fund ongoing capital project expenditures such as \$1.4 million for school building and facilities improvements, \$8.6 million for road safety and repair, \$1.3 million for work on Town buildings, and \$1.5 million for various vehicles and equipment for the police, fire, and public works departments. We renewed the BANs in the amount of \$6,200,000. We also issued \$10,600,000 of new bonds a part of the proceeds of which went to paying down the short-term borrowing. All our debt is a general obligation of the Town for which we pledge our full faith and credit for the payment of principal of and interest on our obligations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Table 4. Long-Term Debt

	Total Primary Government	
	2013	2012
General obligation bonds	\$ 89,690,000	\$ 88,755,000
Notes Payable	463,361	682,197
Total	<u>\$ 90,153,361</u>	<u>\$ 89,437,197</u>

The Town of Ridgefield maintains an “Aaa” rating from Moody’s Investors Service, Inc., an “AAA” rating from Standard & Poor’s, and an “AAA” from FitchRatings for general obligation debt.

Connecticut General Statutes Section 7-374(b) limits the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees. For June 30, 2013, the maximum amount of borrowing permitted under the formula would be \$793,904,069. With net borrowings for debt limit purposes of \$100,240,589, which includes \$10,087,228 of debt authorized but unissued, the Town of Ridgefield’s outstanding general obligation debt is \$693,663,480 below the maximum debt limitation (see Note 3.F. Long-term Debt in Notes to Financial Statements, June 30, 2013 of this report).

The Town of Ridgefield has no overlapping debt.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town of Ridgefield at June 30, 2013 was 5.9% the same as a year ago. This compares favorably to the state's average unemployment rate of 8.2% and the national average rate of 7.8% (not seasonally adjusted).
- The occupancy rate of the government's central business district has remained at 96% for the past three years.
- Inflationary trends in the region compare favorably to the national indices.

The FY 2013 - 14 budget rose \$1,723,829 or 1.36% over last year to \$128,378,233. Town operations increased by 0.68% while education costs rose 1.97%. Property taxes were \$3,059,057 (2.72%) above FY 2013’s budget at \$115,658,438. Intergovernmental revenues were budgeted incrementally higher than the previous year by \$21,278 (0.70%) at \$3,068,000. While there were other modest increases in various revenue sources, in order to minimize the mill rate impact on the taxpayer as much as possible, we contemplate drawing down general fund balance by \$1,750,000 to complete balancing the budget as required by state law. We expect our ending general fund balance to be \$14,762,583 and in the vicinity of 10.9% of general fund expenditures, comparable for Fairfield County Aaa credits. To fund the new budget, the mill rate went from 24.89 mills to 25.38 mills, a 1.95% increase.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

On the expenditure side, Town operations were budgeted at \$32,320,614 (before capital outlays and debt service), a \$217,227 (0.68%) increase from the prior year. School operations increased \$1,601,765 to \$82,871,238, a 1.97% rise over last fiscal year. Debt service decreased a net \$95,163, or 0.72% to \$13,186,381. Capital project expenditures were again budgeted at zero for the 2014 fiscal year. Notable increases (or decreases) in existing Town functions are detailed below:

- ❖ Tax collections were raised \$3.059 million to partially cover the \$1.724 million increase in the expenditure budget;
- ❖ Utilization of fund balance was reduced from \$3.2 million in 2013 to \$1.750 million in FY 2014 being partially offset by the higher tax levy;
- ❖ Information services will be \$63.2 thousand (18.46%) more costly due to higher levels of equipment maintenance;
- ❖ Employee taxes and insurance saw a large increase of \$362.2 thousand (4.83%) due to higher workers comp premiums that were offset somewhat by reduced medical premiums;
- ❖ Parks and recreation rose by \$176.7 thousand based on higher Recreation Center electricity bills (up \$58 thousand) and the addition of the Scott's Ridge Turf Field (new at \$55 thousand);
- ❖ Fire services rose \$78.2 thousand (2.10%) based primarily on salary increases and the addition of a fire inspector position at \$45 thousand.
- ❖ The Library became \$132.1 thousand more expensive, a 8.33% increase over FY 2013;
- ❖ The Board of Education contributed \$1.602 million to the FY 2014 budge increase.

All of these factors contributed to Ridgefield's budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town of Ridgefield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, 400 Main Street, Ridgefield, CT 06877.

Basic Financial Statements

TOWN OF RIDGEFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government Governmental Activities	Component Unit Ridgefield Library
Assets:		
Cash and cash equivalents	\$ 23,166,049	\$ 6,397,857
Restricted cash	11,409	
Investments	58,853	3,138,439
Restricted investments	30,273	1,786,526
Receivables, net	7,215,866	1,510,616
Other assets	23,886	40,703
Deferred charges	3,137,738	
Capital assets:		
Assets not being depreciated	31,305,842	6,460,017
Assets being depreciated, net	160,105,912	31,726
Total assets	<u>225,055,828</u>	<u>19,365,884</u>
Liabilities:		
Accounts payable and accrued items	3,048,131	786,349
Interest payable	1,423,446	
Unearned revenue	1,046,577	
Other liabilities	64,717	
Bond anticipation note payable	6,200,000	
Noncurrent liabilities:		
Due within one year	11,549,824	
Due in more than one year	86,956,621	
Total liabilities	<u>110,289,316</u>	<u>786,349</u>
Net Position:		
Net investment in capital assets	92,535,842	6,491,743
Restricted for:		
Endowments		1,808,975
Perpetual trust held by third party		1,714,177
Permanent Fund:		
Expendable	41,682	
Unrestricted	<u>22,188,988</u>	<u>8,564,640</u>
Total Net Position	<u>\$ 114,766,512</u>	<u>\$ 18,579,535</u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Program Activities	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
Primary Government:						
Governmental Activities:						
General government	\$ 5,547,382	\$ 1,648,127	\$ 84,602	\$	\$ (3,814,653)	\$
Health and welfare	766,590	78,782	196,532		(491,276)	
Recreation	7,270,110	4,194,262	564,868		(2,510,980)	
Public safety	12,854,341	1,213,322	76,210		(11,564,809)	
Public works	8,536,286	2,843,994	797,776		(4,894,516)	
Education	96,137,658	2,825,214	13,959,691		(79,352,753)	
Library	1,584,665				(1,584,665)	
Interest on long-term debt	3,304,355				(3,304,355)	
Total Primary Government	\$ 136,001,387	\$ 12,803,701	\$ 15,679,679	\$ -	(107,518,007)	(524,749)
Component Unit:						
Ridgefield Library Association, Inc.	\$ 3,889,515	\$ 45,460	\$ 1,958,602	\$ 1,360,704		
General Revenues:						
Property taxes					113,078,138	
Grants and contributions not restricted to specific programs					706,590	
Investment income					49,688	540,838
Miscellaneous					48,768	8,654
Net General Revenues					113,883,184	549,492
Change in Net Position					6,365,177	24,743
Net Position - Beginning of Year					108,401,335	18,554,792
Net Position - End of Year					\$ 114,766,512	\$ 18,579,535

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Bonded Projects</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 16,453,731	\$	\$ 2,839,163	\$ 1,476,266	\$ 2,271,795	\$ 23,040,955
Investments	58,853				30,273	89,126
Receivables, net	4,669,091	1,075,134		672,826	351,537	6,768,588
Due from other funds	513,157	145,000				658,157
Other assets					23,886	23,886
Total Assets	<u>\$ 21,694,832</u>	<u>\$ 1,220,134</u>	<u>\$ 2,839,163</u>	<u>\$ 2,149,092</u>	<u>\$ 2,677,491</u>	<u>\$ 30,580,712</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,728,716	\$ 74,916	\$ 181,822	\$	\$ 606,300	\$ 2,591,754
Accrued payroll	447,383					447,383
Due to other funds		429,417			228,740	658,157
Bond anticipation notes payable			6,200,000			6,200,000
Deferred revenue	4,802,932	258,442		672,826	400,180	6,134,380
Other	64,717					64,717
Total Liabilities	<u>7,043,748</u>	<u>762,775</u>	<u>6,381,822</u>	<u>672,826</u>	<u>1,235,220</u>	<u>16,096,391</u>
Fund balances:						
Nonspendable					23,886	23,886
Restricted		457,359			1,173,298	1,630,657
Committed				1,476,266	454,321	1,930,587
Assigned	2,941,188					2,941,188
Unassigned	11,709,896	-	(3,542,659)		(209,234)	7,958,003
Total Fund Balances	<u>14,651,084</u>	<u>457,359</u>	<u>(3,542,659)</u>	<u>1,476,266</u>	<u>1,442,271</u>	<u>14,484,321</u>
Total Liabilities and Fund Balances	<u>\$ 21,694,832</u>	<u>\$ 1,220,134</u>	<u>\$ 2,839,163</u>	<u>\$ 2,149,092</u>	<u>\$ 2,677,491</u>	<u>\$ 30,580,712</u>

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

Fund balances - total governmental funds (Exhibit III)	\$ 14,484,321
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Governmental capital assets	\$ 262,001,163
Less accumulated depreciation	<u>(70,589,409)</u> 191,411,754
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Property tax, sewer use and sewer assessment interest and lien accrual	1,641,152
Property tax, sewer use, sewer assessment and loan receivable - accrual basis change	5,087,803
Interest and lien allowance for doubtful accounts	(1,196,690)
Note receivable	2,816
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	127,510
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(89,690,000)
Notes payable	(463,361)
Bond premium	(7,520,469)
Deferred amount on refunding	2,666,758
Deferred bond issue costs	3,137,737
Pension obligation	(754,102)
OPEB obligation	(866,000)
Interest payable on bonds	(1,423,446)
Compensated absences	(1,215,669)
Claims and judgments	(155,599)
Lease obligations	<u>(508,003)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 114,766,512</u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Bonded Projects</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 113,464,133	\$	\$	\$	\$	\$ 113,464,133
Intergovernmental	13,105,503	498,787	147,647		1,739,675	15,491,612
Charges for services	8,195,153			185,210	4,339,448	12,719,811
Contributions					899,729	899,729
Income from investments	49,491				145	49,636
Other	69,513	40,853			10,942	121,308
Total revenues	<u>134,883,793</u>	<u>539,640</u>	<u>147,647</u>	<u>185,210</u>	<u>6,989,939</u>	<u>142,746,229</u>
Expenditures:						
Current:						
General government	11,256,690				57,719	11,314,409
Health and welfare	411,359				243,930	655,289
Community grants	229,322					229,322
Recreation	5,132,007				418,149	5,550,156
Public safety	8,685,941				29,580	8,715,521
Public works	4,263,469				1,662,877	5,926,346
Education	90,046,458				4,754,922	94,801,380
Library	1,584,665					1,584,665
Debt service	13,272,731				166,528	13,439,259
Capital outlay		1,147,037	4,411,280			5,558,317
Total expenditures	<u>134,882,642</u>	<u>1,147,037</u>	<u>4,411,280</u>	<u>-</u>	<u>7,333,705</u>	<u>147,774,664</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,151</u>	<u>(607,397)</u>	<u>(4,263,633)</u>	<u>185,210</u>	<u>(343,766)</u>	<u>(5,028,435)</u>
Other Financing Sources (Uses):						
Issuance of bonds			10,600,000			10,600,000
Premium on issuance of bonds			272,462			272,462
Issuance of capital lease		510,000				510,000
Transfers in	111,555	700,602			942,383	1,754,540
Transfers out	(1,084,883)		(140,602)	(560,000)	(111,555)	(1,897,040)
Net other financing sources (uses)	<u>(973,328)</u>	<u>1,210,602</u>	<u>10,731,860</u>	<u>(560,000)</u>	<u>830,828</u>	<u>11,239,962</u>
Net Change in Fund Balances	(972,177)	603,205	6,468,227	(374,790)	487,062	6,211,527
Fund Balances - Beginning of Year	<u>15,623,261</u>	<u>(145,846)</u>	<u>(10,010,886)</u>	<u>1,851,056</u>	<u>955,209</u>	<u>8,272,794</u>
Fund Balances - End of Year	<u>\$ 14,651,084</u>	<u>\$ 457,359</u>	<u>\$ (3,542,659)</u>	<u>\$ 1,476,266</u>	<u>\$ 1,442,271</u>	<u>\$ 14,484,321</u>

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 6,211,527
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	5,121,216
Less current year depreciation	(4,087,325)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(98,717)

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

Note receivable receipts	(33,427)
Intergovernmental revenue on school bonds	(5,070)
Increase in property tax, sewer use, sewer assessment and loan receivable - accrual basis change	88,194
Increase in property tax, sewer use and sewer assessment interest and lien revenue	(35,528)
Decrease in property tax and sewer use allowance for doubtful accounts	(355,375)

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

Issuance of capital leases	(510,000)
Issuance of bonds	(10,600,000)
Premium on bonds	(272,462)
Payments on general obligations bonds	9,665,000
Payments on notes payable	218,836
Payments on capital leases	504,724

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Pension obligation	243,653
OPEB obligation	57,690
Compensated absences	(77,652)
Accrued interest	80,160
Bond issuance costs amortization	(390,066)
Deferred amount on refunding	(228,602)
Bond premium amortization	789,575
Claims and judgments	55,521

The net revenue of the activities of the Internal Service Fund is reported with governmental activities.	23,305
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Change in Net Position of Governmental Activities (Exhibit II)	\$ 6,365,177
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The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2013

		Governmental Activities <hr/> Internal Service Funds <hr/>
Assets:		
Cash and cash equivalents	\$	136,504
Liabilities:		
Accounts payable		<hr/> 8,994
Net Position:		
Unrestricted	\$	<hr/> 127,510 <hr/>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Insurance proceeds	\$ 72,996
Operating Expenses:	
Claims incurred	<u>192,245</u>
Operating Loss	(119,249)
Nonoperating income:	
Investment income	<u>54</u>
Loss before transfers	(119,195)
Transfers in	<u>142,500</u>
Change in Net Position	23,305
Net Position - Beginning of Year	<u>104,205</u>
Net Position - End of Year	<u><u>\$ 127,510</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received as insurance proceeds	\$ 72,996
Cash paid for benefits, claims and administration	(201,976)
Net cash used in operating activities	<u>(128,980)</u>
Cash Flows Provided by Noncapital Financing Activities:	
Transfers in	<u>142,500</u>
Cash Flows from Investing Activities:	
Investment income	<u>54</u>
Net Increase in Cash	13,574
Cash and cash equivalents - Beginning of Year	<u>122,930</u>
Cash and Cash Equivalents- End of Year	<u><u>\$ 136,504</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (119,249)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts payable	<u>(9,731)</u>
Net Cash Used in Operating Activities	<u><u>\$ (128,980)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2013

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ <u>27,861</u>	\$ <u>40</u>	\$ <u>1,555,320</u>
Investments - at fair value:			
Mutual funds:			
Equity	78,475,965	1,746,175	
Common stock	1,375,940		
Certificates of deposit			225,369
Total investments	<u>79,851,905</u>	<u>1,746,175</u>	<u>225,369</u>
Other Assets:			
Accounts receivable			3,741
Prepaid benefits	<u>227,162</u>	<u> </u>	<u> </u>
Total other assets	<u>227,162</u>	<u>-</u>	<u>3,741</u>
Total assets	80,106,928	1,746,215	\$ <u>1,784,430</u>
Liabilities:			
Due to others	<u> </u>	<u> </u>	\$ <u>1,784,430</u>
Net Position	\$ <u>80,106,928</u>	\$ <u>1,746,215</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Contributions:		
Employer	\$ 2,734,383	\$ 626,000
Plan members	569,541	
Total contributions	<u>3,303,924</u>	<u>626,000</u>
Net investment income:		
Net appreciation in fair value of investments	7,353,223	
Interest and dividends	<u>1,490,069</u>	<u>64,518</u>
	8,843,292	64,518
Less investment expense	<u>(25,000)</u>	
Net investment income	<u>8,818,292</u>	<u>64,518</u>
Total additions	<u>12,122,216</u>	<u>690,518</u>
Deductions:		
Benefits	2,520,264	
Administration	<u>67,927</u>	
Total deductions	<u>2,588,191</u>	<u>-</u>
Change in Net Position	9,534,025	690,518
Net Position - Beginning of Year	<u>70,572,903</u>	<u>1,055,697</u>
Net Position - End of Year	<u>\$ 80,106,928</u>	<u>\$ 1,746,215</u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Town of Ridgefield (the Town) was incorporated in 1709 and covers an area of 35 square miles. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in November 1978. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, and education encompassing grades K-12.

The Town has considered all agencies, departments, commissions, boards (including the Board of Education), authorities and funds to determine the “financial reporting entity” of the Town. The “financial reporting entity” includes all funds of the Town (primary government) and its component unit. Component units are legally separate entities for which the elected officials of the Town are financially accountable. Financially accountable means 1) that the Town appoints the majority of the entity’s governing body and can impose its will on the entity or the entity provides financial benefits to or imposes financial burdens on the Town, 2) that the entity is fiscally dependent on the Town, or 3) that the financial statements would be misleading if the entity were not included.

Discretely Presented Component Unit

The Ridgefield Library Association, Inc., a nonprofit, is included in the Town’s reporting entity as a component unit because the Town appoints a voting majority of the Library’s board and provides significant operating subsidies. The Ridgefield Library Association, Inc., operates a free public library for the Town residents. The Town appoints 9 of the 12 board members and subsidizes approximately 60% of operations.

The Ridgefield Library Association, Inc.’s audit report is on file at the Library, 472 Main Street, Ridgefield, CT 06877.

B. Basis of Presentation

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

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, excluding agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus.

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

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

The Town reports the following major governmental funds:

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

The *Capital Nonrecurring Fund* accounts for the major capital improvements and acquisition of equipment for nonfinancial sources. Capital outlays are financed by the issuance of capital leases and capital grants.

The *Bonded Projects Fund* is used to account for the financial revenues to be used for major capital asset construction and/or purchases. Capital outlays are financed by the issuance of general obligation bonds and capital grants.

The *Sewer Bond Repayment Fund* accounts for assessments for new sewer connections. The major source of revenue for this fund is sewer assessment charges.

Additionally, the government reports the following fund types:

The *Internal Service Funds* account for risk financing activities for insurance claims and deductibles as allowed by GASB Statement No. 10 as well as claims involving heart and hypertension compensation under Connecticut General Statutes.

The *Pension Trust Funds* account for the activities of the Ridgefield Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* accounts for the activities of the Ridgefield Retiree Health Plan, which accumulates resources for health benefit payments to qualified retired employees.

Agency Funds account for monies held as custodian for outside student and municipal groups and agencies.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

Component Unit

The financial statements of the Ridgefield Library Association, Inc., have been prepared on the accrual basis.

C. Cash Equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less.

D. Investments

Investments are stated at fair value.

E. 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).

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

All trade, property tax, sewer use and sewer assessment receivables, including those of its component unit, are shown net of an allowance for uncollectibles. The allowance for uncollectibles is based on an analysis of amounts that are not expected to be collected at June 30, 2013.

F. Restricted Assets

The restricted assets for the Town are restricted for endowment purposes. The Ridgefield Library Association, Inc., has several bequests that are restricted to expenditure of the investment income only for the donor-designated purpose.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the primary government as well as the component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings	25 - 75
Machinery and equipment	5 - 25
Infrastructure	50 - 100

Component Unit

Inexhaustible Collections and Books - The values of inexhaustible collections and research books are not readily determinable and are not capitalized. Books purchased and used in circulation are determined to have useful lives of less than one year and are not capitalized.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Compensated Absences

All employees are granted vacation and sick time based upon contractual provisions. At anniversary year-end, unused vacation and sick time do not accumulate or vest (other than Board of Education employees, firefighters and highway union workers); therefore, in the event of termination or retirement, employees are not compensated for unused vacation and sick time.

The Board of Education employees are paid vacation on a fiscal year basis, and, therefore, unused vacation lapses at June 30. The Town employees are paid vacation on a calendar date basis, and, therefore, a liability for unused vacation has been recorded in the government-wide financial statements. Compensated absences are reported in the governmental funds, primarily the General Fund, only if the amount has matured. Matured amounts are defined as unused reimbursable leave still outstanding following an employee's resignation or retirement.

Certified employees at the Board of Education may accumulate up to 180 days of unused sick time. Firefighters and municipal union workers may accumulate unlimited unused sick time. There is no vesting for these amounts.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts as well as issuance costs 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 reported as deferred charges and amortized over the term of the related debt.

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

J. Equity

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

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Restricted Net Position - Net position restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by the government using its highest level of decision-making authority (Ridgefield Board of Finance) through the resolution process.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as committed or restricted. For the General Fund, this includes the resources to be used to liquidate encumbered purchase orders or designations of fund balance for subsequent year’s budget. Encumbrances are authorized by an approval process which includes the department head and the Board of Education business manager. The Board of Finance approves the assignment of fund balance for subsequent year’s budget through a resolution.

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

K. Property Taxes

Property taxes are assessed on property as of October 1. Taxes are billed the following July and are due in four installments, July 1, October 1, January 1 and April 1. Personal property and motor vehicle taxes are billed in July and are due in one installment on July 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. For fund financial statements, all property taxes receivable at June 30 have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current fiscal year.

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

L. Accounting Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements. The General Fund is the only fund for which a legal budget is adopted.

- In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget for the year commencing July 1. The budget includes proposed expenditures and the means of financing them.
- The Board of Finance submits their final proposed budget to the annual Town Meeting, which is held on the first Monday in May. Those in attendance at the annual Town Meeting may comment on the proposed budget before it is forwarded to a referendum vote. Appropriations may not be increased. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting. The Board of Selectmen is responsible for establishing the hours of voting. This process is repeated, if necessary, until a budget is approved.
- The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one department's appropriation to another. Management may not authorize any additional appropriations. The Board of Finance may provide any single requesting agency with a special appropriation from General Fund unassigned fund balance a sum not to exceed \$50,000 cumulative and/or \$250,000 in the aggregate to all requesting agencies in any fiscal year. Special appropriations in excess of \$3,000,000 must be taken to referendum. During the year ended June 30, 2013, there was an additional appropriation of \$350,000.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$50,000, Town Meeting approval.
- 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 (RSI-2) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Deficit Fund Equity

The following individual funds had deficit fund balances at June 30, 2013:

Major Funds:

Bonded Projects	\$	3,542,659
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Nonmajor governmental funds:

Sewer Operating I, II, III	125,614
Youth Barn	38,648
Solid Waste	44,972

The deficit in the Bonded Projects Fund will be funded by future bond issues. The deficit in the Sewer Operating I, II, III will be funded by future operating transfers from the Sewer Bond Payment Fund. The deficit in the Youth Barn and the Solid Waste Fund will be funded by future operating transfers from the General Fund.

C. Donor Restricted Endowments

The Town has received an endowment for the maintenance of Ballard Park. The amounts are reflected in net position as restricted for permanent funds. The principal and investment income (including appreciation, if any) is approved for expenditure by the individual Board of Finance.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Capital Projects Authorizations

The following is a summary of bonded projects and capital nonrecurring projects at June 30, 2013:

Project	Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2013
School buildings	\$ 115,919,185	\$ 629,591	\$ 114,849,430	\$ 1,069,755
Infrastructure	32,269,306	2,043,255	24,618,426	7,650,880
Municipal buildings	2,802,721	678,496	2,151,658	651,063
Motor vehicles	2,046,200	923,454	1,947,277	98,923
Machinery and equipment	2,137,051	278,513	1,520,444	616,607
Total	<u>\$ 155,174,463</u>	<u>\$ 4,553,309</u>	<u>\$ 145,087,235</u>	<u>\$ 10,087,228</u>

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$20,838,103 of the Town's bank balance of \$26,659,156 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 18,760,828
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,077,275</u>
Total Amount Subject to Custodial Credit Risk	\$ <u><u>20,838,103</u></u>

At June 30, 2013, the entire balance of the component unit's deposits was covered by federal depository insurance.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cash Equivalents

At June 30, 2013, the Town's cash equivalents amounted to \$4,821,053. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
Money Market Funds*	
State Short-Term Investment Fund (STIF)	AAAm

*Not rated

At June 30, 2013, the component unit's cash equivalents include money market funds of \$5,004,902 with no rating.

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificates of deposit	*	\$ 314,495	\$ 274,384	\$ 40,111	\$
Total		314,495	\$ 274,384	\$ 40,111	\$ -
Other investments:					
Common stock		1,375,940			
Mutual funds		80,222,140			
Total Investments		\$ 81,912,575			

*Subject to coverage by Federal Depository Insurance and collateralization.

At June 30, 2013, the component unit's investments include mutual funds of \$3,138,439 with no rating or maturity, certificates of deposit of \$72,349 with no rating and a maturity in one to ten years and \$1,714,177 beneficial interest in a perpetual trust.

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments. No more than 5% of the Town's investments were invested in any one issuer.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), 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 does not have a policy for custodial credit risk. At June 30, 2013, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

The Town's investment policy, in conformity with applicable Connecticut General Statutes, authorizes investment in the State Treasurer's Short-Term Investment Fund (STIF) and Cutwater Asset Management Class Plus Investment. The value of the position in the pools is the same as the value of the pool shares. Regulatory oversight for the State Treasurer's Short-Term Investment Fund is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Regulatory oversight for Cutwater Asset Management - Connecticut CLASS Plus Investment is provided by an investment advisory council consisting of members appointed by the municipalities. Other authorized investments include pooled and joint investments meeting the requirements of the policy, excluding those pools investing in "derivative" securities, certificates of deposit, repurchase agreements and obligations of the United States and agencies of the federal government.

The Pension Trust Fund is also authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Receivables

Receivables as of June 30, 2013 for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Non- Recurring</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor and Other</u>	<u>Total</u>
Receivables:					
Property taxes*	\$ 4,962,212	\$	\$	\$	\$ 4,962,212
Assessments/use charges*			680,680	169,940	850,620
Intergovernmental	569,530	735,228		176,776	1,481,534
Loans receivable		258,442			258,442
Other	<u>107,501</u>	<u>81,464</u>		<u>14,027</u>	<u>202,992</u>
Gross receivables	5,639,243	1,075,134	680,680	360,743	7,755,800
Less allowance for uncollectibles**	<u>970,152</u>		<u>7,854</u>	<u>5,465</u>	<u>983,471</u>
Net Total Receivables	<u>\$ 4,669,091</u>	<u>\$ 1,075,134</u>	<u>\$ 672,826</u>	<u>\$ 355,278</u>	<u>\$ 6,772,329</u>

* Does not include accrued interest on property taxes of \$1,607,371 and use charges of \$33,781.

** Does not include allowance for uncollectibles on accrued interest on property taxes of \$1,194,527 and use charges of \$2,163.

Ridgefield Library, the component unit, has recorded contributions receivable in the amount of \$1,489,467. Ridgefield Library expects \$740,562 to be collected within one year and \$748,905 to be collected within one to five years. The allowance for uncollectibles was \$74,400. A rate of 1.25% was used for contributions expected to be received in more than one year, resulting in discounts to net present value of \$23,142. The Library also has recorded \$118,691 of grants receivable.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 3,992,060	\$
Recreation revenue		810,872
Capital Non-Recurring Fund:		
Loans receivable	258,442	
Nonmajor Governmental Funds:		
Special assessments	672,826	
Delinquent sewer use receivable	164,475	
Cafeteria revenues		15,311
Miscellaneous grants		163,712
Education grants		56,682
	<u> </u>	<u> </u>
Total Deferred Revenue for Governmental Funds	\$ 5,087,803	\$ 1,046,577

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 30,862,176	\$	\$	\$ 30,862,176
Construction in progress		443,666		443,666
Total capital assets not being depreciated	<u>30,862,176</u>	<u>443,666</u>	<u>-</u>	<u>31,305,842</u>
Capital assets being depreciated:				
Land improvements	6,434,981	28,000		6,462,981
Buildings	146,398,825	1,290,429		147,689,254
Machinery and equipment	28,497,387	2,585,659	492,467	30,590,579
Infrastructure	45,179,045	773,462		45,952,507
Total capital assets being depreciated	<u>226,510,238</u>	<u>4,677,550</u>	<u>492,467</u>	<u>230,695,321</u>
Less accumulated depreciation for:				
Land improvements	4,599,018	108,407		4,707,425
Buildings	24,927,639	2,133,149		27,060,788
Machinery and equipment	22,582,294	1,143,119	393,750	23,331,663
Infrastructure	14,786,883	702,650		15,489,533
Total accumulated depreciation	<u>66,895,834</u>	<u>4,087,325</u>	<u>393,750</u>	<u>70,589,409</u>
Total capital assets being depreciated, net	<u>159,614,404</u>	<u>590,225</u>	<u>98,717</u>	<u>160,105,912</u>
Governmental Activities Capital Assets, Net	\$ <u>190,476,580</u>	\$ <u>1,033,891</u>	\$ <u>98,717</u>	\$ <u>191,411,754</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental activities:	
General government	\$ 409,557
Public safety	259,816
Public works	1,085,745
Recreation	434,857
Education	<u>1,897,350</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 4,087,325</u></u>

Component Unit

Activity for the Ridgefield Library Association, Inc., for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 602,941	\$	\$ 356,500	\$ 246,441
Construction in progress	<u>1,581,403</u>	<u>4,632,173</u>		<u>6,213,576</u>
Total capital assets not being depreciated	<u>2,184,344</u>	<u>4,632,173</u>	<u>356,500</u>	<u>6,460,017</u>
Capital assets being depreciated:				
Buildings	4,623,195		4,591,298	31,897
Land improvements	115,817		115,817	-
Furnishings and equipment	<u>441,612</u>		<u>379,592</u>	<u>62,020</u>
Total capital assets being depreciated	<u>5,180,624</u>	<u>-</u>	<u>5,086,707</u>	<u>93,917</u>
Less accumulated depreciation for:				
Buildings	1,990,310	24,747	1,990,435	24,622
Land improvements	71,467	1,930	73,397	-
Furnishings and equipment	<u>402,880</u>	<u>8,212</u>	<u>373,523</u>	<u>37,569</u>
Total accumulated depreciation	<u>2,464,657</u>	<u>34,889</u>	<u>2,437,355</u>	<u>62,191</u>
Total capital assets being depreciated, net	<u>2,715,967</u>	<u>(34,889)</u>	<u>2,649,352</u>	<u>31,726</u>
Ridgefield Library Association, Inc.,				
Capital Assets, Net	<u><u>\$ 4,900,311</u></u>	<u><u>\$ 4,597,284</u></u>	<u><u>\$ 3,005,852</u></u>	<u><u>\$ 6,491,743</u></u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

Interfund balances are a result of timing differences between the dates payments occurred for various activities. The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Nonrecurring Fund	\$ 429,417
General Fund	Nonmajor governmental funds	83,740
Capital Nonrecurring Fund	Nonmajor governmental funds	<u>145,000</u>
		<u>\$ 658,157</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. The transfers that occurred during the year are as follows:

		<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Internal Service Funds</u>	<u>Nonmajor Govern- mental Funds</u>	
Transfers out:					
General Fund	\$	\$	\$ 142,500	\$ 942,383	\$ 1,084,883
Bonded Projects		140,602			140,602
Sewer Bond Repayment		560,000			560,000
Nonmajor Governmental	<u>111,555</u>				<u>111,555</u>
Total Transfers In	<u>\$ 111,555</u>	<u>\$ 700,602</u>	<u>\$ 142,500</u>	<u>\$ 942,383</u>	<u>\$ 1,897,040</u>

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Short-Term Obligations - Bond Anticipation Notes

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Bond anticipation note transactions for the year ended June 30, 2013 were as follows:

Outstanding, July 1, 2012	\$ 12,830,000
New borrowings	6,200,000
Repayments	<u>(12,830,000)</u>
Outstanding, June 30, 2013	<u>\$ 6,200,000</u>

The bond anticipation note outstanding at June 30, 2013 bears interest at 1.25% and matures on December 17, 2013.

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 88,755,000	\$ 10,600,000	\$ 9,665,000	\$ 89,690,000	\$ 9,815,000
Unamortized bond premiums	8,037,582	272,462	789,575	7,520,469	
Less deferred amounts on refunding	<u>(2,895,360)</u>		<u>(228,602)</u>	<u>(2,666,758)</u>	
Total bonds payable	93,897,222	10,872,462	10,225,973	94,543,711	9,815,000
Notes payable	682,197		218,836	463,361	25,546
Compensated absences	1,138,017	137,159	59,507	1,215,669	1,215,669
Pension obligation	997,755	2,466,347	2,710,000	754,102	
OPEB obligation	923,690	2,047,310	2,105,000	866,000	
Lease obligations	502,727	510,000	504,724	508,003	338,010
Claims and judgments	<u>211,120</u>	<u>50,039</u>	<u>105,560</u>	<u>155,599</u>	<u>155,599</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 98,352,728</u>	<u>\$ 16,083,317</u>	<u>\$ 15,929,600</u>	<u>\$ 98,506,445</u>	<u>\$ 11,549,824</u>

All long-term liabilities are generally liquidated by the General Fund.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. School building grants of \$5,070 will be used to repay a portion of the respective debt; however, the Town is liable for all outstanding bonds. General obligation bonds currently outstanding are as follows:

Description	Interest Rate (%)	Balance Outstanding June 30, 2013
General purpose:		
General obligation - improvement	3-6.2%	\$ 6,861,700
General obligation - improvement	1.75-5%	4,710,500
General obligation - refunding	2-5%	3,991,800
General obligation - refunding	2.25-5%	2,754,700
General obligation - refunding	2.375-5%	7,514,700
General obligation - refunding	2-5%	4,783,400
General obligation - improvement	2-4%	8,854,600
Total general purpose		<u>39,471,400</u>
School:		
School improvement - improvement	3-6.2%	1,163,300
School improvement - improvement	1.75-5%	934,500
School improvement - refunding	2-5%	8,023,200
School improvement - refunding	2.25-5%	25,825,300
School improvement - refunding	2.375-5%	9,836,100
School improvement - refunding	2-5%	1,341,600
School improvement - improvement	2-4%	1,745,400
Total school		<u>48,869,400</u>
Sewer:		
Sewer - refunding		<u>1,349,200</u>
Total outstanding		<u>\$ 89,690,000</u>

General Obligation Bonds - New Issue

On December 15, 2012, the Town issued \$10,600,000 of general obligation bonds with interest rates ranging from 2.00% - 4.00% payable in annual installments ranging from \$555,000 to \$560,000. The bonds mature on February 15, 2032.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Prior Year Defeasance of Debt

In prior years, the government defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the government's financial statements. At June 30, 2013, \$6,250,000 of defeased bonds remains outstanding and assets of \$6,313,705 are held in the trust account to provide for the future debt service payments.

Notes Payable

Water Main Payable - The State of Connecticut drinking water notes, bearing interest at 2%, will be paid out of General Fund operations and will mature in the year 2031.

Danbury Note Payable - The Town entered into an Interlocal Sewer Agreement with the City of Danbury for a portion of sewer plant capacity. The Danbury sewer plant has been completed and the share applicable to the Town at June 30, 2013 is \$2,816, bearing interest at 2%. This amount is to be funded by contributions from a local company.

Annual debt service requirements to maturity for general obligation bonds and notes payable are as follows:

	General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 9,815,000	\$ 3,370,973	\$ 25,546	\$ 9,273
2015	9,415,000	2,968,939	23,202	8,801
2016	8,750,000	2,646,482	23,685	8,318
2017	8,130,000	2,329,677	24,177	7,826
2018	8,170,000	1,991,109	24,680	7,323
2019-2023	34,525,000	4,879,020	131,315	28,700
2024-2028	7,865,000	1,045,612	145,549	14,465
2029-2032	3,020,000	183,776	65,207	1,465
Total	\$ 89,690,000	\$ 19,415,588	\$ 463,361	\$ 86,171

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Capital Lease

The Town has entered into lease agreements as lessee for financing the acquisition of computers. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 3,917,766
Less accumulated depreciation	<u>2,807,506</u>
Total	<u><u>\$ 1,110,260</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2013 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2014	\$ 344,355
2015	<u>171,987</u>
Total minimum lease payments	516,342
Less amount representing interest	<u>8,339</u>
Present Value of Minimum Lease Payments	<u><u>\$ 508,003</u></u>

Claims and Judgments

The Town of Ridgefield had previously engaged the Municipal Interlocal Risk Management Assoc. (MIRMA) for workers' compensation coverage. The Town was assessed \$1,045,068 in fiscal year 2010. The outstanding amount at June 30, 2013 is \$155,599.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2013 is \$10,087,228. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Statutory Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 255,183,451	\$ 49,558,628	\$ 205,624,823
Schools	510,366,902	48,869,400	461,497,502
Sewers	425,305,751	1,131,881	424,173,870
Urban renewal	368,598,318		368,598,318
Pension deficit	340,244,601		340,244,601

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$793,904,069.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Major Capital Project Funds</u>	<u>Major Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
		<u>Capital Nonrecurring Fund</u>	<u>Bonded Projects Fund</u>	<u>Sewer Bond Repayment Fund</u>	
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$	23,886
Restricted for:					
Grants				750,681	750,681
Parks and recreation - donations				166,820	166,820
Branchville Railroad Station				37,942	37,942
Public safety - donations				63,891	63,891
Education - donations				153,964	153,964
Capital projects		457,359			457,359
Committed to:					
Sewer assessment				1,476,266	1,476,266
Education				454,321	454,321
Assigned:					
Education - encumbrances	1,191,188				1,191,188
Subsequent year's budget	1,750,000				1,750,000
Unassigned	11,709,896		(3,542,659)	(209,234)	7,958,003
Total Fund Balances	\$ 14,651,084	\$ 457,359	\$ (3,542,659)	\$ 1,442,271	\$ 14,484,321

Significant encumbrances at June 30, 2013 are contained in the above table in the assigned category of the General Fund.

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Operating Lease

In 1997, the Town signed a lease with the State of Connecticut Department of Transportation Branchville Railroad Station Parking Lot for a 20-year period of time commencing on October 1, 1995 to and including September 30, 2015, with the option to renew for two additional successive five year periods of time.

In lieu of an annual lease payment, the Town must reinvest all surplus revenue derived from rail parking and rail-related leases into the improvement and maintenance of rail station buildings, rail station parking, and mutually agreed upon rail station services. The Town set up a Parking Fund, which collected \$54,287 in fees and permits and spent \$50,567 in parking expenditures during fiscal year ended June 30, 2013. Fund balance at June 30, 2013 is \$37,942.

4. EMPLOYEE RETIREMENT PLANS

A. Pension Plan

Summary

The Town administers three single employer, defined benefit pension plans (Town of Ridgefield Pension Plan, Town of Ridgefield Police Union Pension Plan and Town of Ridgefield Firefighters Union Pension Plan). The plans were established through an ordinance adopted May 7, 1964 and amended July 1, 1984. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Separate, stand-alone reports are not issued.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The Town's pension trust funds financial statements are prepared on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits and administration) are recognized when they are incurred. Contributions are recognized when due, pursuant to formal commitments (as well as statutory or contractual requirements, as appropriate). Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Valuation of Investments - Investments are valued at fair value. Securities traded on a national exchange are valued at June 30, 2013 quoted market price. There are no investments of 5% or greater in any one organization.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Plan Description

Benefit Provisions - The plans' membership is open to substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. Administrative costs are financed from investment earnings.

Employer Contributions - Recommended contributions to each of the three plans are determined each year as part of the actuarial valuation using the frozen entry age method. The contributions for the year ended June 30, 2013 represent 14.56% of covered payroll.

Employee Contributions - General employees of the Town have no required contribution. The contribution requirements of other departments are as follows (expressed as a percentage of annual compensation): Police 6%, Fire 6%, Highway 4% and Board of Education Secretaries 2%.

At June 30, 2013, plan membership consisted of the following:

	Town Pension Plan	Police Union Pension Plan	Firefighters Union Pension Plan
Retirees and beneficiaries currently receiving benefits	136	33	18
Vested terminated employees	77	1	3
Active plan members	<u>355</u>	<u>39</u>	<u>30</u>
Total Participants	<u><u>568</u></u> *	<u><u>73</u></u>	<u><u>51</u></u>

* The participants in the Town Pension Plan are comprised of 372 employees from the Board of Education and 196 employees from the Town.

The annual required contribution for the current year was determined as part of the June 30, 2013 actuarial valuation using the frozen entry-age actuarial cost method. The actuarial assumptions included (a) a 6.75% investment rate of return and (b) 3.25% projected salary increases. The assumptions did not include inflation or post-retirement benefit increases. The actuarial value of assets was determined using a market related method with five-year recognition of gains and losses. The unfunded actuarial accrued liability is being amortized on a closed level dollar method. The remaining amortization period is 30 years for the Town retirement plan, 30 years for the firefighters' retirement plan, and 30 years for the police retirement plan. Administrative costs are financed by contributions to the plan.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation to the Town of Ridgefield's pension plans for the year ended June 30, 2013 were as follows:

	Town Pension Plan	Police Union Pension Plan	Firefighters Union Pension Plan
Annual required contribution (ARC)	\$ 1,454,663	\$ 650,407	\$ 415,095
Interest on net pension obligation	35,142	22,508	9,698
Adjustment to annual required contribution	<u>(61,501)</u>	<u>(41,859)</u>	<u>(17,806)</u>
Annual pension cost	1,428,304	631,056	406,987
Contributions made	<u>1,589,725</u>	<u>683,842</u>	<u>436,433</u>
Decrease in net pension obligation	161,421	52,786	29,446
Net pension obligation, beginning of year	<u>520,623</u>	<u>333,458</u>	<u>143,674</u>
Net Pension Obligation, End of Year	<u><u>\$ 359,202</u></u>	<u><u>\$ 280,672</u></u>	<u><u>\$ 114,228</u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage Of APC Contributed	Net Pension Obligation
Town Plan:				
6/30/2011	\$ 1,550,622	\$ 1,523,632	98 %	\$ 576,592
6/30/2012	1,497,584	1,553,553	104	520,623
6/30/2013	1,428,304	1,589,725	111	359,202
Police Plan:				
6/30/2011	\$ 627,992	\$ 615,578	98 %	\$ 495,439
6/30/2012	562,081	724,062	129	333,458
6/30/2013	631,056	683,842	108	280,672
Firefighters Plan:				
6/30/2011	\$ 410,668	\$ 391,172	95 %	\$ 179,572
6/30/2012	376,488	412,385	110	143,674
6/30/2013	406,987	436,433	107	114,228

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pension Plan Required Supplementary Information

Schedule of Funding Progress

Plan Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Town Pension Plan</i>						
2013	\$ 39,712,979	\$ 42,080,401	\$ (2,367,422)	94.37 %	\$ 14,251,512	(16.61) %
2012	36,109,162	39,200,388	(3,091,226)	92.11	13,535,316	(22.84)
2011	33,015,572	36,681,033	(3,665,461)	90.01	13,748,035	(26.66)
2010	29,632,882	33,917,740	(4,284,858)	87.37	13,617,621	(31.47)
2009	27,234,218	31,613,170	(4,378,952)	86.15	13,459,105	(32.54)
2008	27,495,328	29,607,483	(2,112,155)	92.87	13,317,463	(15.86)
<i>Police Union Pension Plan</i>						
2013	\$ 22,991,238	\$ 25,845,511	\$ (2,854,273)	88.96 %	\$ 2,772,407	(102.95) %
2012	21,311,684	24,430,637	(3,118,953)	87.23	2,719,721	(114.68)
2011	19,700,425	22,686,678	(2,986,253)	86.84	2,701,960	(110.52)
2010	17,897,417	21,144,884	(3,247,467)	84.64	2,950,860	(110.05)
2009	16,619,136	19,601,239	(2,982,103)	84.79	3,068,170	(97.19)
2008	16,847,159	18,850,975	(2,003,816)	89.37	2,937,107	(68.22)
<i>Firefighters Union Pension Plan</i>						
2013	\$ 13,822,087	\$ 15,737,168	\$ (1,915,081)	87.83 %	\$ 1,585,620	(120.78) %
2012	12,759,626	14,943,072	(2,183,446)	85.39	1,642,192	(132.96)
2011	11,858,463	13,909,112	(2,050,649)	85.26	1,716,216	(119.49)
2010	10,869,291	13,036,226	(2,166,935)	83.38	1,820,999	(119.00)
2009	10,191,124	12,341,937	(2,150,813)	82.57	1,689,935	(127.27)
2008	10,510,874	11,645,716	(1,134,842)	90.26	1,710,044	(66.36)

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Schedule of Employer Contributions

Year Ended	Town Plan			Police Plan			Firefighters Plan	
	Annual Required Contribution	Percentage Contributed		Annual Required Contribution	Percentage Contributed		Annual Required Contribution	Percentage Contributed
6/30/2013	\$ 1,454,663	109.3	% \$	650,407	105.1	% \$	415,095	105.1
6/30/2012	1,522,605	102.0		658,822	93.4		385,234	107.0
6/30/2011	1,573,625	96.8		647,992	95.5		418,651	93.4
6/30/2010	1,556,663	99.2		591,988	86.6		385,142	95.5
6/30/2009	1,399,891	90.7		533,454	90.5		303,518	93.0
6/30/2008	1,208,388	97.4		592,737	89.9		256,045	97.7

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented above.

B. Elected Officials

Plan Description

The Town administers a single employer, defined contribution plan, which is included in the Town's financial statements in the pension trust fund. The plan, established in July 1983, requires the employer to contribute 6% of each participant's compensation. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. The Town contributed \$24,383 during the year ended June 30, 2013. Officials are not required to contribute, but can make voluntary contributions up to 10% of annual compensation. At June 30, 2013, the net position available for benefits include \$280,375 of assets designated for this plan.

The Town Clerk, Tax Collector and First Selectman are the only plan members.

Significant accounting policies are the same as those discussed under defined benefit plans.

Other than the pension payment, there are no other postemployment benefits furnished to elected officials by the Town.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Plan Financial Statements - Financial statements for each individual pension plan as of and for the year ended June 30, 2013 are as follows:

	<u>Town Pension Plan</u>	<u>Firefighters Union Pension Plan</u>	<u>Police Union Pension Plan</u>	<u>Elected Officials Pension Plan</u>	<u>Total Pension Trust Funds</u>
Assets:					
Cash and cash equivalents	\$ 14,114	\$ 5,099	\$ 8,550	\$ 98	\$ 27,861
Investments - at fair value:					
Mutual funds:					
Equity	39,755,923	14,361,102	24,084,274	274,666	78,475,965
Common stock	697,051	251,797	422,276	4,816	1,375,940
Total investments	<u>40,452,974</u>	<u>14,612,899</u>	<u>24,506,550</u>	<u>279,482</u>	<u>79,851,905</u>
Other assets:					
Prepaid benefits	<u>115,080</u>	<u>41,571</u>	<u>69,716</u>	<u>795</u>	<u>227,162</u>
Total assets	<u>40,582,168</u>	<u>14,659,569</u>	<u>24,584,816</u>	<u>280,375</u>	<u>80,106,928</u>
Net Position:					
Net Position Held in Trust for Pension Benefits	<u>\$ 40,582,168</u>	<u>\$ 14,659,569</u>	<u>\$ 24,584,816</u>	<u>\$ 280,375</u>	<u>\$ 80,106,928</u>
	<u>Town Pension Plan</u>	<u>Firefighters Union Pension Plan</u>	<u>Police Union Pension Plan</u>	<u>Elected Officials Pension Plan</u>	<u>Total Pension Trust Funds</u>
Additions:					
Contributions:					
Employer	\$ 1,589,725	\$ 436,433	\$ 683,842	\$ 24,383	\$ 2,734,383
Plan members	288,529	104,226	176,786		569,541
Total contributions	<u>1,878,254</u>	<u>540,659</u>	<u>860,628</u>	<u>24,383</u>	<u>3,303,924</u>
Net investment income:					
Net appreciation in fair value of investments	3,520,654	1,409,600	2,410,052	12,917	7,353,223
Interest and dividends	754,869	272,683	457,302	5,215	1,490,069
	<u>4,275,523</u>	<u>1,682,283</u>	<u>2,867,354</u>	<u>18,132</u>	<u>8,843,292</u>
Less investment expense	(12,665)	(4,575)	(7,673)	(87)	(25,000)
Net investment income	<u>4,262,858</u>	<u>1,677,708</u>	<u>2,859,681</u>	<u>18,045</u>	<u>8,818,292</u>
Net additions	<u>6,141,112</u>	<u>2,218,367</u>	<u>3,720,309</u>	<u>42,428</u>	<u>12,122,216</u>
Deductions:					
Benefits	1,276,766	461,208	773,469	8,821	2,520,264
Administration	34,411	12,431	20,847	238	67,927
Total deductions	<u>1,311,177</u>	<u>473,639</u>	<u>794,316</u>	<u>9,059</u>	<u>2,588,191</u>
Change in Net Position	4,829,935	1,744,728	2,925,993	33,369	9,534,025
Net Position - Beginning of Year	<u>35,752,233</u>	<u>12,914,841</u>	<u>21,658,823</u>	<u>247,006</u>	<u>70,572,903</u>
Net Position - End of Year	<u>\$ 40,582,168</u>	<u>\$ 14,659,569</u>	<u>\$ 24,584,816</u>	<u>\$ 280,375</u>	<u>\$ 80,106,928</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. On-Behalf Payments - Teachers' Retirement

All Town teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$40,155,903 which represents 80.1% of total payroll of \$50,141,428.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2013, the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$8,116,629 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

E. Postemployment Healthcare Plan - Retiree Health Plan

Plan Description

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town of Ridgefield. The RHP provides medical insurance benefits to eligible retirees and their spouses. Certain employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

A trust was officially approved by the Board of Selectmen on December 14, 2009. As in prior years, all expenses for postemployment benefits were paid out of the general fund during fiscal year ended June 30, 2013. The Town used a phase-in funding approach. The plan does not issue a stand-alone financial report.

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

At July 1, 2011, plan membership consisted of the following:

	<u>Retiree Health Plan</u>
Retired members	104
Spouses of retired members	47
Active plan members	<u>797</u>
Total Participants	<u><u>948</u></u>

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

The cost per month for Town employees receiving medical coverage is \$665 per month for retiree only coverage and \$1,209 per month for retiree and spouse coverage.

Police Employees

The cost per month for Police employees receiving medical coverage is \$830 per month for retiree only coverage and \$1,509 per month for retiree and spouse coverage.

Board of Education Employees

The cost per month for Board of Education employees receiving medical coverage is \$813 per month for retiree only coverage and \$1,687 per month for retiree and spouse coverage to age 65, and \$569 and \$1,141 per month, respectively, thereafter. The cost per month for Board of Education employees receiving dental coverage is \$40 per month for retiree only coverage and \$104 per month for retiree and spouse coverage to age 65.

Employer Contributions

Employer contributions to the plan of \$2,105,000 were made in accordance with actuarially determined requirements. Of this amount \$1,479,000 represents premium payments and \$626,000 was contributed to prefund benefits.

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligations

The Town of Ridgefield's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	Retiree Health Plan
Annual required contribution (ARC)	\$ 2,059,000
Interest on net OPEB obligation	42,000
Adjustment to annual required contribution	<u>(53,690)</u>
Annual OPEB cost (expense)	2,047,310
Contributions made	<u>2,105,000</u>
Decrease in net OPEB obligation	(57,690)
Net OPEB obligation, beginning of year	<u>923,690</u>
Net OPEB Obligation, End of Year	\$ <u><u>866,000</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 fiscal years ended June 30, 2013, 2012 and 2011 are presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2011	\$ 1,795,000	\$ 1,578,000	87.91 %	\$ 808,000
6/30/2012	1,890,000	1,774,000	93.86	924,000
6/30/2013	2,047,310	2,105,000	102.82	866,000

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$	\$ 17,180,700	\$ 17,180,700	- %	\$ N/A	N/A
7/1/2009	84,000	19,258,000	19,174,000	0.44	N/A	N/A
7/1/2011	629,000	21,844,000	21,215,000	2.88	52,746,000	40.22%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 5.8% and will adjust to an ultimate rate of 4.4% within 48 years. Projected salary increases were 4%. The inflation rate was 3%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2011 was 26 years.

TOWN OF RIDGEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters.

The Town has a risk management program for property, casualty, workers' compensation and other claims. As part of this program, resources have been accumulated in an internal service fund to pay deductibles and losses. Third-party coverage is maintained for claims greater than the established risk assumption policy.

A schedule of changes in the claims liability for heart and hypertension and workers' compensation judgments for the years ended June 30, 2013 and 2012, is presented below:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2013-12	\$ -	\$ 192,245	\$ 192,245	\$ -
2012-11	-	105,258	105,258	-

B. Commitments and Litigation

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits, the outcome of which is not presently determinable. In the opinion of the Town attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

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

Required Supplementary Information

TOWN OF RIDGEFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:					
Property taxes	\$ 112,249,381	\$	\$ 112,249,381	\$ 112,716,439	\$ 467,058
Interest and lien fees	350,000		350,000	669,796	319,796
Telephone tax	83,000		83,000	77,898	(5,102)
Total property taxes	<u>112,682,381</u>	<u>-</u>	<u>112,682,381</u>	<u>113,464,133</u>	<u>781,752</u>
Intergovernmental:					
Education cost sharing	2,063,814		2,063,814	2,116,020	52,206
School building grants	4,000		4,000		(4,000)
School interest subsidy	1,000		1,000		(1,000)
School transportation grants	1,843		1,843	882	(961)
Civil defense	11,000		11,000	12,006	1,006
Elderly circuit freeze	69,000		69,000	64,910	(4,090)
Mashantucket/Mohegan fund grant	13,185		13,185	14,841	1,656
Paid in lieu of taxes	179,610		179,610	176,561	(3,049)
Machinery and equipment	452,270		452,270	445,994	(6,276)
Highway safety grant	150,000.0		150,000	110,234	(39,766)
Miscellaneous	18,000		18,000	85,825	67,825
Total intergovernmental	<u>2,963,722</u>	<u>-</u>	<u>2,963,722</u>	<u>3,027,273</u>	<u>63,551</u>
Charges for Services:					
Town Clerk's fees including conveyance taxes	757,000		757,000	873,938	116,938
Building, plumbing and electrical permits	386,500		386,500	642,435	255,935
Planning and zoning commission	75,000		75,000	81,028	6,028
Water and septic permits and fees	45,000		45,000	52,041	7,041
Highway permits	10,000		10,000	7,400	(2,600)
Solid waste facility	40,000		40,000	26,009	(13,991)
Parking Authority	47,000		47,000	65,121	18,121
Police Department	69,000	210,000	279,000	311,623	32,623
Fire Department	897,000		897,000	824,385	(72,615)
Golf course	1,275,000		1,275,000	1,259,698	(15,302)
Parks and recreation	2,553,334	140,000	2,693,334	2,735,417	42,083
Out of town tuition	100,000		100,000	91,532	(8,468)
Utilities and fuel	359,000		359,000	322,105	(36,895)
Rental of Town property	884,467		884,467	902,421	17,954
Total charges for services	<u>7,498,301</u>	<u>350,000</u>	<u>7,848,301</u>	<u>8,195,153</u>	<u>346,852</u>
Investment Income	60,000		60,000	49,491	(10,509)
Miscellaneous	225,000		225,000	177,519	(47,481)
Total revenues	<u>123,429,404</u>	<u>350,000</u>	<u>123,779,404</u>	<u>124,913,569</u>	<u>1,134,165</u>
Other Financing Sources:					
Utilization of fund balance	3,200,000		3,200,000		(3,200,000)
Transfers in:					
Canine control fund				86,555	86,555
Sewer operating fund	25,000		25,000	25,000	-
Total other financing sources	<u>3,225,000</u>	<u>-</u>	<u>3,225,000</u>	<u>111,555</u>	<u>(3,113,445)</u>
Total Revenues and Other Financing Sources	<u>\$ 126,654,404</u>	<u>\$ 350,000</u>	<u>\$ 127,004,404</u>	125,025,124	<u>\$ (1,979,280)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted.

8,116,629

Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.

(108,006)

The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.

1,961,601

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

\$ 134,995,348

TOWN OF RIDGEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Transfers and Additional Appropriations</u>	<u>Final Budget</u>	<u>Actual</u>			<u>Variance with Final Budget</u>
				<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	
General Government:							
Selectmen	\$ 325,527	\$	\$ 325,527	\$ 313,314	\$	\$ 313,314	\$ 12,213
Board of Finance	76,750	10,000	86,750	86,235		86,235	515
Legal counsel	219,800	60,000	279,800	267,382		267,382	12,418
Administrative support services	261,750		261,750	255,545		255,545	6,205
Department of Finance	418,513		418,513	409,805		409,805	8,708
Data processing	342,561		342,561	342,417		342,417	144
Registrars	120,632		120,632	120,302		120,302	330
Assessor	349,946		349,946	344,918		344,918	5,028
Tax Collector	217,468		217,468	195,483		195,483	21,985
Town Treasurer	27,568		27,568	27,513		27,513	55
Town Clerk	246,926		246,926	242,808		242,808	4,118
Planning and zoning	256,545		256,545	256,117		256,117	428
Zoning board of appeals	76,957		76,957	76,083		76,083	874
Building Department	211,866		211,866	202,093		202,093	9,773
Probate court	5,711		5,711	5,223		5,223	488
Conservation Commission	34,381		34,381	32,466		32,466	1,915
Commissions and Committees	46,800		46,800	45,158		45,158	1,642
Insurance and benefits	8,010,387	(110,000)	7,900,387	7,828,082		7,828,082	72,305
Miscellaneous	16,000		16,000	16,000		16,000	-
Total general government	11,266,088	(40,000)	11,226,088	11,066,944	-	11,066,944	159,144
Health and Welfare:							
Health department	224,353		224,353	219,739		219,739	4,614
Social services	169,792		169,792	157,087		157,087	12,705
Agent for the elderly	42,179		42,179	34,533		34,533	7,646
Total health and welfare	436,324	-	436,324	411,359	-	411,359	24,965
Community Grants	229,825		229,825	229,322		229,322	503
Parks and Recreation:							
Parks and recreation	3,066,764	140,000	3,206,764	3,181,036		3,181,036	25,728
Tree care	237,642		237,642	235,151		235,151	2,491
Golf course	979,146		979,146	954,282		954,282	24,864
Athletic fields	414,505		414,505	381,455		381,455	33,050
School grounds	405,278		405,278	380,083		380,083	25,195
Total parks and recreation	5,103,335	140,000	5,243,335	5,132,007	-	5,132,007	111,328
Public Safety:							
Police Department	4,806,941	150,000	4,956,941	4,829,710		4,829,710	127,231
Fire Department	3,800,774		3,800,774	3,735,144		3,735,144	65,630
Parking Authority	38,013		38,013	33,094		33,094	4,919
Emergency management	2,500		2,500	2,499		2,499	1
Animal control	90,191		90,191	85,494		85,494	4,697
Total public safety	8,738,419	150,000	8,888,419	8,685,941	-	8,685,941	202,478
Public Works:							
Highway Department	2,784,522		2,784,522	2,685,744		2,685,744	98,778
Town buildings	516,396	50,000	566,396	564,706		564,706	1,690
Utilities	1,002,150	(40,000)	962,150	913,485		913,485	48,665
Solid waste	63,000		63,000	59,071		59,071	3,929
School buildings	52,275	(10,000)	42,275	40,463		40,463	1,812
Total public works	4,418,343	-	4,418,343	4,263,469	-	4,263,469	154,874

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONTINUED)
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual			Variance with Final Budget
				Expenditures	Encumbrances	Total	
Contingency	\$ 71,200	\$	\$ 71,200	\$ 68,732	\$	\$ 68,732	\$ 2,468
Education:							
Certified salaries	40,414,248	(781,060)	39,633,188	39,593,333		39,593,333	39,855
Noncertified salaries	8,848,245	205,856	9,054,101	9,004,391		9,004,391	49,710
Fringe benefits	16,498,402	(427,542)	16,070,860	15,978,075	92,785	16,070,860	-
Professional services	2,598,986	115,585	2,714,571	2,605,208	109,362	2,714,570	1
Utility services - sewer and water	160,308	(8,104)	152,204	142,844	9,360	152,204	-
Equipment repair and maintenance	314,141	62,380	376,521	321,706	54,805	376,511	10
Building repairs	905,805	209,010	1,114,815	1,014,193	100,622	1,114,815	-
Transportation services	5,278,904	(73,137)	5,205,767	5,198,657	7,110	5,205,767	-
Insurance - property and liability	273,694	(6,933)	266,761	266,761		266,761	-
Communications - telephone	288,720	44,825	333,545	273,187	60,310	333,497	48
Advertising services	8,000	(2,285)	5,715	5,715		5,715	-
Printing services	55,500	(18,302)	37,198	21,897	15,301	37,198	-
Food management services	25,000	(6,241)	18,759	18,759		18,759	-
Travel, mileage and training	119,950	(8,245)	111,705	106,644	5,055	111,699	6
Other purchased services	16,175	(2,777)	13,398	3,064	10,333	13,397	1
Tuition - out of district facilities	889,162	137,807	1,026,969	702,754	323,516	1,026,270	699
Supplies and materials	860,642	121,534	982,176	875,025	107,073	982,098	78
Energy - electricity, gas and fuel	2,064,580	(21,419)	2,043,161	2,027,817	15,316	2,043,133	28
Books	199,263	133,174	332,437	272,504	58,837	331,341	1,096
Equipment	473,251	261,736	734,987	506,059	218,532	724,591	10,396
Dues and fees - memberships	107,996	(11,673)	96,323	95,050	1,268	96,318	5
Miscellaneous	52,306	75,811	128,117	126,514	1,603	128,117	-
Athletics program	816,195		816,195	816,195		816,195	-
Total education	81,269,473	-	81,269,473	79,976,352	1,191,188	81,167,540	101,933
Library	1,584,665		1,584,665	1,584,665		1,584,665	-
Debt Service	13,281,544		13,281,544	13,272,731		13,272,731	8,813
Total expenditures	126,399,216	250,000	126,649,216	124,691,522	1,191,188	125,882,710	766,506
Other Financing Uses:							
Transfers out:							
Tiger Hollow Fund	43,000		43,000	43,000		43,000	-
Sewer Operating Fund	18,188		18,188	18,188		18,188	-
Heart and Hypertension Fund	42,500	100,000	142,500	142,500		142,500	-
Youth Barn	45,000		45,000	45,000		45,000	-
Skate Park	20,000		20,000	20,000		20,000	-
Revaluation Fund	86,500		86,500	86,500		86,500	-
Total other financing uses	255,188	100,000	355,188	355,188	-	355,188	-
Total Expenditures and Other Financing Uses	\$ 126,654,404	\$ 350,000	\$ 127,004,404	\$ 125,046,710	\$ 1,191,188	126,237,898	\$ 766,506

Budgetary expenditures are different than GAAP expenditures because:

Revaluation expenses not budgeted for - combination of fund for GASB 54 purposes	34,514
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	8,116,629
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for GAAP financial reporting purposes.	(1,191,188)
Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes.	808,071
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	1,961,601

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

\$ 135,967,525

General Fund

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF RIDGEFIELD, CONNECTICUT

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List Year	Uncollected Taxes July 1, 2012	Current Year Levy	Lawful Corrections		Transfer to Suspend	Adjusted Amount Collectible	Collections		Uncollected Taxes June 30, 2013
			Additions	Deductions			Taxes	Interest and Lien Fees	
1996 & Prior	\$	\$	5,903	\$	\$	5,903	\$	\$	\$
1997	26,993			19,399 *		7,594	1,576	1,237	-
1998	31,000					31,000	1,495	1,239	2,813
1999	31,020					31,020	1,591	1,215	2,734
2000	45,857					45,779	2,298	1,400	2,806
2001	70,235				78	70,151	12,429	2,312	3,698
2002	93,117				84	93,026	5,641	866	14,741
2003	123,114		2		93	123,016	8,775	3,112	6,507
2004	156,276		357	357	98	156,171	20,145	5,158	11,887
2005	215,415				105	215,117	46,093	25,643	25,303
2006	286,394		53	53	298	285,987	75,508	42,931	71,736
2007	488,027				407	487,776	97,472	54,810	118,439
2008	646,057		4,139	5,060	251	584,826	212,872	96,584	152,282
2009	988,609		15,027	54,807	60,310	948,684	324,584	88,016	309,456
2010	1,747,310		20,805	34,196	145	1,733,772	714,826	122,472	412,600
Suspend					(5,155)	5,155	5,155	5,394	837,298
Total Prior Year	4,949,424	-	46,286	113,872	56,861	4,824,977	1,530,460	452,389	10,549
2011		112,915,443	372,874	467,984		112,820,333	111,152,638	213,607	1,982,849
Grand Total	\$ 4,949,424	\$ 112,915,443	\$ 419,160	\$ 581,856	\$ 56,861	\$ 117,645,310	\$ 112,683,098	\$ 665,996	\$ 113,349,094
									\$ 1,667,695
									\$ 4,962,212

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Canine Control - is used to account for revenue and expenditures associated with the control of Town animals. The major sources of revenue for this fund are licenses and fees.

Town Aid Road - is used to account for Connecticut Department of Transportation grants relating to improvements to local roads.

Sewer Operating I, II, and III - is used to account for sewer use charges and related expenditures relating to the sewer operating facility in the three sewer districts.

Public Safety Donations - is used to account for public donations for Fire and Police Departments and expenditures relating to departmental public safety equipment.

Cafeteria - is used to account for operations of the school lunch program, including the receipt and expenditure of related federal and state funding.

Education Grants - is used to account for U.S. Department of Education and Connecticut Department of Education grants as well as local grants relating to education.

School Miscellaneous - is used to account for rent receipts associated with the rental of school property, participant fees and expenditures relating to summer and adult educational programs for Ridgefield school students and imprest cash disbursements relating to Ridgefield's school system.

Tiger Hollow - is used to account for the revenues and expenditures relating to the Ridgefield High School Football Field renovation and perpetual maintenance. The major source of revenue for this fund is contributions.

Youth Barn - is used to account for the revenues and expenditures relating to a youth facility and activity. The major sources of revenue for this fund are fees and contributions.

Nonmajor Governmental Funds (Continued)

Miscellaneous Grants - are used to account for small nonrecurring grant funds and related expenditures for those specific purposes.

Social Services - is used to account for local grants and expenditures relating to the Town's social services.

Solid Waste - is used to account for the solid waste collection expenditures relating to all Town facilities. The major source of revenue is fees.

Parking Fund - is used to account for the revenues and expenditures relating to the Branchville Railroad Station. The major source of revenue is fees.

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, maybe used for purposes that support the reporting government's programs.

Ballard Park Fund - is used to account for an endowment pursuant to a trust agreement that restricts the use of that endowment's investment earnings to the preservation of Ballard Park.

TOWN OF RIDGEFIELD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds						
	Canine Control	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous
ASSETS							
Cash and cash equivalents	\$ 236	\$ 138,061	\$	\$ 63,891	\$ 461,925	\$ 33,948	\$ 539,640
Investments							
Receivables, net			164,475		42,104	22,734	
Other assets					23,886		
Total Assets	\$ 236	\$ 138,061	\$ 164,475	\$ 63,891	\$ 527,915	\$ 56,682	\$ 539,640
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 236	\$	\$ 104,421	\$	\$ 420,073	\$	
Due to other funds			21,193				
Deferred revenue			164,475		15,311	56,682	
Total liabilities	236	-	290,089	-	435,384	56,682	-
Fund Balances:							
Nonspendable		138,061		63,891	23,886		153,964
Restricted					68,645		385,676
Committed							
Unassigned			(125,614)				
Total fund balances	-	138,061	(125,614)	63,891	92,531	-	539,640
Total Liabilities and Fund Balances	\$ 236	\$ 138,061	\$ 164,475	\$ 63,891	\$ 527,915	\$ 56,682	\$ 539,640

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds					Permanent Fund	Total Nonmajor Governmental Funds
	Tiger Hollow	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Ballard Park Fund	
ASSETS							
Cash and cash equivalents	\$ 270,138	\$	\$ 341,865	\$ 362,864	\$	\$ 47,818	\$ 2,271,795
Investments							30,273
Receivables, net			122,224				351,537
Other assets							23,886
Total Assets	\$ 270,138	\$ -	\$ 464,089	\$ 362,864	\$ -	\$ 47,818	\$ 2,677,491
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$ 179	\$ 35,095	\$ 15,526	\$ 20,894	\$ 9,876	\$ 606,300
Due to other funds	145,000	38,469			24,078		228,740
Deferred revenue			163,712				400,180
Total liabilities	145,000	38,648	198,807	15,526	44,972	9,876	1,235,220
Fund Balances:							
Nonspendable							23,886
Restricted	125,138		265,282	347,338		37,942	1,173,298
Committed							454,321
Unassigned		(38,648)			(44,972)		(209,234)
Total fund balances	125,138	(38,648)	265,282	347,338	(44,972)	37,942	1,442,271
Total Liabilities and Fund Balances	\$ 270,138	\$ -	\$ 464,089	\$ 362,864	\$ -	\$ 47,818	\$ 2,677,491

TOWN OF RIDGEFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	Canine Control	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous
Revenues:							
Intergovernmental	\$	\$ 188,755	\$ 1,702,277	\$ 23,590	\$ 145,985	\$ 1,297,381	\$ 326,287
Charges for services					2,021,328		165,984
Contributions							
Income from investments			10,942				
Other			1,713,219	23,590	2,167,313	1,297,381	492,271
Total revenues	-	188,755	1,713,219	23,590	2,167,313	1,297,381	492,271
Expenditures:							
Current:							
General government							
Health and welfare							
Parks and recreation				14,426			
Public safety		191,636	1,202,729		2,127,868	1,297,381	1,329,673
Public works							
Education			166,528				
Debt service		191,636	1,369,257	14,426	2,127,868	1,297,381	1,329,673
Total expenditures	-	191,636	1,369,257	14,426	2,127,868	1,297,381	1,329,673
Excess (Deficiency) of Revenues over Expenditures	-	(2,881)	343,962	9,164	39,445	-	(837,402)
Other Financing Sources (Uses):							
Transfers in			18,188				816,195
Transfers out	(86,555)		(25,000)				
Net other financing sources (uses)	(86,555)	-	(6,812)	-	-	-	816,195
Net Change in Fund Balances	(86,555)	(2,881)	337,150	9,164	39,445	-	(21,207)
Fund Balances, Beginning of Year	86,555	140,942	(462,764)	54,727	53,086	-	560,847
Fund Balances, End of Year	\$ -	\$ 138,061	\$ (125,614)	\$ 63,891	\$ 92,531	\$ -	\$ 539,640

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						Permanent	Total
	Tiger Hollow	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Parking Fund	Fund Ballard Park Fund	Nonmajor Governmental Funds
Revenues:								
Intergovernmental	\$	\$	\$ 105,554	\$ 2,000	\$	\$	\$	\$ 1,739,675
Charges for services			77,267	19,341	138,661	54,287		4,339,448
Contributions	561,868	2,727	3,000	142,560			104	899,729
Income from investments			41					145
Other								10,942
Total revenues	<u>561,868</u>	<u>2,727</u>	<u>185,862</u>	<u>163,901</u>	<u>138,661</u>	<u>54,287</u>	<u>104</u>	<u>6,989,939</u>
Expenditures:								
Current:								
General government			57,719					57,719
Health and welfare		62,456	42,218	139,256				243,930
Parks and recreation	401,545		3,857	12,747				418,149
Public safety			15,154		186,935	50,567		29,580
Public works			31,010					1,662,877
Education								4,754,922
Debt service								166,528
Total expenditures	<u>401,545</u>	<u>62,456</u>	<u>149,958</u>	<u>152,003</u>	<u>186,935</u>	<u>50,567</u>	<u>-</u>	<u>7,333,705</u>
Excess (Deficiency) of Revenues over Expenditures	160,323	(59,729)	35,904	11,898	(48,274)	3,720	104	(343,766)
Other Financing Sources (Uses):								
Transfers in	43,000	65,000						942,383
Transfers out	<u>43,000</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,555)</u>
Net other financing sources (uses)								830,828
Net Change in Fund Balances	203,323	5,271	35,904	11,898	(48,274)	3,720	104	487,062
Fund Balances, Beginning of Year	<u>(78,185)</u>	<u>(43,919)</u>	<u>229,378</u>	<u>335,440</u>	<u>3,302</u>	<u>34,222</u>	<u>41,578</u>	<u>955,209</u>
Fund Balances, End of Year	<u>\$ 125,138</u>	<u>\$ (38,648)</u>	<u>\$ 265,282</u>	<u>\$ 347,338</u>	<u>\$ (44,972)</u>	<u>\$ 37,942</u>	<u>\$ 41,682</u>	<u>\$ 1,442,271</u>

TOWN OF RIDGEFIELD, CONNECTICUT

**SCHEDULE OF SEWER USE CHARGES
DISTRICT I
FOR THE YEAR ENDED JUNE 30, 2013**

Year	Uncollected Sewer Use Charges July 1, 2012	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2013
2006	\$ 714	\$	\$	\$ 714	\$ 78	\$ 636
2007	1,073			1,073		1,073
2008	1,807			1,807	345	1,462
2009	3,909			3,909	1,239	2,670
2010	12,484		(12)	12,472	3,992	8,480
2011	21,055		(293)	20,762	5,785	14,977
2012	64,341		380	64,721	39,347	25,374
2013		1,333,640	7,700	1,341,340	1,281,019	60,321
Total	\$ 105,383	\$ 1,333,640	\$ 7,775	\$ 1,446,798	\$ 1,331,805	\$ 114,993

**SCHEDULE OF SEWER USE CHARGES
DISTRICT II
FOR THE YEAR ENDED JUNE 30, 2013**

Year	Uncollected Sewer Use Charges July 1, 2012	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2013
2009	\$ 340	\$	\$	\$ 340	\$	\$ 340
2010	10,950			10,950	70	10,880
2011	12,325			12,325	939	11,386
2012	12,993		7,575	20,568	7,684	12,884
2013		265,475	1	265,476	244,807	20,669
Total	\$ 36,608	\$ 265,475	\$ 7,576	\$ 309,659	\$ 253,500	\$ 56,159

**SCHEDULE OF SEWER USE CHARGES
DISTRICT III
FOR THE YEAR ENDED JUNE 30, 2013**

Year	Uncollected Sewer Use Charges July 1, 2012	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2013
2011	\$ 325	\$	\$ (5)	\$ 320	\$ 320	\$ -
2012	330			330	354	(24)
2013		23,430		23,430	23,430	-
Total	\$ 655	\$ 23,430	\$ (5.00)	\$ 24,080	\$ 24,104	\$ (24)

Internal Service Funds

Internal service funds are used to account for claims involving risk financing activities under GASB Statement No. 10.

Property and Casualty - is used to account for property and casualty insurance claims.

Heart and Hypertension - is used to account for claims involving heart and hypertension compensation under Connecticut General Statutes.

TOWN OF RIDGEFIELD, CONNECTICUT**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS****JUNE 30, 2013**

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Assets:			
Cash and cash equivalents	\$ <u>75,025</u>	\$ <u>61,479</u>	\$ <u>136,504</u>
Liabilities:			
Accounts payable	<u>3,563</u>	<u>5,431</u>	<u>8,994</u>
Net Position:			
Unrestricted	<u>71,462</u>	<u>56,048</u>	<u>127,510</u>
Total Net Position	\$ <u><u>71,462</u></u>	\$ <u><u>56,048</u></u>	\$ <u><u>127,510</u></u>

TOWN OF RIDGEFIELD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Operating Revenues:			
Insurance proceeds	\$ 72,996	\$	\$ 72,996
Total operating revenues			
Operating Expenses:			
Claims incurred	122,734	69,511	192,245
Operating Loss	(49,738)	(69,511)	(119,249)
Nonoperating income:			
Investment income	54		54
Loss before transfers	(49,684)	(69,511)	(119,195)
Transfers in		142,500	142,500
Change in Net Position	(49,684)	72,989	23,305
Net Position - Beginning of Year	121,146	(16,941)	104,205
Net Position - End of Year	\$ 71,462	\$ 56,048	\$ 127,510

TOWN OF RIDGEFIELD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Cash Flows from Operating Activities:			
Cash received as insurance proceeds	\$ 72,996	\$	\$ 72,996
Cash paid for benefits, claims and administration	(120,955)	(81,021)	(201,976)
Net cash used in operating activities	(47,959)	(81,021)	(128,980)
Cash Flows Provided by Noncapital Financing Activities:			
Transfers in		142,500	142,500
Cash Flows from Investing Activities:			
Investment income	54		54
Net increase (decrease) in cash and cash equivalents	(47,905)	61,479	13,574
Cash and cash equivalents - Beginning of Year	122,930	-	122,930
Cash and Cash Equivalents - End of Year	\$ 75,025	\$ 61,479	\$ 136,504
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (49,738)	\$ (69,511)	\$ (119,249)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase (decrease) in accounts payable	1,779	(11,510)	(9,731)
Net Cash Used in Operating Activities	\$ (47,959)	\$ (81,021)	\$ (128,980)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Fund - The Pension Trust Fund is used to account for the accumulation of resources for pension benefit payments to qualified public employees.

OPEB Trust Fund - The OPEB Trust Fund is used to account for the accumulation of resources for other postemployment benefit payments to qualified public employees.

Agency Fund

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Student Activities - is used to account for the public school students' extracurricular activities.

Performance Bonds - is used to account for the full performance of contractual obligation bonds.

Contractor's Driveway Bonds - is used to account for the full performance of contractual obligations for approved driveway plan bonds.

Ridgebury Cemetery - is used to account for the Ridgebury Cemetery organizational funds.

Open Space Conservation Commission - is used to account for the Ridgefield Conservation Commission organizational funds.

Holiday Trust - is used to account for contributions to support annual holiday events.

Welcome to Ridgefield Fund - is used to account for contributions to support the beautification of Main Street landscape.

McKeon Farm Preservation Trust - is used to account for contributions to support the effort to preserve McKeon Farm as open space.

Flexible Spending Account - is used to account for that portion of employees' earnings that are deducted and used to pay for qualified medical costs on a pre-tax basis.

Tiger Hollow Scholarship Fund - is used to account for funds related to college scholarships granted by Tiger Hollow.

Miscellaneous - is used to account for various Town organizations with minor activities and account balances.

TOWN OF RIDGEFIELD, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Cash and cash equivalents:				
Student Activities	\$ 454,242	\$ 1,487,332	\$ 1,492,803	\$ 448,771
Performance Bonds	579,596	12,556	17,000	575,152
Contractor's Driveway Bonds	64,750	47,500	44,500	67,750
Ridgebury Cemetery	9,814	9,894	7,187	12,521
Open Space Conservation Commission	864,108	98,995	850,242	112,861
Holiday Trust Fund	12,995	31,871	17,416	27,450
Welcome to Ridgefield Fund	2,726	20,000	22,726	-
McKeon Farm Preservation Trust	12,568		195	12,373
Flexible Spending Account		22,028	6,717	15,311
Tiger Hollow Scholarship Fund	10,060	22	5,000	5,082
Miscellaneous	262,080	250,101	234,132	278,049
Total cash and cash equivalents	<u>2,272,939</u>	<u>1,980,299</u>	<u>2,697,918</u>	<u>1,555,320</u>
Investments:				
Ridgebury Cemetery	220,916	4,453		225,369
Accounts receivable:				
Miscellaneous	<u>3,741</u>			<u>3,741</u>
Total Assets	<u>\$ 2,497,596</u>	<u>\$ 1,984,752</u>	<u>\$ 2,697,918</u>	<u>\$ 1,784,430</u>
LIABILITIES				
Due to others:				
Student Activities	\$ 454,242	\$ 1,487,332	\$ 1,492,803	\$ 448,771
Performance Bonds	579,596	12,556	17,000	575,152
Contractor's Driveway Bonds	64,750	47,500	44,500	67,750
Ridgebury Cemetery	230,730	14,347	7,187	237,890
Open Space Conservation Commission	864,108	98,995	850,242	112,861
Holiday Trust Fund	12,995	31,871	17,416	27,450
Welcome to Ridgefield Fund	2,726	20,000	22,726	-
McKeon Farm Preservation Trust	12,568		195	12,373
Flexible Spending Account		22,028	6,717	15,311
Tiger Hollow Scholarship Fund	10,060	22	5,000	5,082
Miscellaneous	265,821	250,101	234,132	281,790
Total Liabilities	<u>\$ 2,497,596</u>	<u>\$ 1,984,752</u>	<u>\$ 2,697,918</u>	<u>\$ 1,784,430</u>

Statistical Section

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF RIDGEFIELD, CONNECTICUT

NET POSITION BY COMPONENT

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net investment in capital assets	\$ 56,415,672	\$ 47,573,213	\$ 50,382,144	\$ 60,639,192	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434	\$ 92,535,842
Restricted for:										
Permanent fund:										
Expendable	25,000	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475	41,682
Unrestricted	3,567,197	12,083,815	15,982,058	14,747,928	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426	22,188,988
Total Governmental Activities										
Net Position	\$ 60,007,869	\$ 59,682,028	\$ 66,413,995	\$ 75,440,896	\$ 81,418,217	\$ 86,094,480	\$ 91,421,730	\$ 96,010,505	\$ 108,401,335	\$ 114,766,512
Primary Government:										
Net investment in capital assets	\$ 56,415,672	\$ 47,573,213	\$ 50,382,144	\$ 60,639,192	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434	\$ 92,535,842
Restricted	25,000	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475	41,682
Unrestricted	3,567,197	12,083,815	15,982,058	14,747,928	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426	22,188,988
Total Primary Government										
Net Position	\$ 60,007,869	\$ 59,682,028	\$ 66,413,995	\$ 75,440,896	\$ 81,418,217	\$ 86,094,480	\$ 91,421,730	\$ 96,010,505	\$ 108,401,335	\$ 114,766,512

TOWN OF RIDGEFIELD, CONNECTICUT

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual Basis of Accounting)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
General government	\$ 8,408,774	\$ 4,541,033	\$ 5,226,056	\$ 5,578,405	\$ 4,980,763	\$ 7,001,880	\$ 7,558,307	\$ 4,485,127	\$ 5,080,033	\$ 5,547,382
Health and welfare	777,621	836,882	904,674	994,587	1,076,389	946,811	814,918	813,904	854,954	766,590
Recreation	5,457,571	6,069,623	6,456,843	6,928,229	6,973,383	6,742,497	6,299,705	6,904,437	7,062,174	7,270,110
Public safety	8,312,310	9,294,400	9,747,366	10,380,405	11,351,722	10,781,037	10,891,047	12,266,773	12,233,586	12,854,341
Public works	8,229,816	8,649,358	8,306,575	8,626,653	8,926,118	8,824,842	7,346,310	9,522,503	9,208,835	8,536,286
Education	63,390,436	70,525,966	74,257,956	78,943,085	104,833,414	87,303,629	91,142,573	91,081,269	94,281,327	96,137,658
Library	1,365,000	1,549,143	1,478,580	1,545,200	1,610,000	1,642,400	1,642,400	1,682,300	1,685,946	1,584,665
Interest expense	5,467,690	6,118,255	4,928,113	5,797,800	5,361,558	4,810,322	3,914,351	4,014,647	3,655,086	3,304,355
Total Primary Government Expenses	101,409,218	107,584,660	111,366,163	118,794,364	145,113,347	128,053,418	129,609,611	130,770,960	134,061,941	136,001,387
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,502,690	2,102,472	2,689,269	2,356,361	1,839,287	1,235,053	1,346,634	1,405,011	1,880,008	1,648,127
Health and welfare	61,608	23,123	23,852	119,123	129,035	151,158	158,125	76,415	73,145	78,782
Recreation	3,558,972	3,735,524	3,747,677	3,885,215	4,205,128	3,968,287	3,826,202	3,981,291	4,047,108	4,194,262
Public safety	683,347	835,520	1,068,908	929,183	1,153,373	1,272,191	1,213,883	1,101,760	1,137,401	1,213,322
Public works	2,972,512	2,811,698	2,730,784	2,815,363	3,299,671	2,769,637	2,912,354	2,610,381	2,639,730	2,843,994
Education	1,944,022	2,083,900	2,108,515	2,386,642	2,207,114	2,348,860	2,161,821	2,595,245	3,485,665	2,825,214
Operating grants and contributions	4,772,053	4,684,942	7,803,555	9,316,257	31,536,057	11,075,194	12,724,055	13,100,693	13,728,634	15,679,679
Capital grants and contributions	5,491,797	255,143	141,008	308,068	365,589	445,243	121,219	690,743		
Total Primary Government Program Revenues	21,987,001	16,532,322	20,313,568	22,116,212	44,735,254	23,265,623	24,464,273	25,561,539	26,991,691	28,483,380
Net Expenses:										
Governmental activities	(79,422,217)	(91,052,338)	(91,052,595)	(96,678,152)	(100,378,093)	(104,787,795)	(105,145,338)	(105,209,421)	(107,070,250)	(107,518,007)
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	82,487,533	88,777,534	95,793,280	100,455,882	104,397,451	107,950,909	109,369,264	112,078,692	114,105,779	113,078,138
Grants and contributions not restricted to specific programs	542,314	756,132	106,291	153,097	845,721	690,850	744,776	731,357	867,242	706,590
Gain on sale of capital assets				19,037		42,734		25,549		
Investment income	438,412	450,439	848,591	1,268,395	911,853	295,397	90,470	79,161	69,732	49,688
Donations of capital assets		29,140	414,820	858,840						
Miscellaneous	365,306	756,558	621,580	1,186,234	178,566	65,864	313,640	148,443	4,418,333	48,768
Total governmental activities	83,833,565	90,769,803	97,784,562	103,941,485	106,333,591	109,045,754	110,518,150	113,063,202	119,461,086	113,883,184
Change in Net Position	\$ 4,411,348	\$ (282,535)	\$ 6,731,967	\$ 7,263,333	\$ 5,955,498	\$ 4,257,959	\$ 5,372,812	\$ 7,853,781	\$ 12,390,836	\$ 6,365,177

TOWN OF RIDGEFIELD, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$ 126,433	\$ 593,872	\$ 440,412	\$ 841,150	\$ 799,156	\$ 762,120	\$ 419,421	\$	\$	\$
Designated for subsequent year's budget	930,000			1,000,000	1,200,000	1,000,000	450,000			
Unreserved and undesignated	7,164,646	5,386,239	7,696,456	7,641,661	7,904,484	7,826,306	8,417,747			
Assigned								1,226,175	4,116,077	2,941,188
Unassigned								9,048,490	11,507,184	11,709,896
Total General Fund	\$ 8,221,079	\$ 5,980,111	\$ 8,136,868	\$ 9,482,811	\$ 9,903,640	\$ 9,588,426	\$ 9,287,168	\$ 10,274,665	\$ 15,623,261	\$ 14,651,084
All other governmental funds:										
Reserved	\$ 1,999,326	\$ 649,487	\$ 732,169	\$ 947,418	\$ 1,147,242	\$ 1,620,451	\$ 1,916,393	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	2,396,112	2,690,267	3,104,549	2,347,284	1,870,865	1,586,791	1,376,629			
Capital projects funds	(699,336)	(1,819,533)	480,076	(7,652,327)	(719,392)	(3,544,178)	(5,967,946)			
Permanent funds	22,271	23,210	24,793	28,776	23,444	15,368	15,938			
Nonspendable										23,886
Restricted								1,128,427	1,079,006	1,630,657
Committed								2,316,294	2,878,258	1,930,587
Unassigned								(599,191)	(11,307,731)	(3,751,893)
Total All Other Governmental Funds	\$ 3,718,373	\$ 1,543,431	\$ 4,341,587	\$ (4,328,849)	\$ 2,322,159	\$ (321,568)	\$ (2,658,986)	\$ 2,845,530	\$ (7,350,467)	\$ (166,763)

TOWN OF RIDGEFIELD, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Property taxes	\$ 83,182,130	\$ 88,583,323	\$ 95,539,518	\$ 100,065,605	\$ 104,080,550	\$ 107,419,676	\$ 109,378,457	\$ 111,206,601	\$ 113,029,057	\$ 113,464,133
Intergovernmental	10,139,958	5,370,261	7,473,719	9,244,867	31,610,291	11,735,668	13,148,682	14,079,840	14,133,293	15,491,612
Charges for services	11,590,479	11,645,239	12,491,793	12,533,981	12,437,141	11,984,238	11,747,758	11,889,261	13,366,884	12,719,811
Contributions	430,808	362,930	509,151	415,675	1,158,152	496,696	459,573	447,800	463,980	899,729
Interest and investment income	433,861	445,222	824,370	1,231,797	869,627	288,985	89,702	79,160	69,732	49,636
Other	365,306	785,047	650,643	1,174,035	216,475	169,490	257,383	303,127	4,458,189	121,308
Total revenues	106,142,542	107,192,022	117,489,194	124,665,960	150,372,236	132,094,753	135,081,555	138,005,789	145,521,135	142,746,229
Expenditures:										
Current:										
General government	7,919,638	8,310,995	8,508,620	9,059,947	9,582,204	9,533,790	10,042,185	10,399,600	10,955,041	11,314,409
Health and welfare	624,182	697,515	838,121	810,197	927,711	830,407	703,107	642,513	705,628	655,289
Community grants	228,788	239,467	243,604	232,545	224,162	293,100	178,775	204,075	216,675	229,322
Recreation	4,278,411	4,435,728	4,667,123	4,947,335	5,145,899	5,252,263	4,771,092	5,054,088	5,194,679	5,550,156
Public safety	6,029,891	6,691,279	7,128,342	7,249,288	8,098,038	8,339,019	8,207,636	8,365,740	8,376,536	8,715,521
Public works	6,007,704	5,635,669	5,984,995	5,459,233	6,037,325	6,208,517	5,807,367	5,876,015	5,838,627	5,926,346
Education	60,968,581	64,049,766	70,721,623	75,526,940	102,647,607	84,980,715	87,995,339	88,812,606	92,779,775	94,801,380
Library	1,365,000	1,419,600	1,478,580	1,545,200	1,610,000	1,642,400	1,642,400	1,682,300	1,685,946	1,584,665
Debt service:										
Principal	8,366,396	8,998,906	8,495,792	8,357,918	8,479,970	9,437,910	11,042,788	10,815,982	10,432,461	9,883,836
Interest	5,544,132	9,924,878	6,366,549	6,143,087	5,502,546	5,450,183	3,495,998	3,902,122	3,915,480	3,555,423
Bennett's pond settlement		2,300,000								
Capital outlay	28,501,680	9,300,823	6,152,567	5,815,293	5,018,365	3,837,148	4,312,674	4,309,975	10,735,186	5,558,317
Total expenditures	129,834,403	122,004,626	120,585,916	125,146,983	153,273,827	135,805,452	138,199,361	140,065,016	150,836,034	147,774,664
Deficiency of Revenues over Expenditures	(23,691,861)	(14,812,604)	(3,096,722)	(481,023)	(2,901,591)	(3,710,699)	(3,117,806)	(2,059,227)	(5,314,899)	(5,028,435)
Other Financing Sources (Uses):										
Payment to refunded bond escrow agent		(34,612,628)				(31,378,050)		(35,639,464)		
Premium on refunding bonds		3,132,628				2,981,845		3,631,170		
Refunding bonds		31,480,000				28,635,000		32,225,000		
Issuance of bonds	4,450,000	10,440,000	7,180,000		9,640,000			6,385,000		10,600,000
Premium on issuance of bonds								514,299		272,462
Issuance of drinking water loans								529,288		
Issuance of capital lease			871,635	559,254	713,700	512,963	479,130	496,084	510,000	
Proceeds from sale of assets	100,398			41,850						
Transfers in	1,788,889	1,209,479	1,470,702	3,964,852	2,648,233	1,421,842	1,450,976	1,637,736	1,126,320	1,754,540
Transfers out	(2,321,628)	(1,209,479)	(1,470,702)	(4,229,426)	(2,648,233)	(1,421,842)	(1,450,976)	(1,664,736)	(1,168,820)	(1,897,040)
Total other financing sources	4,017,659	10,440,000	8,051,635	336,530	10,353,700	751,758	479,130	8,114,377	467,500	11,239,962
Net Change in Fund Balances	(19,674,202)	(4,372,604)	4,954,913	(144,493)	7,452,109	(2,958,941)	(2,638,676)	6,055,150	(4,847,399)	6,211,527
Fund Balance at Beginning of Year, or as Restated	31,613,654	11,896,146	7,523,542	5,298,455	4,773,690	12,225,799	9,266,858	7,065,045	7,065,045	8,272,794
Fund Balance at End of Year	\$ 11,939,452	\$ 7,523,542	\$ 12,478,455	\$ 5,153,962	\$ 12,225,799	\$ 9,266,858	\$ 6,628,182	\$ 13,120,195	\$ 2,217,646	\$ 14,484,321
Debit Service as a Percentage to Noncapital Expenditures	13.73%	16.79%	12.99%	12.15%	9.28%	11.09%	10.72%	10.69%	10.13%	9.42%

TOWN OF RIDGEFIELD, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Unaudited)
amounts presented in thousands

Fiscal Year	Assessed Property Values			Total Taxable Assessed Value	Mill Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real	Personal	Tax Exempt				
2004	\$ 3,739,353	\$ 340,669	\$ 27,648	\$ 4,052,374	20.77	\$ 6,959,445	58.23%
2005	3,773,194	359,589	28,511	4,104,272	22.02	7,401,087	55.45%
2006	3,818,831	362,902	27,332	4,154,401	23.42	8,711,940	47.69%
2007	3,873,447	373,305	34,076	4,212,676	24.23	8,030,910	52.46%
2008	5,098,296	373,702	33,258	5,438,740	24.87	8,031,355	67.72%
2009	5,167,975	363,214	38,220	5,492,969	19.91	7,409,510	74.13%
2010	5,516,832	371,707	72,982	5,815,557	20.00	7,601,307	76.51%
2011	5,552,991	382,940	78,709	5,857,222	20.40	7,509,258	78.00%
2012	5,602,283	399,288	80,666	5,920,905	20.37	6,846,962	86.47%
2013	4,304,007	388,746	73,873	4,618,880	25.38	6,893,850	67.00%

Source: Town Assessor's office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.

The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF RIDGEFIELD, CONNECTICUT**DIRECT PROPERTY TAX RATES****LAST TEN YEARS****(Rates per \$1,000 of Assessed Value)**

Fiscal Year	Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	State	County
2004	17.71	3.06	20.77	N/A	N/A
2005	18.96	3.06	22.02	N/A	N/A
2006	20.26	3.16	23.42	N/A	N/A
2007	21.05	3.18	24.23	N/A	N/A
2008	21.83	3.04	24.87	N/A	N/A
2009	17.53	2.38	19.91	N/A	N/A
2010	17.69	2.31	20.00	N/A	N/A
2011	18.09	2.31	20.40	N/A	N/A
2012	18.12	2.25	20.37	N/A	N/A
2013	22.71	2.67	25.38	N/A	N/A

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Boehringer Ingelheim Pharmaceuticals, Inc.	\$ 260,692,080	1	5.60%	\$ 180,691,856	1	4.46%
Connecticut Light & Power	19,888,420	2	0.42%	12,990,848	4	0.32%
Equity One (Copps Hill)	19,390,000	3	0.41%			
Stephen J. Zemo	13,523,150	4	0.29%	5,947,630	10	0.15%
Ridgefield Professional Building	12,832,900	5	0.27%			
Flat Rock Corp	11,437,200	6	0.24%			
Harrison Hunter	9,594,418	7	0.20%			
Eureka V, LLC	9,366,880	8	0.20%			
Irief II (formally CCC of Ridgefield, CT)	8,321,370	9	0.18%			
Ridgefield Waterside Properties	7,190,660	10	0.15%			
Schlumberger Technical Corporation				26,263,488	2	0.65%
Ridgefield Properties, LLC				15,715,450	3	0.39%
Benchmark Senior Housing LLC				8,641,600	5	0.21%
Ridgefield Bank				7,766,486	6	0.19%
Athena Holdings, LLC				7,623,000	7	0.19%
Acquarion Water Company				7,606,637	8	0.19%
S.V.G. Lithography Systems, Inc.				6,200,397	9	0.15%
	<u>\$ 372,237,078</u>		<u>7.96%</u>	<u>\$ 279,447,392</u>		<u>6.90%</u>

Source: Town Assessor's office

TABLE 8

TOWN OF RIDGEFIELD, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$	81,936,586	\$ 81,210,896	99.11%	\$ 596,947	\$ 81,807,843	99.84%
2005		88,483,571	87,517,161	98.91%	808,549	88,325,710	99.82%
2006		95,159,220	94,428,055	99.23%	529,605	94,957,660	99.79%
2007		99,974,730	99,045,063	99.07%	762,120	99,807,183	99.83%
2008		104,203,399	103,123,944	98.96%	808,793	103,932,737	99.74%
2009		107,467,697	106,190,473	98.81%	834,838	107,025,311	99.59%
2010		108,814,209	107,420,320	98.72%	921,851	108,342,171	99.57%
2011		111,397,853	109,814,265	98.58%	968,737	110,783,002	99.45%
2012		113,330,243	111,582,933	98.46%	729,142	112,312,075	99.10%
2013		112,915,443	111,212,321	98.49%	-	111,212,321	98.49%

Source: Tax Collector's office and Finance office

TOWN OF RIDGEFIELD, CONNECTICUT

RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds(3)	Notes Payable (3)	Capital Leases (3)	Total General Long-Term Debt (3)	Assessed Value (1)(3)	Ratio of Long-Term Debt to Assessed Value	Population (2)	Per Capita Income (2)	Percentage of Personal Income (2)	Long-Term Debt Per Capita
2004	\$ 135,082	\$ 749	\$	\$ 135,831	\$ 4,052,374	3.35%	24,154	\$ 62,776	8.96%	\$ 5,624
2005	140,111	4,668		144,779	4,104,272	3.53%	24,588	66,480	8.86%	5,888
2006	131,432	4,068	629	136,129	4,154,401	3.28%	24,612	70,136	7.89%	5,531
2007	123,092	3,455	771	127,318	4,212,276	3.02%	24,710	72,941	7.06%	5,152
2008	124,582	2,829	843	128,254	5,438,740	2.36%	24,720	75,155	6.90%	5,188
2009	117,472	2,191	806	120,469	5,492,969	2.19%	24,595	70,366	6.96%	4,898
2010	107,748	1,541	542	109,831	5,815,557	1.89%	24,228	70,366	6.44%	4,533
2011	104,165	1,406	505	106,076	5,857,222	1.81%	24,652	67,076	6.42%	4,303
2012	93,897	692	503	95,092	5,920,905	1.61%	24,885	74,926	5.10%	3,821
2013	94,574	463	508	95,545	4,618,880	2.07%	25,045	75,470	5.05%	3,815

(1) See Table 5 for taxable property value data

(2) See Table 12 for income and population data. These ratios are calculated using personal income and population for the calendar year.

(3) Amounts expressed in thousands.

**TOWN OF RIDGEFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2013**

Tax Base:	
Total tax collections	\$ 113,349,094
Reimbursement of Revenue Loss on:	
Elderly tax freeze and homeowners' grants	<u>65,773</u>
Total Base	<u><u>\$ 113,414,867</u></u>

	<u>Public Improvement</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 Times Base	\$ 255,183,451	\$	\$	\$	\$
4 1/2 Times Base		510,366,902			
3 3/4 Times Base			425,305,751		
3 1/4 Times Base				368,598,318	
3 Times Base					340,244,601
	<u>255,183,451</u>	<u>510,366,902</u>	<u>425,305,751</u>	<u>368,598,318</u>	<u>340,244,601</u>
Total limitations					
Indebtedness:					
Bonds outstanding	39,471,400	48,869,400	1,349,200		
Bonds authorized but unissued	10,087,228				
Sewer notes payable			463,361		
Less sewer assessments			<u>(680,680)</u>		
Total indebtedness (1)	<u>49,558,628</u>	<u>48,869,400</u>	<u>1,131,881</u>		
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 205,624,823</u></u>	<u><u>\$ 461,497,502</u></u>	<u><u>\$ 424,173,870</u></u>	<u><u>\$ 368,598,318</u></u>	<u><u>\$ 340,244,601</u></u>

Notes: (1) The total of the above indebtedness amounts to: \$ 99,096,548

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 793,904,069

(2) There is no overlapping debt for the Town of Ridgefield.

TOWN OF RIDGEFIELD, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 580,786,885	\$ 618,650,410	\$ 668,830,162	\$ 699,930,735	\$ 727,968,528	\$ 751,329,068	\$ 766,281,747	\$ 778,274,042	\$ 790,889,505	\$ 793,904,069
Total net debt applicable to limit	137,360,933	135,106,335	122,216,405	118,675,388	120,421,909	114,044,065	106,508,712	105,088,571	98,829,152	99,096,548
Legal Debt Margin	\$ 443,425,952	\$ 483,544,075	\$ 546,613,757	\$ 581,255,347	\$ 607,546,619	\$ 637,285,003	\$ 659,773,035	\$ 673,185,471	\$ 692,060,353	\$ 694,807,521
Total net debt applicable to the limit as a percentage of debt limit	23.65%	21.84%	18.27%	16.96%	16.54%	15.18%	13.90%	13.50%	12.50%	12.48%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation.

TOWN OF RIDGEFIELD, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Population	Per Capita Income	Personal Income (1)	Median Age	School Enrollment (2)	Unemployment Rate (3)
2004	24,154	\$ 62,776	\$ 1,516,291,504	39	5,522	3.20%
2005	24,588	66,480	1,634,610,240	39	5,597	3.70%
2006	24,612	70,136	1,726,187,232	38	5,641	2.50%
2007	24,710	72,941	1,802,372,110	38	5,498	3.10%
2008	24,720	75,155	1,857,831,600	39	5,591	2.80%
2009	24,595	70,366	1,730,651,770	41	5,480	6.10%
2010	24,228	70,366	1,704,827,448	41	5,400	5.80%
2011	24,652	67,076	1,653,557,552	42	5,377	6.40%
2012	24,885	74,926	1,864,533,510	42	5,312	6.40%
2013	25,045	75,470	1,890,146,150	42	5,233	5.80%

Sources: Population, per capita income, personal income and median age, U.S. Bureau of the Census and Connecticut Department of Health.

(1) U.S. Bureau of the Census.

(2) Town of Ridgefield, Board of Education.

(3) State of Connecticut, Department of Labor.

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

(Unaudited)

	2013			2000 (1)		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Boehringer-Ingelheim, Inc.	1,400	1	12.04%	1,200	1	10.08%
Laurel Ridge Health Care Center	218	2	1.88%			
Fairfield County Bankcorp	178	3	1.53%	95	6	0.80%
Stop & Shop	170	4	1.46%			
Adam Broderick Salon & Spa	155	5	1.33%			
Ridgefield Crossings	145	6	1.25%	50	10	0.42%
Kohl's Department Store	90	7	0.77%			
Ridgefield BMW	72	8	0.62%			
Ullman Devices, Corp	50	9	0.43%	76	8	0.64%
Pamby Motors, Inc.	48	10	0.41%	61	9	0.51%
S.V.G. Lithography Systems, Inc.				500	2	4.20%
Schlumberger Technical Corporation				140	3	1.18%
Norco Company				128	4	1.08%
Village Bank				100	5	0.84%
Duty Free International				80	7	0.67%
	<u>2,526</u>		<u>21.72%</u>	<u>2,430</u>		<u>20.42%</u>

Source: Telephone survey and Department of Labor, State of Connecticut.

(1) Information not available for 2004.

TOWN OF RIDGEFIELD, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>General government</u>										
Management services	28.4	28.4	28.4	28.4	27.4	28.9	30.5	26.5	26.5	26.5
Finance	5.0	5.0	5.0	5.0	6.0	6.5	7.0	7.0	7.0	6.7
Planning	3.5	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.0	4.0
Building	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
<u>Public Health</u>										
Health	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Social Services	2.5	2.5	2.5	2.5	2.6	2.7	2.4	2.4	2.4	2.4
<u>Public safety</u>										
Police	46.9	46.9	46.9	46.9	46.9	48.5	48.5	48.5	48.5	48.5
Fire	42.5	42.5	42.5	42.5	42.5	38.0	37.8	35.2	35.2	35.2
Parking	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.5	0.5	1.3
Canine	1.0	1.0	1.0	1.0	1.0	1.8	1.8	1.8	1.8	1.5
<u>Public works</u>										
	26.0	26.0	26.0	26.0	26.0	29.0	29.0	30.0	29.0	28.0
<u>Public Recreation</u>										
Recreation	37.1	37.1	37.1	37.1	37.3	50.0	50.0	50.0	50.0	50.0
Golf Course	13.4	13.4	13.4	13.4	13.4	14.0	14.0	14.0	14.0	16.0
Tree Warden	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
<u>Public Education</u>										
Certified	460.8	460.8	460.8	460.2	462.2	469.8	459.7	445.9	435.3	435.0
Non-certified	231.4	231.4	231.4	248.8	242.7	227.4	217.1	214.5	210.6	206.3
Total	<u>905.8</u>	<u>905.8</u>	<u>905.8</u>	<u>922.6</u>	<u>918.8</u>	<u>929.3</u>	<u>911.5</u>	<u>889.4</u>	<u>873.5</u>	<u>870.0</u>

Source: Town of Ridgefield, Human Resources Department and Board of Education, Personnel Department.

Notes: Full-time employees are scheduled to work 1,820 or 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 1,820 or 2,080 based on the employment classification.

TOWN OF RIDGEFIELD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>General Government</u>										
<u>Legal Counsel:</u>										
Town Clerk's Office:	\$ 267,381	\$ 288,307	\$ 181,081	\$ 184,766	\$ 201,721	\$ 303,069	\$ 265,603	\$ 232,828	\$ 162,001	\$ 206,736
Licenses issued	2,671	2,798	3,054	3,073	3,111	2,958	2,949	3,046	2,982	3,116
Record vital statistics	434	436	509	448	427	230	427	460	509	523
Document recordings	7,077	6,744	6,427	6,189	6,357	6,392	7,134	7,872	8,322	9,438
<u>Registrar of Voters:</u>										
Registered voters	16,677	17,090	16,225	16,352	16,131	15,019	14,961	15,194	15,853	15,382
Elections and referenda	2	5	4	3	3	4	2	3	5	4
<u>Planning and Development</u>										
Building permits issued	2,220	2,336	1,734	1,666	1,719	2,146	2,067	2,264	2,198	2,554
Value of building permits	\$ 75,311,852	\$ 114,539,257	\$ 44,575,354	\$ 36,179,734	\$ 50,918,011	\$ 88,204,342	\$ 117,022,051	\$ 83,580,683	\$ 65,921,952	\$ 75,710,078
Zoning permits issued	245	258	249	258	260	306	350	337	341	358
<u>Public Safety</u>										
<u>Police Department:</u>										
Motor vehicle citations	6,148	4,984	4,988	4,926	4,679	5,806	3,231	4,718	4,131	5,031
General citations	2,981	2,716	2,637	2,468	1,532	1,496	844	599	501	496
<u>Fire Department:</u>										
Fire related calls	1,213	1,419	1,229	1,103	1,327	1,217	1,215	1,022	940	1,058
Medical related calls	2,287	2,158	2,141	2,046	1,952	1,952	1,889	1,905	1,986	1,827
<u>Parking Authority:</u>										
Parking violations	3,054	3,118	2,455	1,641	1,796	2,585	1,359	1,235	2,594	2,610
<u>Public Works</u>										
Miles of street resurfacing	6.7	6.7	5.1	5.4	4.3	4.3	9.0	12.8	13.0	12.4
Work Orders completed	556	591	571	606	419	401	465	572	748	625
<u>Public Recreation</u>										
Rounds of golf	35,761	35,888	33,349	37,138	37,001	38,078	38,247	36,196	36,796	32,722
Recreation center members	6,526	6,434	5,882	6,008	6,373	6,669	6,858	7,002	7,098	7,161
Summer camp participants	2,381	2,396	1,198	1,252	1,116	1,141	1,400	1,300	1,232	1,202
Martin park beach passes	772	696	583	548	531	563	538	452	474	604
<u>Public Education</u>										
Student enrollment	5,233	5,312	5,377	5,400	5,480	5,591	5,498	5,641	5,597	5,522

Source(s): Various Town Departments

TOWN OF RIDGEFIELD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>General Government</u>										
Vehicles	8	8	8	8	8	8	8	8	8	8
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Police vehicles	19	19	17	18	18	20	20	19	19	19
Fire vehicles	17	16	16	17	17	16	16	16	17	17
<u>Public Works</u>										
Town roads (miles)	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	189.5
Town sidewalks (miles)	14.5	14.0	14.0	14.0	14.0	14.0	13.6	13.1	13.1	11.6
Sanitary sewers (miles)	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
Storm sewers (miles)	88.0	88.0	88.0	88.0	88.0	88.0	87.6	85.7	85.7	85.0
Treatment plants	2	2	2	2	2	2	2	2	2	2
Highway vehicles	40	38	38	38	38	37	37	37	37	36
<u>Public Recreation</u>										
Acreage	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,114	2,114
<u>Athletic facilities:</u>										
Baseball diamonds	21	21	21	21	21	21	21	19	19	19
Basketball courts - Outside	2	2	2	2	2	2	2	2	3	3
Soccer fields	15	15	15	15	15	15	15	15	15	15
Football fields	3	3	3	3	3	3	3	3	3	3
Playgrounds	10	10	10	10	10	10	10	9	9	9
Tennis courts	9	9	9	9	9	9	9	9	9	9
Skate board park	1	1	1	1	1	1	1	1	1	1
Nature areas	39	39	39	39	39	39	39	39	39	39
Picnic areas	3	3	3	3	3	3	3	3	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Vehicles	17	17	17	16	18	18	17	17	17	17
<u>Public Education</u>										
Elementary schools	6	6	6	6	6	6	6	6	6	5
Middle schools	2	2	2	2	2	2	2	2	2	2
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments