

TOWN OF RIDGEFIELD, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF RIDGEFIELD,
CONNECTICUT**

**FOR THE YEAR ENDED
JUNE 30, 2014**

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, 2014

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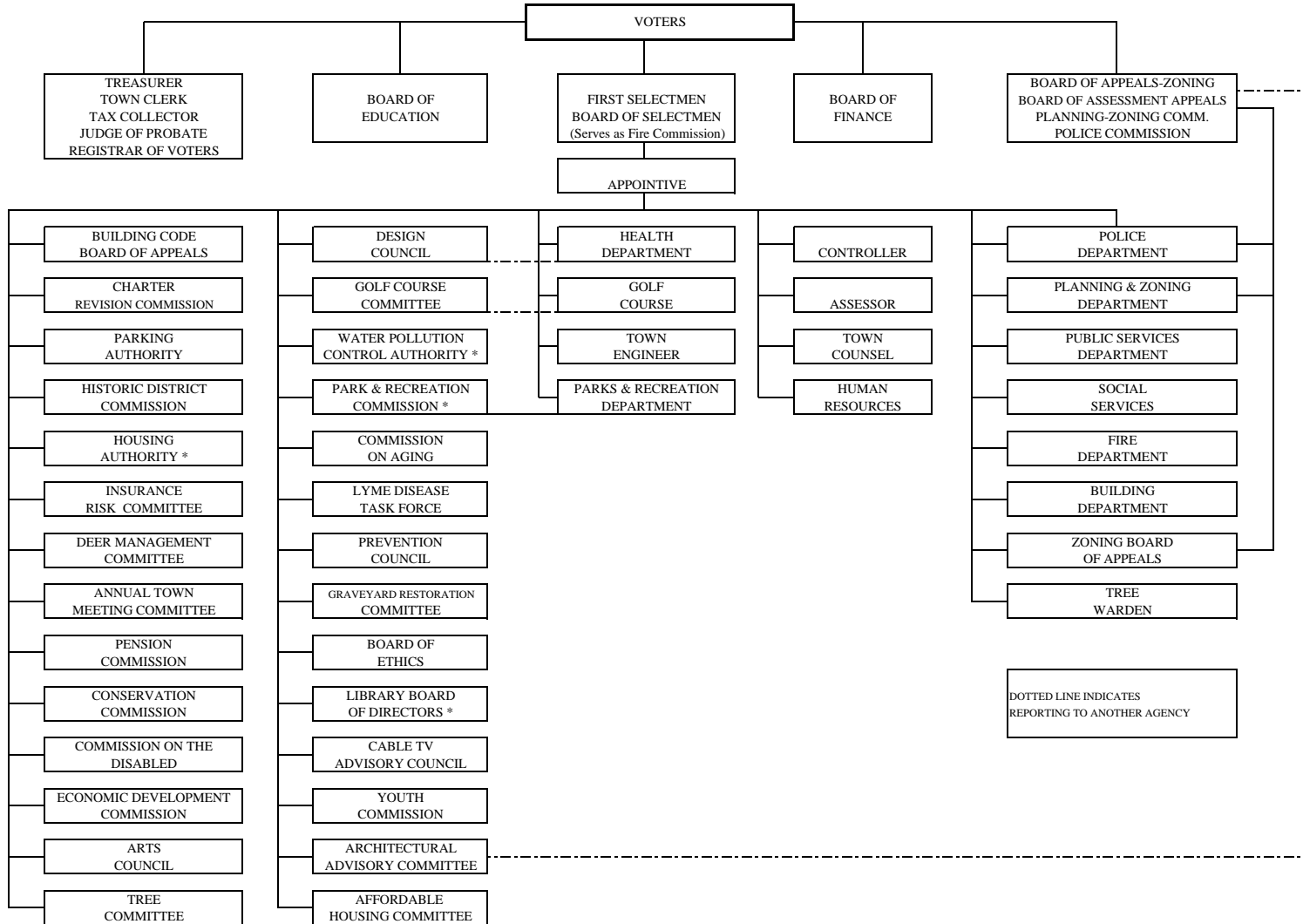
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Introductory Section

TOWN OF RIDGEFIELD, CONNECTICUT

ORGANIZATIONAL CHART



* Appointed by Board of Selectmen but no direct reporting control



TOWN OF RIDGEFIELD

Finance Department

December 16, 2014

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, 2014.

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, 2014 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 unmodified opinion that the Town of Ridgefield's financial statements for the fiscal year ended June 30, 2014 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, Connecticut, Westchester County, New York 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 midsized 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 10.1% in 2014. The current undesignated fund balance provides the Town with the equivalence of approximately 37 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 2014. The net assets held in trust increased \$15,653,550 to \$95,760,478 at June 30, 2014 as a result of current year activity. The Pension Trust Fund experienced a trust yield of 18.8% 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 used a five year phase-in funding approach. For fiscal 2014, the Town and Board of Education contributed a total of \$432,000 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, 2013. 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, 2014**

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
Kevin Tappe, 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, 2013

Executive Director/CEO

Financial Section

BlumShapiro

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, 2014, 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, 2014 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, the budgetary comparison information on pages 63 through 65, the schedules of changes in the net pension liabilities and related ratios on pages 66 through 68, the schedules of employer contributions on pages 69 through 71 and the schedule of investment returns on page 72 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 16, 2014 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 16, 2014

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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 twelve special revenue governmental funds, two internal service funds, and one permanent fund are combined into single, aggregated presentations. 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 (RSI 1-2).

Schedule of Changes in the Town's Net Pension Liability and Related Ratios -

Last Fiscal Year (RSI-3).

Schedule of Changes in Town's Net Pension Liability and Related Ratios -

Last Fiscal Year - Firefighters Union Pension Plan (RSI-4)

Schedule of Changes in Town's Net Pension Liability and Related Ratios -Last Fiscal Year - Police Union Pension Plan (RSI-5)

Schedule of Town Contributions - Last 10 Fiscal Years (RSI-6)

Schedule of Investment Returns - Last Fiscal Year (RSI-7)

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 \$114,297,377 (net position). Of this amount, \$20,978,070 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position grew by \$2,668,602. This increase resulted primarily from an increase in fund balances of \$2,171,323 driven by a positive general fund operation of \$1,405,205, a \$245,684 gain in bonded projects account, while various other results and transactions contributed to an overall additional net increase of \$520,434.
- ❖ As of the close of the current fiscal year, the Town's governmental funds reported combining ending fund balances of \$16,655,644, an increase of \$2,171,323 in comparison with the prior year. Of this amount, \$9,487,426 is available for spending at the government's discretion (unassigned fund balance).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,897,561, or 9.67% of 2015 budgeted general fund expenditures.
- ❖ Ridgefield floated two bond issues in FY 2014, one for \$8,170,000, mostly for the library, and a refunding issue for \$10,240,000. The net result was a \$2,040,000 reduction in our bonded debt from \$89,690,000 to \$87,650,000. We continued to reduce our 2% drinking water notes from \$463,361 to \$437,815.

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 (81.61%) reflect 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 2014	Total Primary Government 2013
Current and other assets	\$ 31,105,661	\$ 30,506,337
Capital assets	<u>189,718,792</u>	<u>191,411,754</u>
Total Assets	<u>220,824,453</u>	<u>221,918,091</u>
Deferred charge on refunding	<u>2,997,383</u>	
Long-term liabilities	99,801,694	98,506,445
Other liabilities	<u>9,722,765</u>	<u>11,782,871</u>
Total Liabilities	<u>109,524,459</u>	<u>110,289,316</u>
Net position:		
Net investment in capital assets	93,277,534	92,535,842
Restricted	41,773	41,682
Unrestricted	<u>20,978,070</u>	<u>19,051,251</u>
Total Net Position	<u>\$ 114,297,377</u>	<u>\$ 111,628,775</u>

The balance of *unrestricted net position*, \$20,978,070, 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 \$2,668,602 during the current fiscal year as previously indicated and explained.

Governmental activities brought in general revenues of \$150,192,788 which exceeded its gross operating expenses of \$147,524,186 by the amount of the net asset increase. Gross expenses were offset by \$13,129,721 in charges for services and \$17,836,669 in operating grants and

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

contributions. Of the net expenses, \$81,094,780 was accounted for by the Board of Education. Public safety net expenses of \$11,464,472, public works net expenditures of \$5,572,405, general government net expenses of \$5,353,901, and interest expense of \$2,813,682 constituted the majority of the Town's net expenses. The majority of the Town's revenues was \$117,235,686 in property tax collections followed by \$17,836,669 in operating grants, and \$13,129,721 charges for services. Other revenue sources were \$241,212 in unrestricted grants and contributions, \$68,309 in investment income, and \$1,681,191 of miscellaneous income, mostly from the sale of land.

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

Table 2. Changes in Net Position

	Total Primary Government 2014	Total Primary Government 2013
Revenues:		
Program revenues:		
Charges for services	\$ 13,129,721	\$ 12,803,701
Operating grants and contributions	17,836,669	15,679,679
General revenues:		
Property taxes	117,235,686	113,078,138
Grants and contributions not restricted to specific purpose	241,212	706,590
Unrestricted investment earnings	68,309	49,688
Miscellaneous	1,681,191	48,768
Total Revenues	<u>150,192,788</u>	<u>142,366,564</u>
Program Expenses:		
General government	7,239,708	5,547,382
Health and welfare	1,128,544	766,590
Recreation	7,558,077	7,270,110
Public safety	13,142,993	12,854,341
Public works	9,551,580	8,536,286
Education	99,372,877	96,137,658
Library	6,716,725	1,584,665
Interest	2,813,682	2,914,288
Total Program Expenses	<u>147,524,186</u>	<u>135,611,320</u>
Change in net position	2,668,602	6,755,244
Net Position - July 1, as Restated	<u>111,628,775</u>	<u>104,873,531</u>
Net Position - June 30	<u>\$ 114,297,377</u>	<u>\$ 111,628,775</u>

Property taxes collected rose by \$4.158 million or 3.68% between fiscal year 2013 and 2014 based on the need for increased costs of education, general government, and higher than expected prior year taxes. The collection rate rose to 98.7%, 0.2% higher than last year. Charges for services were \$326 thousand over last year on account of greater recreation fees and town staff services. Operating grants and contributions enjoyed a \$2.157 boost in education funding. Unrestricted grants were down from last year by \$465 thousand reflecting

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

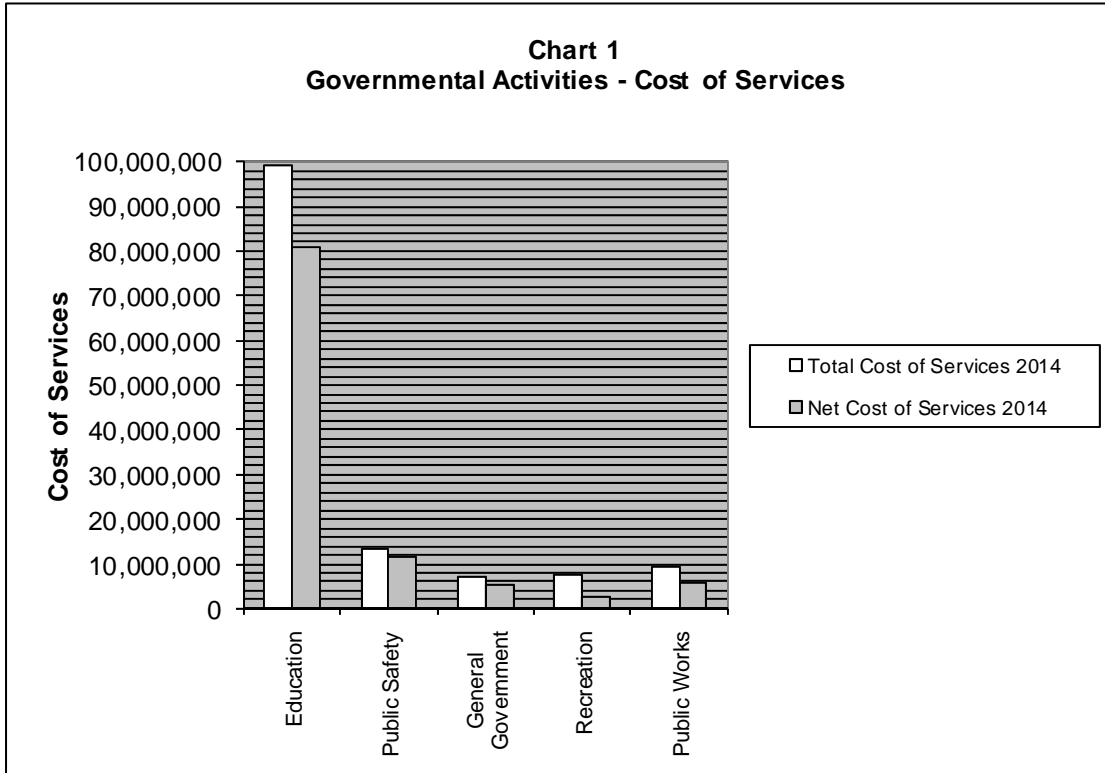
the end of the municipal revenue sharing grant which, last year, added \$445,994 to our revenues but none this year.

Miscellaneous revenue saw a \$1.632 million increase over fiscal 2013 as a result of our \$1.250 million land sale.

Overall, program expenses rose \$11.913 million from last year over many lines. Foremost of the higher outlays was \$6.717 million related to the new library more fully discussed below. General government was up by \$1.692 million, public works by \$1.015 million, and education by \$3.235 million.

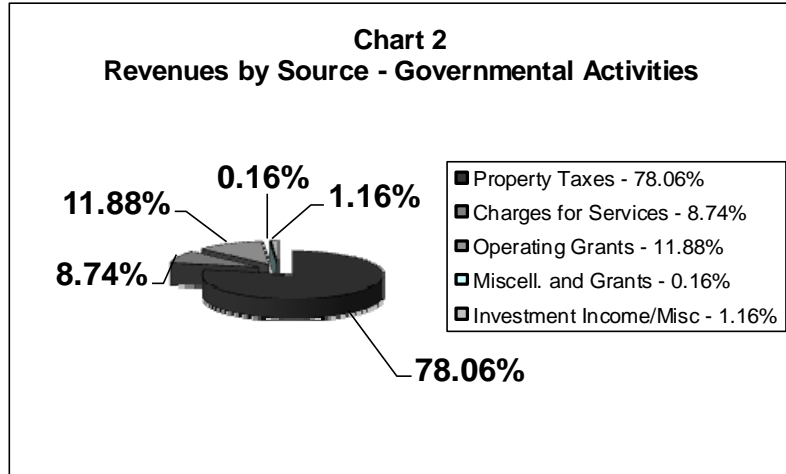
Chart 1 presents the costs of educational services and the four most costly government services as well as each group's net cost (total cost less revenues and grants generated by the activities). Functions not represented on the chart include Health and Welfare, Library and Interest.

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 total expenses reflects higher costs of education and the Town's contribution to the new library.

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.



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 governmental activities financial position improved over last year with an increase in net position of \$2,668,602.

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 \$16,655,644, an increase of \$2,171,323 from the prior year’s \$14,484,321. At June 30, 2014, \$9,487,426 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 \$7,131,650 of balances with restricted balances of \$1,647,461, committed balances in the amount of \$2,325,461, and assigned balances of \$3,158,728 comprised of \$900,000 of future use of fund balance and \$2,258,728 of education 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 \$16,056,289, and the unassigned general fund balance was \$12,897,561.

The Town of Ridgefield’s governmental funds fund balance increased by \$2,171,323 during the current fiscal year. Key factors in this increase are as follows:

- The General Fund realized revenues of \$140,890,400 and expenditures of \$138,504,979 for a positive operating result of \$2,385,421. Transfers out of \$1,005,216 to other funds and transfers in of \$25,000 generated a net other financing use of (\$980,216). The net change in fund balance for the general fund was an increase of \$1,405,205 to \$16,056,084.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- The capital nonrecurring fund reflects revenues of \$298,452 and expenditures of \$1,082,478 producing a net excess of expenditures over revenues of (\$784,026). The inclusion of \$440,000 of capital lease proceeds and \$314,500 of transfers in brought the fund balance from the prior year's positive \$457,359 down to a positive \$427,833. We use this fund to account for our various projects.
- The bonded projects fund accounts for our debt transactions and capital outlays not paid for from the operating budget. This fund generated \$22,113 of grant revenues and \$1,550,000, primarily related to the \$1,250,000 sale of land, from various other sources in fiscal year 2014 for a total revenue of \$1,572,113. We recorded \$9,648,781 of capital outlay (\$9,338,922) and debt service (\$309,859) expenditures for capital projects for negative operating results of (\$8,076,668). However, we applied \$10,240,000 of refunding bond and \$8,170,000 new bond proceeds plus bond premiums paid over par of \$1,131,311 less a transfer out of \$314,500 and defeasement of the refunded bonds in the amount of \$11,237,245 for a net increase in fund balance of \$245,684. When applied to the prior year negative fund balance of \$3,542,659, the fund ended the year with a negative fund balance of (\$3,296,975). Fund balance fluctuations are expected due to the timing of bond issuances.
- The sewer bond repayment fund realized \$183,683 of revenues, mostly from service charges and experienced no direct disbursements. There were no expenditures nor transfers in or out, thus fund balance rose by \$183,683 to \$1,659,949.
- Other nonmajor governmental funds collectively realized total revenues of \$6,920,851 and total expenditures of \$7,469,790 for a combined operating shortfall of (\$548,939). Coupled with a net other financing sources and uses input of \$915,216, the nonmajor governmental funds fund balance increased a total of \$366,277 to \$1,442,271.

General Fund Budgetary Highlights

During the year, there was \$300,000 added to the Town Clerk's fees, \$480,000 of additional funds provided for the police department, and \$280,000 for parks and recreation increasing the original revenue budget of \$128,378,233 by \$1,060,000 to \$129,438,233. The police item represented police private duty revenue more than contemplated and the parks and recreation realized higher activity fees as did the Town Clerk's office.

On the expenditure side, general government expenditures were also increased \$1,060,000 with several line item adjustments. Of note, the police department was accorded an additional \$340,000, the highway department an added \$425,000, and parks and recreation an extra \$235,000. In general government, an additional \$70,000 was added to legal counsel somewhat offset by a \$80,000 reduction in insurance and benefits. Finally, an extra \$75,000 was included for town buildings and \$20,000 for school buildings. There were multiple adjustments within the education budget that resulted in no net change to its original \$82,871,238 budget. Combined budget increases represented 0.28% of the original budget.

Operational results generated a negative revenue variance over budget of a net (\$508,905) primarily due not using \$1,750,000 of budgeted general fund balance. We exceeded budget in all major revenue categories save for nominal shortfalls in intergovernmental revenues (\$6,155) and investment income (\$2,751).

We continued to control expenditures in a variety of ways that ultimately generated a net positive expenditure budget variance of \$745,493. Every major department contributed to this effort with public safety favorable by \$205,893, general government \$101,793, public works with \$133,751, and parks and recreation with \$60,849. The Board of Education returned \$217,563 in fringe benefit savings.

In summary, the final general fund balance rose to \$16,056,289, an increase of \$1,405,205.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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, 2014 details our capital asset additions of \$4,137,476 during the fiscal year before dispositions of \$2,026,988. The total net increase of (before depreciation) in the Town's investment in capital assets for the current fiscal year was a net \$2,110,488, a 0.52% increase for governmental activities.

The new library, our component unit, added \$18.2 million in new building assets and over a million dollars in furnishings and equipment. The open, flexible floor plan of the new library supports a range of options for each visitor, without requiring additional staff. There are distinct age-appropriate environments for children, teens and adults, as well as clearly defined areas for quiet study and for lively activity. Visitors may choose self-service or personal assistance from the staff, a high-speed computer workstation or secure wireless access anywhere in the building. There is room for a wide and changing range of materials, from traditional print books to the latest digital format. As community needs and library trends evolve, the flexible configuration allows for easy adaptation

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

- Land – we sold a piece of land for commercial development at a bid price of \$1,250,000 to a developer who plans to build a hotel, a self-storage facility, and general commercial office building.
- All of last year's construction in progress has been completed. For this year, we added a parks and recreation generator, a recreation center outdoor spray and splash pad (\$96 thousand + \$323,000 thousand), and a traffic light on Route 7 (\$124 thousand).
- Building improvements
 - ❖ Board of Education auditorium seats - \$142 thousand
 - ❖ Other various Board of Ed items - \$496 thousand
 - ❖ Police Dispatch Console - \$234 thousand
- Machinery and Equipment
 - ❖ Golf – 2 mowers, \$66 thousand
 - ❖ Public Works – John Deere backhoe, \$99.7 thousand plus \$64 thousand for other items
 - ❖ Parks and Recreation – Two items, \$61 thousand
- Infrastructure
 - ❖ Copps Hill Streetscape, \$371 thousand
 - ❖ Sidewalks - \$51 thousand
 - ❖ Golf cart paths - \$25 thousand
 - ❖ South Street Gas Main - \$179 thousand
 - ❖ Route 35 Pedestrian Footbridge - \$157 thousand

Our deletions of \$2,026,988 represent the sale or junking of 100% depreciated vehicles and a \$1,250,000 land sale/transfer.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

**Table 3. Capital Assets at Year End
(Net of Depreciation)**

	Total Primary Government	
	2014	2013
Land	\$ 29,612,176	\$ 30,862,176
Land improvements	1,684,038	1,755,556
Buildings	119,660,029	120,628,466
Machinery and equipment	7,593,104	7,258,916
Infrastructure	30,626,965	30,462,974
Construction in progress	542,480	443,666
Total	\$ 189,718,792	\$ 191,411,754

Additional information on the Town of Ridgefield's capital assets can be found in Note 3.C., Capital Assets, in the Notes to Financial Statements, June 30, 2014 of this report.

Long-term and Short-term Debt. At the end of the current fiscal year, the Town of Ridgefield had outstanding \$87,650,000 of long-term bonded debt and \$437,815 of long-term notes. As earlier discussed, we retired \$20,450,000 of bond principal through principal payments and refunding and \$25,546 of maturing long-term note principal. We retired \$6,200,000 of BANs issued to fund ongoing capital project expenditures and renewed \$5,000,000 to mature December 16, 2014. 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.

Table 4. Long-Term Debt

	Total Primary Government	
	2014	2013
General obligation bonds	\$ 87,650,000	\$ 89,690,000
Notes payable	437,815	463,361
Total	\$ 88,087,815	\$ 90,153,361

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, 2014, the maximum amount of borrowing permitted under the formula would be \$816,623,311. With net borrowings for debt limit purposes of \$91,600,588, which includes \$4,175,819 of debt authorized but unissued, the Town of Ridgefield's outstanding general obligation debt is \$725,022,723 below the maximum debt limitation (see Note 3.F. Long-term Debt in Notes to Financial Statements and Table 10, June 30, 2014 of this report).

The Town of Ridgefield has no overlapping debt.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town of Ridgefield at June 30, 2014 was 4.8%, down 1.1% from a year ago. This compares favorably to the state's average unemployment rate of 6.4% and the national average rate of 6.3% for the same period (not seasonally adjusted).
- Inflationary trends in the region compare favorably to the national indices.

The FY 2014 - 15 budget rose \$4,988,874, or 3.89% over last year to \$133,367,107. Town operations increased by 2.97% while education costs rose 2.86%. Property taxes were \$5,389,300 or 4.66% above FY 2014's budget of \$115,658,438. Intergovernmental revenues were budgeted incrementally lower than the previous year by \$66,000 (2.15%) at \$3,002,000.

While there were other modest increases and decreases 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 \$900,000 to complete balancing the budget as required by state law. Our ending general fund balance for FY 2014 is \$16,056,289 and in the vicinity of 11.4% of general fund expenditures, comparable for Fairfield County AAA credits. To fund the new budget, the mill rate went from 25.38 mills to 26.01 mills, a 2.49% increase.

On the expenditure side, Town operations were budgeted at \$33,281,685 (before capital outlays and debt service), a \$961,072 or 2.97% increase from the prior year. School operations increased \$2,373,489 to \$85,244,727, a 2.86% rise over last fiscal year. Debt service decreased a net \$285,686, or (1.48%) to \$12,990,695. Capital project expenditures for road paving and drainage were budgeted at \$1,850,000 for the first time in the operating budget as opposed to the capital budget. Notable increases (or decreases) in existing Town functions are detailed below:

- ❖ Tax collections were raised \$5.389 million to fund the \$2.373 million increase in the education budget, the \$961 thousand increase in the town budget, and the \$1.850 million raise in capital outlay;
- ❖ Budgeted use of fund balance was reduced from \$1.750 million in 2014 to \$900 thousand in FY 2015 being partially offset by the higher tax levy;
- ❖ Information services will be \$72.4 thousand or 17.83% which is more costly due to higher levels of equipment maintenance;
- ❖ Town insurance saw a modest increase of \$61.7 thousand or 14.87% due to higher MIRMA and liability insurance premiums;
- ❖ The recreation center needed \$120 thousand more than before in part due to operating expenses, mostly utilities, maintenance, and program costs, of \$88.8 thousand;
- ❖ Fire services rose \$105.2 thousand or 2.78% based primarily on salary increases;
- ❖ Highway support services required a new \$104 thousand related to lease payments on a new MORBARK not previously in the budget;
- ❖ The Board of Education contributed \$2.373 million to the FY 2015 budget increase.

All of these factors contributed to Ridgefield's budget for the 2015 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, 2014

	Primary Government Governmental Activities	Component Unit Ridgefield Library
Assets:		
Cash and cash equivalents	\$ 24,764,700	\$ 3,830,091
Restricted cash	11,409	
Investments	59,178	270,454
Restricted investments	30,364	1,922,894
Receivables, net	6,203,442	1,320,889
Other assets	36,568	14,164
Capital assets:		
Assets not being depreciated	30,154,656	246,441
Assets being depreciated, net	159,564,136	19,257,314
Total assets	220,824,453	26,862,247
Deferred Outflows of Resources:		
Deferred charge on refunding	2,997,383	
Liabilities:		
Accounts payable and accrued items	2,398,425	182,085
Interest payable	1,255,374	
Unearned revenue	1,006,622	
Other liabilities	62,344	
Bond anticipation note payable	5,000,000	
Noncurrent liabilities:		
Due within one year	11,754,457	
Due in more than one year	88,047,237	2,277,550
Total liabilities	109,524,459	2,459,635
Net Position:		
Net investment in capital assets	93,277,534	17,240,364
Restricted for:		
Endowments		1,944,652
Perpetual trust held by third party		1,849,854
Permanent Fund:		
Expendable	41,773	
Unrestricted	20,978,070	3,367,742
Total Net Position	\$ 114,297,377	\$ 24,402,612

The accompanying notes are an integral part of the financial statements

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

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>	<u>Component Unit</u>
Primary Government:						
Governmental Activities:						
General government	\$ 7,239,708	\$ 1,780,912	\$ 104,895	\$ -	\$ (5,353,901)	\$ -
Health and welfare	1,128,544	80,556	213,946	-	(834,042)	-
Recreation	7,558,077	4,535,460	314,828	-	(2,707,789)	-
Public safety	13,142,993	1,384,985	293,536	-	(11,464,472)	-
Public works	9,551,580	2,812,681	1,166,494	-	(5,572,405)	-
Education	99,372,877	2,535,127	15,742,970	-	(81,094,780)	-
Library	6,716,725	-	-	-	(6,716,725)	-
Interest on long-term debt	2,813,682	-	-	-	(2,813,682)	-
Total Primary Government	<u>\$ 147,524,186</u>	<u>\$ 13,129,721</u>	<u>\$ 17,836,669</u>	<u>\$ -</u>	<u>(116,557,796)</u>	<u>-</u>
Component Unit:						
Ridgefield Library Association, Inc.	<u>\$ 2,901,643</u>	<u>\$ 46,688</u>	<u>\$ 7,000,098</u>	<u>\$ 878,599</u>	<u>-</u>	<u>5,023,742</u>
General Revenues:						
Property taxes					117,235,686	
Grants and contributions not restricted to specific programs					241,212	
Investment income					68,309	792,172
Miscellaneous					1,681,191	7,163
Net General Revenues					<u>119,226,398</u>	<u>799,335</u>
Change in Net Position					2,668,602	5,823,077
Net Position - Beginning of Year, as Restated					<u>111,628,775</u>	<u>18,579,535</u>
Net Position - End of Year					<u>\$ 114,297,377</u>	<u>\$ 24,402,612</u>

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	<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	\$ 18,182,672	\$ 312,310	\$ 2,147,174	\$ 1,659,949	\$ 2,375,851	\$ 24,677,956
Investments	59,178				30,364	89,542
Receivables, net	4,345,828	231,859		650,790	150,630	5,379,107
Due from other funds	59,358	140,000				199,358
Other assets					36,568	36,568
Total Assets	<u>\$ 22,647,036</u>	<u>\$ 684,169</u>	<u>\$ 2,147,174</u>	<u>\$ 2,310,739</u>	<u>\$ 2,593,413</u>	<u>\$ 30,382,531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,038,613	\$ 25,893	\$ 444,149		\$ 309,887	\$ 1,818,542
Accrued payroll	565,325					565,325
Due to other funds					199,358	199,358
Bond anticipation notes payable			5,000,000			5,000,000
Unearned revenue	844,275				162,347	1,006,622
Other	62,344					62,344
Total Liabilities	<u>2,510,557</u>	<u>25,893</u>	<u>5,444,149</u>	<u>-</u>	<u>671,592</u>	<u>8,652,191</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	4,080,190					4,080,190
Unavailable revenue - special assessments		230,443		650,790		881,233
Unavailable revenue - other receivables					113,273	113,273
Total Deferred Inflows of Resources	<u>4,080,190</u>	<u>230,443</u>	<u>-</u>	<u>650,790</u>	<u>113,273</u>	<u>5,074,696</u>
Fund balances:						
Nonspendable					36,568	36,568
Restricted		427,833			1,219,628	1,647,461
Committed				1,659,949	665,512	2,325,461
Assigned	3,158,728					3,158,728
Unassigned	12,897,561		(3,296,975)		(113,160)	9,487,426
Total Fund Balances	<u>16,056,289</u>	<u>427,833</u>	<u>(3,296,975)</u>	<u>1,659,949</u>	<u>1,808,548</u>	<u>16,655,644</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,647,036</u>	<u>\$ 684,169</u>	<u>\$ 2,147,174</u>	<u>\$ 2,310,739</u>	<u>\$ 2,593,413</u>	<u>\$ 30,382,531</u>

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2014

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)	\$	16,655,644
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Governmental capital assets	\$	264,111,651
Less accumulated depreciation		<u>(74,392,859)</u>
		189,718,792
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		897,552
Property tax, sewer use, sewer assessment and loan receivable - accrual basis change		5,074,696
Interest and lien allowance for doubtful accounts		(73,217)
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.		
		83,595
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(87,650,000)
Notes payable		(437,815)
Bond premium		(8,036,405)
Deferred charge on refunding		2,997,383
Pension obligation		(537,559)
OPEB obligation		(1,267,000)
Interest payable on bonds		(1,255,374)
Compensated absences		(1,237,895)
Claims and judgments		(173,425)
Lease obligations		<u>(461,595)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>114,297,377</u></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, 2014

	<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	\$ 116,757,863					\$ 116,757,863
Intergovernmental	15,098,029	259,485	22,113		1,828,007	17,207,634
Charges for services	8,849,796			183,683	4,208,038	13,241,517
Contributions					870,247	870,247
Income from investments	57,251	10,411			639	68,301
Other	127,461	28,556	1,550,000		13,920	1,719,937
Total revenues	<u>140,890,400</u>	<u>298,452</u>	<u>1,572,113</u>	<u>183,683</u>	<u>6,920,851</u>	<u>149,865,499</u>
Expenditures:						
Current:						
General government	10,993,391				25,009	11,018,400
Health and welfare	397,580				298,079	695,659
Community grants	225,772					225,772
Recreation	5,404,145				529,591	5,933,736
Public safety	8,980,252				38,899	9,019,151
Public works	4,839,039				1,928,995	6,768,034
Education	92,761,909				4,649,217	97,411,126
Library	1,716,725					1,716,725
Debt service	13,186,166		309,859			13,496,025
Capital outlay		1,082,478	9,338,922			10,421,400
Total expenditures	<u>138,504,979</u>	<u>1,082,478</u>	<u>9,648,781</u>	<u>-</u>	<u>7,469,790</u>	<u>156,706,028</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,385,421</u>	<u>(784,026)</u>	<u>(8,076,668)</u>	<u>183,683</u>	<u>(548,939)</u>	<u>(6,840,529)</u>
Other Financing Sources (Uses):						
Payment to refunded bond escrow agent			(11,237,245)			(11,237,245)
Premium on refunding bonds			1,131,311			1,131,311
Refunding bonds			10,240,000			10,240,000
Issuance of bonds			8,170,000			8,170,000
Premium on issuance of bonds			332,786			332,786
Issuance of capital lease		440,000				440,000
Transfers in	25,000	314,500			940,216	1,279,716
Transfers out	(1,005,216)		(314,500)		(25,000)	(1,344,716)
Net other financing sources (uses)	<u>(980,216)</u>	<u>754,500</u>	<u>8,322,352</u>	<u>-</u>	<u>915,216</u>	<u>9,011,852</u>
Net Change in Fund Balances	1,405,205	(29,526)	245,684	183,683	366,277	2,171,323
Fund Balances - Beginning 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>
Fund Balances - End of Year	<u>\$ 16,056,289</u>	<u>\$ 427,833</u>	<u>\$ (3,296,975)</u>	<u>\$ 1,659,949</u>	<u>\$ 1,808,548</u>	<u>\$ 16,655,644</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, 2014

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)	\$ 2,171,323
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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	3,693,810
Less current year depreciation	(4,235,077)

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.

(1,151,695)

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

Note receivable receipts	(2,816)
Decrease in property tax, sewer use, sewer assessment and loan receivable - accrual basis change	(13,107)
Decrease in property tax, sewer use and sewer assessment interest and lien revenue	(743,600)
Decrease in property tax and sewer use allowance for doubtful accounts	1,123,473

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

Issuance of capital leases	(440,000)
Issuance of bonds	(8,170,000)
Issuance of refunding bonds	(10,240,000)
Premium on bonds	(332,786)
Premium on refunding bonds	(1,131,311)
Payments on general obligations bonds	20,450,000
Payments on notes payable	25,546
Payments on capital leases	486,408

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	216,543
OPEB obligation	(401,000)
Compensated absences	(22,226)
Accrued interest	168,072
Deferred charge on refunding	330,625
Bond premium amortization	948,161
Claims and judgments	(17,826)

The net revenue of the activities of the Internal Service Fund is reported with governmental activities.	<u>(43,915)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u><u>\$ 2,668,602</u></u>
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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, 2014

	Governmental Activities
	<u>Internal Service Funds</u>
Assets:	
Cash and cash equivalents	\$ 98,154
Liabilities:	
Accounts payable	<u>14,559</u>
Net Position:	
Unrestricted	<u>\$ 83,595</u>

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, 2014

	Governmental Activities
	<u>Internal Service Funds</u>
Operating Revenues:	
Insurance proceeds	\$ 101,261
Operating Expenses:	
Claims incurred	<u>210,184</u>
Operating Loss	(108,923)
Nonoperating income:	
Investment income	<u>8</u>
Loss before transfers	(108,915)
Transfers in	<u>65,000</u>
Change in Net Position	(43,915)
Net Position - Beginning of Year	<u>127,510</u>
Net Position - End of Year	<u><u>\$ 83,595</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, 2014

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received as insurance proceeds	\$ 101,261
Cash paid for benefits, claims and administration	(204,619)
Net cash used in operating activities	<u>(103,358)</u>
Cash Flows Provided by Noncapital Financing Activities:	
Transfers in	<u>65,000</u>
Cash Flows from Investing Activities:	
Investment income	<u>8</u>
Net Decrease in Cash	(38,350)
Cash and Cash Equivalents - Beginning of Year	<u>136,504</u>
Cash and Cash Equivalents - End of Year	<u>\$ 98,154</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (108,923)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts payable	<u>5,565</u>
Net Cash Used in Operating Activities	<u>\$ (103,358)</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, 2014

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 23,442	\$ 16,817	\$ 1,758,771
Investments - at fair value:			
Mutual funds:			
Equity	93,739,200	2,302,764	
Common stock	1,749,730		
Certificates of deposit			235,813
Total investments	<u>95,488,930</u>	<u>2,302,764</u>	<u>235,813</u>
Other assets:			
Prepaid benefits	<u>248,106</u>		
Total assets	95,760,478	2,319,581	<u>\$ 1,994,584</u>
Liabilities:			
Due to others			<u>\$ 1,994,584</u>
Net Position	<u>\$ 95,760,478</u>	<u>\$ 2,319,581</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, 2014

	Pension Trust Funds	OPEB Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 2,703,328	\$ 432,000
Plan members	542,414	
Total contributions	<u>3,245,742</u>	<u>432,000</u>
Net investment income:		
Net appreciation in fair value of investments	11,055,424	
Interest and dividends	4,293,329	141,366
	<u>15,348,753</u>	<u>141,366</u>
Less investment expense	(25,000)	
Net investment income	<u>15,323,753</u>	<u>141,366</u>
Total additions	<u>18,569,495</u>	<u>573,366</u>
Deductions:		
Benefits	2,852,379	
Administration	63,566	
Total deductions	<u>2,915,945</u>	<u>-</u>
Change in Net Position	15,653,550	573,366
Net Position - Beginning of Year	<u>80,106,928</u>	<u>1,746,215</u>
Net Position - End of Year	<u>\$ 95,760,478</u>	<u>\$ 2,319,581</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 75% 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, 2014.

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

I. 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.

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

J. 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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

K. 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.

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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 - This includes amounts constrained to be used for a specific purpose by Executive Management or the Board of Finance, which have been delegated authority to assign amounts by the Town Charter. For the General Fund, this includes the designations of fund balance for subsequent year's budget. 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.

L. 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 a deferred inflow of resources, since they are not considered to be available to finance expenditures of the current fiscal year.

M. 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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- 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, 2014, there was an additional appropriation of \$1,060,000.
- 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.
- 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.

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

B. Deficit Fund Equity

The following individual funds had deficit fund balances at June 30, 2014:

Major Funds:	
Bonded Projects	\$ 3,296,975
Nonmajor governmental funds:	
Cafeteria	12,055
Youth Barn	17,215
Solid Waste	47,322

The deficit in the Bonded Projects Fund will be funded by future bond issues. The deficit in the Youth Barn will be funded by future operating transfers from the General Fund. The deficit in the Solid Waste and Cafeteria funds will be funded by future revenues from the funds.

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.

D. Capital Projects Authorizations

The following is a summary of bonded projects and capital nonrecurring projects at June 30, 2014:

<u>Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2014</u>
School buildings	\$ 5,487,729	\$ 303,629	\$ 4,373,943	\$ 1,113,786
Infrastructure	34,031,306	7,066,694	31,603,620	2,427,686
Municipal buildings	2,988,621	565,992	2,496,550	492,071
Motor vehicles	1,411,055	461,471	1,394,248	16,807
Machinery and equipment	<u>2,162,504</u>	<u>853,548</u>	<u>2,037,035</u>	<u>125,469</u>
Total	<u>\$ 46,081,215</u>	<u>\$ 9,251,334</u>	<u>\$ 41,905,396</u>	<u>\$ 4,175,819</u>

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

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.

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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$17,534,195 of the Town's bank balance of \$18,325,409 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,818,031
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,716,164</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 17,534,195</u>

At June 30, 2014, the entire balance of the component unit's deposits was covered by federal depository insurance.

Cash Equivalents

At June 30, 2014, the Town's cash equivalents amounted to \$11,534,114. 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.

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

*Not rated

At June 30, 2014, the component unit's cash equivalents include money market funds of \$3,373,351 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	*	\$ <u>325,355</u>	\$ <u>100,727</u>	\$ <u>164,313</u>	\$ <u>60,314</u>
Total		325,355	<u>\$ 100,727</u>	<u>\$ 164,313</u>	<u>\$ 60,314</u>
Other investments:					
Common stock		1,749,730			
Mutual funds		<u>96,041,964</u>			
Total Investments		<u>\$ 98,117,049</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2014, the component unit's investments include mutual funds of \$270,454 with no rating or maturity, certificates of deposit of \$73,040 with no rating and a maturity in one to ten years and \$1,849,854 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.

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, 2014, 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, 2014 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*	\$ 4,155,865	\$	\$	\$	\$ 4,155,865
Assessments/use charges*			663,046	119,208	782,254
Intergovernmental		1,416		25,706	27,122
Loans receivable		230,443			230,443
Other	<u>265,638</u>			<u>11,651</u>	<u>277,289</u>
Gross receivables	4,421,503	231,859	663,046	156,565	5,472,973
Less allowance for uncollectibles**	<u>75,675</u>		<u>12,256</u>	<u>5,935</u>	<u>93,866</u>
Net Total Receivables	<u>\$ 4,345,828</u>	<u>\$ 231,859</u>	<u>\$ 650,790</u>	<u>\$ 150,630</u>	<u>\$ 5,379,107</u>

* Does not include accrued interest on property taxes of \$874,330 and use charges of \$23,222.

** Does not include allowance for uncollectibles on accrued interest on property taxes of \$71,793 and use charges of \$1,424.

Ridgefield Library, the component unit, has recorded contributions receivable in the amount of \$875,292. Ridgefield Library expects \$481,127 to be collected within one year and \$875,292 to be collected within one to five years. The allowance for uncollectibles was \$54,403. 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 \$10,803. The Library also has recorded \$500,000 of grants receivable.

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 30,862,176	\$	\$ 1,250,000		\$ 29,612,176
Construction in progress	443,666	542,480	443,666		542,480
Total capital assets not being depreciated	<u>31,305,842</u>	<u>542,480</u>	<u>1,693,666</u>	<u>-</u>	<u>30,154,656</u>
Capital assets being depreciated:					
Land improvements	6,462,981	25,000			6,487,981
Buildings	147,689,254	1,208,206			148,897,460
Machinery and equipment	30,590,579	1,473,614	333,322		31,730,871
Infrastructure	45,952,507	888,176			46,840,683
Total capital assets being depreciated	<u>230,695,321</u>	<u>3,594,996</u>	<u>333,322</u>	<u>-</u>	<u>233,956,995</u>
Less accumulated depreciation for:					
Land improvements	4,707,425	96,518			4,803,943
Buildings	27,060,788	2,176,643			29,237,431
Machinery and equipment	23,331,663	1,237,731	333,322	(98,305)	24,137,767
Infrastructure	15,489,533	724,185			16,213,718
Total accumulated depreciation	<u>70,589,409</u>	<u>4,235,077</u>	<u>333,322</u>	<u>(98,305)</u>	<u>74,392,859</u>
Total capital assets being depreciated, net	<u>160,105,912</u>	<u>(640,081)</u>	<u>-</u>	<u>98,305</u>	<u>159,564,136</u>
Governmental Activities Capital Assets, Net	<u>\$ 191,411,754</u>	<u>\$ (97,601)</u>	<u>\$ 1,693,666</u>	<u>98,305</u>	<u>\$ 189,718,792</u>

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

Governmental activities:	
General government	\$ 409,608
Public safety	314,864
Public works	1,090,035
Recreation	442,105
Education	<u>1,978,465</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,235,077</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Component Unit

Activity for the Ridgefield Library Association, Inc., for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 246,441	\$		\$ 246,441
Construction in progress	6,213,576		6,213,576	-
Total capital assets not being depreciated	6,460,017	-	6,213,576	246,441
Capital assets being depreciated:				
Buildings	31,897	18,244,102		18,275,999
Furnishings and equipment	62,020	1,080,260		1,142,280
Total capital assets being depreciated	93,917	19,324,362	-	19,418,279
Less accumulated depreciation for:				
Buildings	24,622	61,390		86,012
Furnishings and equipment	37,569	37,384		74,953
Total accumulated depreciation	62,191	98,774	-	160,965
Total capital assets being depreciated, net	31,726	19,225,588	-	19,257,314
Ridgefield Library Association, Inc., Capital Assets, Net	\$ 6,491,743	\$ 19,225,588	\$ 6,213,576	\$ 19,503,755

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, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 59,358
Capital Nonrecurring Fund	Nonmajor governmental funds	140,000
		\$ 199,358

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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:

	Transfers In				
	General Fund	Capital Nonrecurring Fund	Internal Service Funds	Nonmajor Govern- mental Funds	Total Transfers Out
Transfers out:					
General Fund	\$	\$	\$ 65,000	\$ 940,216	\$ 1,005,216
Bonded Projects		314,500			314,500
Nonmajor Governmental	<u>25,000</u>	<u> </u>	<u> </u>	<u> </u>	<u>25,000</u>
Total Transfers In	<u>\$ 25,000</u>	<u>\$ 314,500</u>	<u>\$ 65,000</u>	<u>\$ 940,216</u>	<u>\$ 1,344,716</u>

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, 2014 were as follows:

Outstanding, July 1, 2013	\$ 6,200,000
New borrowings	5,000,000
Repayments	<u>(6,200,000)</u>
 Outstanding, June 30, 2014	 <u>\$ 5,000,000</u>

The bond anticipation note outstanding at June 30, 2014 bears interest at 1.0% and matures on December 16, 2014.

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

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 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	\$ 89,690,000	\$ 18,410,000	\$ 20,450,000	\$ 87,650,000	\$ 10,005,000
Unamortized bond premiums	7,520,469	1,464,097	948,161	8,036,405	
Total bonds payable	<u>97,210,469</u>	<u>19,874,097</u>	<u>21,398,161</u>	<u>95,686,405</u>	<u>10,005,000</u>
Notes payable	463,361		25,546	437,815	23,202
Compensated absences	1,215,669	22,226		1,237,895	1,237,895
Pension obligation	754,102	2,461,542	2,678,085	537,559	
OPEB obligation	866,000	2,181,000	1,780,000	1,267,000	
Lease obligations	508,003	440,000	486,408	461,595	314,935
Claims and judgments	<u>155,599</u>	<u>173,425</u>	<u>155,599</u>	<u>173,425</u>	<u>173,425</u>
 Total Governmental Activities					
Long-Term Liabilities	<u>\$ 101,173,203</u>	<u>\$ 25,152,290</u>	<u>\$ 26,523,799</u>	<u>\$ 99,801,694</u>	<u>\$ 11,754,457</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.

General obligation bonds currently outstanding are as follows:

Description	Interest Rate (%)	Balance Outstanding June 30, 2014
General purpose:		
General obligation - improvement	3-6.2%	\$ 1,148,985
General obligation - improvement	1.75-5%	873,246
General obligation - refunding	2-5%	940,150
General obligation - refunding	2.25-5%	25,454,819
General obligation - refunding	2.375-5%	6,715,040
General obligation - refunding	2-5%	5,051,147
General obligation - improvement	2-4%	8,386,763
General obligation - improvement	3.0-4.0%	7,440,000
General obligation - refunding	2.0-5.0%	6,010,000
Total general purpose		62,020,150
School:		
School improvement - improvement	3-6.2%	192,925
School improvement - improvement	1.75-5%	4,401,754
School improvement - refunding	2-5%	1,134,850
School improvement - refunding	2.25-5%	2,715,181
School improvement - refunding	2.375-5%	8,789,330
School improvement - refunding	2-5%	518,853
School improvement - improvement	2-4%	1,653,237
School improvement - improvement	3.0-4.0%	730,000
School improvement - refunding	2.0-5.0%	3,985,000
Total school		24,121,130
Sewer:		
Sewer - improvement	3-6.2%	58,090
Sewer - refunding	2.375-5%	1,205,630
Sewer - refunding	2.0-5.0%	245,000
		1,508,720
Total outstanding		\$ 87,650,000

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Obligation Bonds - New Issue

On December 5, 2013, the Town issued \$8,170,000 of general obligation bonds with interest rates ranging from 3.0% to 4.0% payable in annual principal installments of \$430,000. The bonds mature on February 15, 2033.

General Obligation Bonds - Advance Refunding

On May 15, 2014, the Town issued \$10,240,000 of general obligation refunding bonds with interest rates ranging from 2.0 to 5.0%. The proceeds were used to advance refund the outstanding principal amount, or portions thereof, of \$4,460,000 of general obligation bonds, Series 2004, dated November 1, 2004 and \$6,175,000 of general obligation bonds, Series 2007, dated December 1, 2007. The net proceeds of \$11,237,245 (including a premium of \$1,131,311 and issuance costs of \$134,066) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of the refunded bonds. As a result, the Series 2004 and Series 2007 general obligation bonds, or a portion thereof, are considered defeased and the liability for those bonds has been removed from the statement of net position. The refunding will reduce total debt service payments over the next fourteen years by approximately \$783,619 and represents an economic gain (difference between present values of the debt service payments on the old and the new debt) of \$683,446. At June 30, 2014, the balance in escrow was \$11,237,239 and the balance of the refunded bonds was \$10,635,000.

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.

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
2015	\$ 10,005,000	\$ 3,163,557	\$ 23,202	\$ 8,801
2016	9,000,000	2,919,499	23,685	8,318
2017	8,520,000	2,600,125	24,177	7,826
2018	8,540,000	2,243,406	24,680	7,323
2019	8,600,000	1,864,456	25,193	6,810
2020-2024	30,195,000	4,421,229	134,046	25,969
2025-2029	8,875,000	1,322,881	148,576	11,438
2030-2033	3,915,000	275,758	34,256	413
	<u>\$ 87,650,000</u>	<u>\$ 18,810,911</u>	<u>\$ 437,815</u>	<u>\$ 76,898</u>
Total	<u>\$ 87,650,000</u>	<u>\$ 18,810,911</u>	<u>\$ 437,815</u>	<u>\$ 76,898</u>

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	\$ 4,357,766
Less accumulated depreciation	<u>3,396,549</u>
Total	<u><u>\$ 961,217</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2014 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2015	\$ 320,384
2016	148,398
Total minimum lease payments	<u>468,782</u>
Less amount representing interest	<u>7,187</u>
Present Value of Minimum Lease Payments	<u><u>\$ 461,595</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, 2014 is \$173,425.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2014 is \$4,175,819. 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	\$ 262,486,064	\$ 66,195,969	\$ 196,290,095
Schools	524,972,129	24,121,130	500,850,999
Sewers	437,476,774	1,283,489	436,193,285
Urban renewal	379,146,537		379,146,537
Pension deficit	349,981,419		349,981,419

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$816,623,311.

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, 2014 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	\$	\$	\$	\$	36,568	\$ 36,568
Restricted for:						
Grants					752,218	752,218
Parks and recreation - donations					69,087	69,087
Branchville Railroad Station					28,357	28,357
Public safety - donations					276,489	276,489
Education - donations					93,477	93,477
Capital projects		427,833				427,833
Committed to:						
Sewer assessment				1,659,949		1,659,949
Sewer operations					399,056	399,056
Education					266,456	266,456
Assigned:						
Education - encumbrances	2,258,728					2,258,728
Subsequent year's budget	900,000					900,000
Unassigned	12,897,561		(3,296,975)		(113,160)	9,487,426
Total Fund Balances	<u>\$ 16,056,289</u>	<u>\$ 427,833</u>	<u>\$ (3,296,975)</u>	<u>\$ 1,659,949</u>	<u>\$ 1,808,548</u>	<u>\$ 16,655,644</u>

Significant encumbrances at June 30, 2014 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 \$50,729 in fees and permits and spent \$60,314 in parking expenditures during fiscal year ended June 30, 2014. Fund balance at June 30, 2014 is \$28,357.

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.

Management of the plans rests with the Town's Pension Commission, which consists of seven appointed members, each serving three-year terms.

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, 2014 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, 2014 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, 2014, plan membership consisted of the following:

	Town Pension Plan	Police Union Pension Plan	Firefighters Union Pension Plan
Retirees and beneficiaries currently receiving benefits	156	35	21
Vested terminated employees	107	1	1
Active plan members	366	37	29
Total Participants	629 *	73	51

* The participants in the Town Pension Plan are comprised of 411 employees from the Board of Education and 218 employees from the Town.

Investments

Investment Policy: The Pension Commission has responsibility for selecting and hiring investment organizations and monitoring their results. The Commission's goal is to have a broadly diversified portfolio of assets allocated in a manner that that is intended to achieve the stated return objective. The Pension Commission is responsible for allocations among asset classes, and other investment characteristics, including expected return, risk, correlation and the assets' overall role in the portfolio.

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

The following was the Board's adopted asset allocation policy and long-term expected real rate of return as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>	<u>Weighting</u>
Domestic Equity	55.00%	7.55%	4.15%
Alternative Investments	14.00%	6.48%	0.91%
International Equity	13.00%	9.30%	1.21%
Domestic Fixed	10.00%	3.86%	0.39%
International Fixed	5.00%	3.10%	0.16%
Cash and Equivalents	<u>3.00%</u>	<u>1.86%</u>	<u>0.06%</u>
Total Portfolio	100.00%		6.88%
Long-Term Inflation Expectation			<u>2.00%</u>
Long-Term Expected Nominal Return			6.75%

The long-term expected rate of return on pension plan investments was determined by assigning a target allocation to each major asset class, and then estimating the rate of return for each asset class based on intermediate and long term investment horizons. These ranges were then combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the above table.

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability

In accordance with GASB Statement No. 67, the components of the net pension liability (asset) of the Town at June 30, 2014, were as follows:

	<u>Town Pension Plan</u>	<u>Firefighters Union Pension Plan</u>	<u>Police Union Pension Plan</u>
Total pension liability	\$ 45,080,109	\$ 16,582,806	\$ 26,809,680
Plan fiduciary net position	<u>50,230,102</u>	<u>17,157,990</u>	<u>27,959,082</u>
Net Pension Liability (Asset)	<u>\$ (5,149,993)</u>	<u>\$ (575,184)</u>	<u>\$ (1,149,402)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.42%	103.47%	104.29%

The Town's net pension liability (asset) will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%	
Salary increases	3.25%	
Investment rate of return	6.75%	net of pension plan investment expense, including inflation

Mortality rates were based on the Section 430 Mortality with separate male and female pre- and post-retirement rates as published by the United States Treasury Department for 2014.

The demographic assumptions used in the July 1, 2013 valuation were selected based on the plan population being representative of a normal population. The mortality table used was the latest available, based on large population studies of retirement plan participants with appropriate mortality improvement projections. Experience studies were not performed because the size of the plan population would render the results of any such studies statistically unreliable. Retirement age assumptions are chosen to represent our best estimate of each participant's expected retirement age, given the type of employment and the available benefits, as well as our historical knowledge of retirement trends for this plan's population.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

<u>Net Pension Liability (Asset)</u>	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
Town Pension Plan	\$ 176,724	\$ (5,149,993)	\$ (9,657,813)
Firefighters Union Plan	1,384,260	(575,184)	(2,233,394)
Police Union Plan	2,018,460	(1,149,402)	(3,830,256)

Annual Pension Cost and Net Pension Obligation

In accordance with GASB Statement No. 27, the Town's annual pension cost and net pension obligation to the Town of Ridgefield's pension plans for the year ended June 30, 2014 were as follows:

	<u>Town Pension Plan</u>	<u>Police Union Pension Plan</u>	<u>Firefighters Union Pension Plan</u>
Annual required contribution (ARC)	\$ 1,468,009	\$ 643,297	\$ 392,478
Interest on net pension obligation	24,246	18,946	7,711
Adjustment to annual required contribution	<u>(43,616)</u>	<u>(34,573)</u>	<u>(14,956)</u>
Annual pension cost	1,448,639	627,670	385,233
Contributions made	<u>1,550,489</u>	<u>700,325</u>	<u>427,271</u>
Decrease in net pension obligation	101,850	72,655	42,038
Net pension obligation, beginning of year	<u>359,202</u>	<u>280,672</u>	<u>114,228</u>
Net Pension Obligation, End of Year	<u>\$ 257,352</u>	<u>\$ 208,017</u>	<u>\$ 72,190</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual required contribution for the current year was determined as part of the June 30, 2014 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.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
Town Plan:				
6/30/2012	\$ 1,497,584	\$ 1,553,553	104 %	\$ 520,623
6/30/2013	1,428,303	1,589,725	111	359,202
6/30/2014	1,448,639	1,550,489	107	257,352
Police Plan:				
6/30/2012	\$ 562,081	\$ 724,062	129 %	\$ 333,458
6/30/2013	631,057	683,842	108	280,672
6/30/2014	627,670	700,325	112	208,017
Firefighters Plan:				
6/30/2012	\$ 376,488	\$ 412,385	110 %	\$ 143,674
6/30/2013	406,987	436,433	107	114,228
6/30/2014	385,233	427,271	111	72,190

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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>						
6/30/13	\$ 39,712,979	\$ 42,080,401	\$ (2,367,422)	94.37 %	\$ 14,251,512	(16.61) %
6/30/12	36,109,162	39,200,388	(3,091,226)	92.11	13,535,316	(22.84)
6/30/11	33,015,572	36,681,033	(3,665,461)	90.01	13,748,035	(26.66)
6/30/10	29,632,882	33,917,740	(4,284,858)	87.37	13,617,621	(31.47)
6/30/09	27,234,218	31,613,170	(4,378,952)	86.15	13,459,105	(32.54)
6/30/08	27,495,328	29,607,483	(2,112,155)	92.87	13,317,463	(15.86)
<i>Police Union Pension Plan</i>						
6/30/13	\$ 22,991,238	\$ 25,845,511	\$ (2,854,273)	88.96 %	\$ 2,772,407	(102.95) %
6/30/12	21,311,684	24,430,637	(3,118,953)	87.23	2,719,721	(114.68)
6/30/11	19,700,425	22,686,678	(2,986,253)	86.84	2,701,960	(110.52)
6/30/10	17,897,417	21,144,884	(3,247,467)	84.64	2,950,860	(110.05)
6/30/09	16,619,136	19,601,239	(2,982,103)	84.79	3,068,170	(97.19)
6/30/08	16,847,159	18,850,975	(2,003,816)	89.37	2,937,107	(68.22)
<i>Firefighters Union Pension Plan</i>						
6/30/13	\$ 13,822,087	\$ 15,737,168	\$ (1,915,081)	87.83 %	\$ 1,585,620	(120.78) %
6/30/12	12,759,626	14,943,072	(2,183,446)	85.39	1,642,192	(132.96)
6/30/11	11,858,463	13,909,112	(2,050,649)	85.26	1,716,216	(119.49)
6/30/10	10,869,291	13,036,226	(2,166,935)	83.38	1,820,999	(119.00)
6/30/09	10,191,124	12,341,937	(2,150,813)	82.57	1,689,935	(127.27)
6/30/08	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)

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 \$25,243 during the year ended June 30, 2014. Officials are not required to contribute, but can make voluntary contributions up to 10% of annual compensation. At June 30, 2014, the net position available for benefits include \$335,162 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.

C. Plan Financial Statements - Financial statements for each individual pension plan as of and for the year ended June 30, 2014 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	\$ 12,297	\$ 4,200	\$ 6,844	\$ 101	\$ 23,442
Investments - at fair value:					
Mutual funds:					
Equity	49,169,863	16,795,825	27,368,932	404,580	93,739,200
Common stock	917,801	313,510	510,867	7,552	1,749,730
Total investments	<u>50,087,664</u>	<u>17,109,335</u>	<u>27,879,799</u>	<u>412,132</u>	<u>95,488,930</u>
Other assets:					
Prepaid benefits	<u>130,141</u>	<u>44,455</u>	<u>72,439</u>	<u>1,071</u>	<u>248,106</u>
Total assets	<u>50,230,102</u>	<u>17,157,990</u>	<u>27,959,082</u>	<u>413,304</u>	<u>95,760,478</u>
Net Position:					
Net Position Held in Trust for Pension Benefits	<u>\$ 50,230,102</u>	<u>\$ 17,157,990</u>	<u>\$ 27,959,082</u>	<u>\$ 413,304</u>	<u>\$ 95,760,478</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	<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	\$ 1,550,489	\$ 427,271	\$ 700,325	\$ 25,243	\$ 2,703,328
Plan members	<u>240,371</u>	<u>107,813</u>	<u>194,230</u>	<u>25,243</u>	<u>542,414</u>
Total contributions	<u>1,790,860</u>	<u>535,084</u>	<u>894,555</u>	<u>25,243</u>	<u>3,245,742</u>
Net investment income:					
Net appreciation in fair value of investments	5,745,660	1,980,436	3,281,817	47,511	11,055,424
Interest and dividends	<u>2,231,303</u>	<u>769,094</u>	<u>1,274,480</u>	<u>18,452</u>	<u>4,293,329</u>
	7,976,963	2,749,530	4,556,297	65,963	15,348,753
Less investment expense	<u>(12,993)</u>	<u>(4,478)</u>	<u>(7,421)</u>	<u>(108)</u>	<u>(25,000)</u>
Net investment income	<u>7,963,970</u>	<u>2,745,052</u>	<u>4,548,876</u>	<u>65,855</u>	<u>15,323,753</u>
Net additions	<u>9,754,830</u>	<u>3,280,136</u>	<u>5,443,431</u>	<u>91,098</u>	<u>18,569,495</u>
Deductions:					
Benefits	1,288,272	520,379	1,043,728		2,852,379
Administration	<u>33,036</u>	<u>11,387</u>	<u>18,870</u>	<u>273</u>	<u>63,566</u>
Total deductions	<u>1,321,308</u>	<u>531,766</u>	<u>1,062,598</u>	<u>273</u>	<u>2,915,945</u>
Other:					
Transfers between plans	<u>390,274</u>		<u>(390,274)</u>		
Change in Net Position	8,823,796	2,748,370	3,990,559	90,825	15,653,550
Net Position - Beginning of Year	<u>41,406,306</u>	<u>14,409,620</u>	<u>23,968,523</u>	<u>322,479</u>	<u>80,106,928</u>
Net Position - End of Year	<u>\$ 50,230,102</u>	<u>\$ 17,157,990</u>	<u>\$ 27,959,082</u>	<u>\$ 413,304</u>	<u>\$ 95,760,478</u>

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 \$41,397,536 which represents 81.2% of total payroll of \$50,970,232.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2014, the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$9,855,441 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, 2014. The Town used a phase-in funding approach. The plan does not issue a stand-alone financial report.

At July 1, 2013, plan membership consisted of the following:

	Retiree Health Plan
Retired members	163
Spouses of retired members	47
Active plan members	<u>825</u>
Total Participants	<u><u>1,035</u></u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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:

Board of Education - Certified Employees (Teachers and Administrators)

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

Town Employees

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

Police Employees

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

Board of Education - Non-Certified Employees

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

Employer Contributions

Employer contributions to the plan of \$1,780,000 were made in accordance with actuarially determined requirements. Of this amount \$1,348,000 represents premium payments and \$432,000 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 No. 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):

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 2,193,000
Interest on net OPEB obligation	39,000
Adjustment to annual required contribution	<u>(51,000)</u>
Annual OPEB cost (expense)	2,181,000
Contributions made	<u>1,780,000</u>
Increase in net OPEB obligation	401,000
Net OPEB obligation, beginning of year	<u>866,000</u>
Net OPEB Obligation, End of Year	<u>\$ 1,267,000</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, 2014, 2013 and 2012 are presented below.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 1,890,000	\$ 1,774,000	93.86 %	\$ 924,000
6/30/2013	2,047,000	2,105,000	102.83	866,000
6/30/2014	2,181,000	1,780,000	81.61	1,267,000

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%	
7/1/2013	1,746,000	23,054,000	21,308,000	7.57	57,316,000	37.18%	

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, 2013 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 9.0% in 2013 and will decrease by 0.5% per year down to 5.0% in 2021 and beyond. Projected salary increases were 3%. 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, 2013 was 24 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, 2014 and 2013, 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
2014-13	\$	-	\$	210,184	\$	210,184	\$	-
2013-12		-		192,245		192,245		-

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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. PRIOR PERIOD ADJUSTMENT - RESTATEMENT OF NET POSITION

GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which became effective for the 2014 fiscal year. As a result of implementing this standard, the expensing of bond issuance costs, which were previously capitalized on the government-wide financial statements, was mandated. At June 30, 2013, the Town had a deferred bond issuance cost asset of \$3,137,737.

The following represents the effect of this restatement:

	Opinion Unit	
	Governmental Activities	Total
Net position as reported in 2013 financial statements	\$ 114,766,512	\$ 114,766,512
Prior period adjustment - elimination of deferred bond issue costs as an asset for Governmental Activities for application of GASB statement No. 65	(3,137,737)	(3,137,737)
Net Position, Beginning of the Year, as Restated	\$ 111,628,775	\$ 111,628,775

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, 2014

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:					
Property taxes	\$ 115,308,438	\$	\$ 115,308,438	\$ 116,139,440	\$ 831,002
Interest and lien fees	350,000		350,000	541,622	191,622
Telephone tax	83,000		83,000	76,801	(6,199)
Total property taxes	<u>115,741,438</u>	<u>-</u>	<u>115,741,438</u>	<u>116,757,863</u>	<u>1,016,425</u>
Intergovernmental:					
Education cost sharing	2,065,000		2,065,000	2,066,320	1,320
School building grants	4,000		4,000	3,212	(788)
School interest subsidy	1,000		1,000		(1,000)
School transportation grants	2,000		2,000	995	(1,005)
Civil defense	11,000		11,000		(11,000)
Elderly circuit freeze	69,000		69,000	58,654	(10,346)
Mashantucket/Mohegan fund grant	13,000		13,000	14,278	1,278
Paid in lieu of taxes	180,000		180,000	163,023	(16,977)
Machinery and equipment	452,000		452,000		(452,000)
Highway safety grant	150,000.0		150,000	528,547	378,547
Miscellaneous	38,000		38,000	143,816	105,816
Total intergovernmental	<u>2,985,000</u>	<u>-</u>	<u>2,985,000</u>	<u>2,978,845</u>	<u>(6,155)</u>
Charges for Services:					
Town Clerk's fees including conveyance taxes	767,000	300,000	1,067,000	1,104,437	37,437
Building, plumbing and electrical permits	386,500		386,500	558,387	171,887
Planning and zoning commission	75,000		75,000	75,735	735
Water and septic permits and fees	45,000		45,000	52,683	7,683
Highway permits	8,000		8,000	6,350	(1,650)
Solid waste facility	40,000		40,000	11,842	(28,158)
Parking Authority	63,000		63,000	56,247	(6,753)
Police Department	69,000	480,000	549,000	635,298	86,298
Fire Department	867,000		867,000	681,497	(185,503)
Golf course	1,290,000		1,290,000	1,314,149	24,149
Parks and recreation	2,601,901	280,000	2,881,901	3,015,361	133,460
Out of town tuition	110,000		110,000	106,148	(3,852)
Utilities and fuel	359,000		359,000	330,359	(28,641)
Rental of Town property	910,394		910,394	901,303	(9,091)
Total charges for services	<u>7,591,795</u>	<u>1,060,000</u>	<u>8,651,795</u>	<u>8,849,796</u>	<u>198,001</u>
Investment Income	60,000		60,000	57,249	(2,751)
Miscellaneous	225,000		225,000	260,575	35,575
Total revenues	<u>126,603,233</u>	<u>1,060,000</u>	<u>127,663,233</u>	<u>128,904,328</u>	<u>1,241,095</u>
Other Financing Sources:					
Utilization of fund balance	1,750,000		1,750,000		(1,750,000)
Transfers in:					
Sewer operating fund	25,000		25,000	25,000	-
Total other financing sources	<u>1,775,000</u>	<u>-</u>	<u>1,775,000</u>	<u>25,000</u>	<u>(1,750,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 128,378,233</u>	<u>\$ 1,060,000</u>	<u>\$ 129,438,233</u>	<u>128,929,328</u>	<u>\$ (508,905)</u>

Budgetary revenues are different than GAAP revenues because:

Turf field fund revenues not budgeted for - combination of fund for GASB 54 purposes	2
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	9,855,441
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.	(133,114)
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.	<u>2,263,743</u>

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

\$ 140,915,400

TOWN OF RIDGEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual			Variance with Final Budget
				Expenditures	Encumbrances	Total	
General Government:							
Selectmen	\$ 335,308		\$ 335,308	\$ 331,797	\$	\$ 331,797	\$ 3,511
Board of Finance	68,285		68,285	67,252		67,252	1,033
Legal counsel	219,800	70,000	289,800	275,005		275,005	14,795
Administrative support services	262,857		262,857	262,513		262,513	344
Department of Finance	421,763		421,763	418,784		418,784	2,979
Data processing	405,800		405,800	405,098		405,098	702
Registrars	122,544		122,544	99,336		99,336	23,208
Assessor	353,150		353,150	352,626		352,626	524
Tax Collector	221,899		221,899	220,350		220,350	1,549
Town Treasurer	28,395		28,395	28,111		28,111	284
Town Clerk	250,579		250,579	244,453		244,453	6,126
Planning and zoning	264,414		264,414	258,010		258,010	6,404
Zoning board of appeals	78,963		78,963	75,833		75,833	3,130
Building Department	217,093		217,093	210,809		210,809	6,284
Probate court	5,700		5,700	5,371		5,371	329
Conservation Commission	33,366		33,366	28,078		28,078	5,288
Commissions and Committees	46,350		46,350	46,252		46,252	98
Insurance and benefits	7,655,886	(80,000)	7,575,886	7,550,681		7,550,681	25,205
Miscellaneous	21,000		21,000	21,000		21,000	-
Total general government	11,013,152	(10,000)	11,003,152	10,901,359	-	10,901,359	101,793
Health and Welfare:							
Health department	233,196	(30,000)	203,196	197,974		197,974	5,222
Social services	203,662		203,662	199,606		199,606	4,056
Total health and welfare	436,858	(30,000)	406,858	397,580	-	397,580	9,278
Community Grants	232,330		232,330	225,772		225,772	6,558
Parks and Recreation:							
Parks and recreation	3,154,413	235,000	3,389,413	3,380,503		3,380,503	8,910
Tree care	238,967		238,967	238,249		238,249	718
Golf course	998,642		998,642	959,158		959,158	39,484
Athletic fields	421,082		421,082	416,284		416,284	4,798
School grounds	411,890	5,000	416,890	409,951		409,951	6,939
Total parks and recreation	5,224,994	240,000	5,464,994	5,404,145	-	5,404,145	60,849
Public Safety:							
Police Department	4,836,475	340,000	5,176,475	5,076,559		5,076,559	99,916
Fire Department	3,879,438		3,879,438	3,785,357		3,785,357	94,081
Parking Authority	38,013		38,013	29,483		29,483	8,530
Emergency management	3,550		3,550	3,265		3,265	285
Animal control	88,669		88,669	85,588		85,588	3,081
Total public safety	8,846,145	340,000	9,186,145	8,980,252	-	8,980,252	205,893
Public Works:							
Highway Department	2,830,533	425,000	3,255,533	3,153,620		3,153,620	101,913
Town buildings	529,577	75,000	604,577	602,938		602,938	1,639
Utilities	976,405		976,405	952,101		952,101	24,304
Solid waste	64,000		64,000	58,680		58,680	5,320
School buildings	52,275	20,000	72,275	71,700		71,700	575
Total public works	4,452,790	520,000	4,972,790	4,839,039	-	4,839,039	133,751

(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, 2014

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual			Variance with Final Budget
				Expenditures	Encumbrances	Total	
Contingency	\$ 61,200	\$ -	\$ 61,200	\$ 51,607	\$ -	\$ 51,607	\$ 9,593
Education:							
Certified salaries	40,934,004	(54,187)	40,879,817	40,855,993	23,824	40,879,817	-
Noncertified salaries	9,340,135	64,364	9,404,499	9,389,661	14,838	9,404,499	-
Fringe benefits	16,547,186	(1,354,108)	15,193,078	14,963,311	12,204	14,975,515	217,563
Professional services	2,501,055	426,001	2,927,056	2,646,718	280,338	2,927,056	-
Utility services - sewer and water	156,975	1,520	158,495	149,190	9,305	158,495	-
Equipment repair and maintenance	313,191	125,676	438,867	284,177	154,690	438,867	-
Building repairs	1,516,310	538,439	2,054,749	1,445,907	608,842	2,054,749	-
Transportation services	4,756,893	(100,722)	4,656,171	4,540,786	115,385	4,656,171	-
Insurance - property and liability	306,536	(20,974)	285,562	285,562	-	285,562	-
Communications - telephone	278,126	(40,140)	237,986	202,139	35,847	237,986	-
Advertising services	8,000	(3,279)	4,721	4,326	395	4,721	-
Printing services	51,250	(14,241)	37,009	23,601	13,408	37,009	-
Food management services	25,000	(1,030)	23,970	22,573	1,397	23,970	-
Travel, mileage and training	140,621	(17,057)	123,564	93,412	30,152	123,564	-
Other purchased services	18,775	(1,157)	17,618	9,750	7,868	17,618	-
Tuition - out of district facilities	1,115,162	(13,519)	1,101,643	561,642	540,001	1,101,643	-
Supplies and materials	1,160,813	(774)	1,160,039	1,059,489	100,550	1,160,039	-
Energy - electricity, gas and fuel	2,095,871	98,342	2,194,213	2,134,604	59,609	2,194,213	-
Books	503,785	121,999	625,784	476,851	148,933	625,784	-
Equipment	133,705	207,242	340,947	243,258	97,689	340,947	-
Dues and fees - memberships	108,644	2,697	111,341	109,828	1,513	111,341	-
Miscellaneous	48,905	2,988	51,893	49,953	1,940	51,893	-
Athletics program	810,296	31,920	842,216	842,216	-	842,216	-
Total education	<u>82,871,238</u>	<u>-</u>	<u>82,871,238</u>	<u>80,394,947</u>	<u>2,258,728</u>	<u>82,653,675</u>	<u>217,563</u>
Library	1,716,730	-	1,716,730	1,716,730	-	1,716,730	-
Debt Service	13,186,381	-	13,186,381	13,186,166	-	13,186,166	215
Total expenditures	<u>128,041,818</u>	<u>1,060,000</u>	<u>129,101,818</u>	<u>126,097,597</u>	<u>2,258,728</u>	<u>128,356,325</u>	<u>745,493</u>
Other Financing Uses:							
Transfers out:							
Tiger Hollow Fund	63,000	-	63,000	63,000	-	63,000	-
Turf Field	55,000	-	55,000	55,000	-	55,000	-
Heart and Hypertension Fund	65,000	-	65,000	65,000	-	65,000	-
Youth Barn	45,000	-	45,000	45,000	-	45,000	-
Skate Park	21,915	-	21,915	21,915	-	21,915	-
Revaluation Fund	86,500	-	86,500	86,500	-	86,500	-
Total other financing uses	<u>336,415</u>	<u>-</u>	<u>336,415</u>	<u>336,415</u>	<u>-</u>	<u>336,415</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 128,378,233</u>	<u>\$ 1,060,000</u>	<u>\$ 129,438,233</u>	<u>\$ 126,434,012</u>	<u>\$ 2,258,728</u>	<u>128,692,740</u>	<u>\$ 745,493</u>

Budgetary expenditures are different than GAAP expenditures because:

Revaluation fund expenses not budgeted for - combination of fund for GASB 54 purposes	40,425
Transfers to the revaluation and turf field funds that are collapsed under GASB 54 - not a GAAP expenditure	(141,500)
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	9,855,441
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.	(2,258,728)
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.	1,058,074
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.	2,263,743

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

\$ 139,510,195

TOWN OF RIDGEFIELD, CONNECTICUT

TOWN PENSION PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Service cost	\$ 1,447,332
Interest	2,840,427
Differences between expected and actual experience	221
Benefit payments, including refunds of member contributions	<u>(1,288,272)</u>
Net change in total pension liability	2,999,708
Total pension liability - beginning	<u>42,080,401</u>
Total pension liability - ending	<u>45,080,109</u>
Plan fiduciary net position:	
Contributions - employer	1,550,489
Contributions - member	240,371
Net investment income	7,963,970
Benefit payments, including refunds of member contributions	(1,288,272)
Administrative expense	(33,036)
Other	<u>390,274</u>
Net change in plan fiduciary net position	8,823,796
Plan fiduciary net position - beginning	<u>41,406,306</u>
Plan fiduciary net position - ending	<u>50,230,102</u>
Net Pension Liability (Asset) - Ending	<u>\$ (5,149,993)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.42%
Covered-employee payroll	\$ 14,309,518
Net pension liability (asset) as a percentage of covered-employee payroll	-35.99%

TOWN OF RIDGEFIELD, CONNECTICUT

FIREFIGHTERS UNION PENSION PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Service cost	\$ 279,175
Interest	1,062,259
Differences between expected and actual experience	24,583
Benefit payments, including refunds of member contributions	<u>(520,379)</u>
Net change in total pension liability	845,638
Total pension liability - beginning	<u>15,737,168</u>
Total pension liability - ending	<u>16,582,806</u>
Plan fiduciary net position:	
Contributions - employer	427,271
Contributions - member	107,813
Net investment income	2,745,052
Benefit payments, including refunds of member contributions	(520,379)
Administrative expense	(11,387)
Other	
Net change in plan fiduciary net position	<u>2,748,370</u>
Plan fiduciary net position - beginning	<u>14,409,620</u>
Plan fiduciary net position - ending	<u>17,157,990</u>
Net Pension Liability (Asset) - Ending	<u>\$ (575,184)</u>
Plan fiduciary net position as a percentage of the total pension liability	103.47%
Covered-employee payroll	\$ 1,631,953
Net pension liability (asset) as a percentage of covered-employee payroll	-35.25%

TOWN OF RIDGEFIELD, CONNECTICUT

POLICE UNION PENSION PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Service cost	\$ 522,253
Interest	1,744,572
Differences between expected and actual experience	(258,928)
Benefit payments, including refunds of member contributions	<u>(1,043,728)</u>
Net change in total pension liability	964,169
Total pension liability - beginning	<u>25,845,511</u>
Total pension liability - ending	<u>26,809,680</u>
Plan fiduciary net position:	
Contributions - employer	700,325
Contributions - member	194,230
Net investment income	4,548,876
Benefit payments, including refunds of member contributions	(1,043,728)
Administrative expense	(18,870)
Other	<u>(390,274)</u>
Net change in plan fiduciary net position	3,990,559
Plan fiduciary net position - beginning	<u>23,968,523</u>
Plan fiduciary net position - ending	<u>27,959,082</u>
Net Pension Liability (Asset) - Ending	<u>\$ (1,149,402)</u>
Plan fiduciary net position as a percentage of the total pension liability	104.29%
Covered-employee payroll	\$ 2,786,130
Net pension liability (asset) as a percentage of covered-employee payroll	-41.25%

TOWN OF RIDGEFIELD, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS - TOWN PENSION PLAN

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 1,468,009	\$ 1,454,663	\$ 1,522,605	\$ 1,573,625	\$ 1,556,663	\$ 1,399,891	\$ 1,208,388	\$ 1,136,878	\$ 1,148,279	\$ 936,243
Contributions in relation to the actuarially determined contribution	1,550,489	1,589,725	1,553,553	1,523,632	1,543,653	1,270,216	1,176,732	1,114,908	1,152,628	685,252
Contribution Deficiency (Excess)	\$ (82,480)	\$ (135,062)	\$ (30,948)	\$ 49,993	\$ 13,010	\$ 129,675	\$ 31,656	\$ 21,970	\$ (4,349)	\$ 250,991
Covered-employee payroll	\$ 14,309,518	\$ 14,251,512	\$ 13,535,316	\$ 13,748,035	\$ 13,617,621	\$ 13,459,105	\$ 13,317,463	\$ 13,011,479	\$ 12,053,109	\$ 11,703,879
Contributions as a percentage of covered-employee payroll	10.84%	11.15%	11.48%	11.08%	11.34%	9.44%	8.84%	8.57%	9.56%	5.85%

Notes to Schedule

Valuation date: July 1, 2013
 Measurement date: June 30, 2014
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Frozen entry age
 Amortization method: Level dollar
 Remaining amortization period: 30 years, open
 Asset valuation method: 5-year smoothed market
 Inflation: 2.0%
 Salary increases: 3.25%
 Investment rate of return: 6.75%, net of pension plan investment expense, including inflation

Retirement age: Later of either (1) Age 65, or (2) 10 years of service

Mortality - Actives / Retirees: Section 430 Mortality with separate male and female pre and post retirement rates as published by the United States Treasury Department for 2014

TOWN OF RIDGEFIELD, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS UNION PENSION PLAN

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 392,478	\$ 415,095	\$ 385,234	\$ 418,651	\$ 385,142	\$ 303,518	\$ 256,045	\$ 276,088	\$ 314,349	\$ 313,832
Contributions in relation to the actuarially determined contribution	427,271	436,433	412,385	391,172	367,843	282,314	250,194	265,167	318,142	269,630
Contribution Deficiency (Excess)	\$ (34,793)	\$ (21,338)	\$ (27,151)	\$ 27,479	\$ 17,299	\$ 21,204	\$ 5,851	\$ 10,921	\$ (3,793)	\$ 44,202
Covered-employee payroll	\$ 1,631,953	\$ 1,585,620	\$ 1,642,192	\$ 1,716,216	\$ 1,820,999	\$ 1,689,935	\$ 1,710,044	\$ 1,447,147	\$ 1,353,731	\$ 1,511,924
Contributions as a percentage of covered-employee payroll	26.18%	27.52%	25.11%	22.79%	20.20%	16.71%	14.63%	18.32%	23.50%	17.83%

Notes to Schedule

Valuation date: July 1, 2013
 Measurement date: June 30, 2014
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Frozen entry age
 Amortization method: Level dollar
 Remaining amortization period: 30 years, open
 Asset valuation method: 5-year smoothed market
 Inflation: 2.0%
 Salary increases: 3.25%
 Investment rate of return: 6.75%, net of pension plan investment expense, including inflation

Retirement age: Earlier of either (1) Age 55 with 10 years of service, or (2) the first day of the month following the completion of 25 years of service

Mortality - Actives / Retirees: Section 430 Mortality with separate male and female pre and post retirement rates as published by the United States Treasury Department for 2014

TOWN OF RIDGEFIELD, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE UNION PENSION PLAN

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 643,297	\$ 650,407	\$ 592,451	\$ 658,822	\$ 647,992	\$ 591,988	\$ 533,454	\$ 592,737	\$ 621,352	\$ 598,211
Contributions in relation to the actuarially determined contribution	<u>700,325</u>	<u>683,842</u>	<u>724,062</u>	<u>615,578</u>	<u>618,886</u>	<u>512,470</u>	<u>482,959</u>	<u>532,847</u>	<u>587,848</u>	<u>478,136</u>
Contribution Deficiency (Excess)	\$ <u>(57,028)</u>	\$ <u>(33,435)</u>	\$ <u>(131,611)</u>	\$ <u>43,244</u>	\$ <u>29,106</u>	\$ <u>79,518</u>	\$ <u>50,495</u>	\$ <u>59,890</u>	\$ <u>33,504</u>	\$ <u>120,075</u>
Covered-employee payroll	\$ 2,786,130	\$ 2,772,407	\$ 2,719,721	\$ 2,701,960	\$ 2,950,860	\$ 3,068,170	\$ 2,937,107	\$ 2,773,362	\$ 2,777,493	\$ 2,733,744
Contributions as a percentage of covered-employee payroll	25.14%	24.67%	26.62%	22.78%	20.97%	16.70%	16.44%	19.21%	21.16%	17.49%

Notes to Schedule

Valuation date: July 1, 2013
Measurement date: June 30, 2014
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Frozen entry age
Amortization method: Level dollar
Remaining amortization period: 30 years, open
Asset valuation method: 5-year smoothed market
Inflation: 2.0%
Salary increases: 3.25%
Investment rate of return: 6.75%, net of pension plan investment expense, including inflation

Retirement age: Earlier of either (1) Age 55 with 10 years of service, or (2) the first day of the month following the completion of 25 years of service

Mortality - Actives / Retirees: Section 430 Mortality with separate male and female pre and post retirement rates as published by the United States Treasury Department for 2014

TOWN OF RIDGEFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST FISCAL YEAR

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense*	18.83%

*The annual money-weighted rate of return, net of investment expense is identical for the Town, Firefighters and Police Union Pension plans.

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, 2014

Grand List Year	Uncollected Taxes July 1, 2013	Current Year Levy	Lawful Corrections		Transfer to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2014
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1997 and Prior	\$ 11,921	\$	\$	\$	\$	\$ 11,921	\$	\$	\$ -	\$ 11,921
1998	29,505			20,274		9,231			-	9,231
1999	29,429				21,295	8,134			-	8,134
2000	43,481				23,328	20,153			-	20,153
2001	57,722				25,241	32,481			-	32,481
2002	87,385				31,996	55,389	14,620	4,558	19,178	40,769
2003	114,241		76		33,933	80,384	13,066	5,786	18,852	67,318
2004	136,026		150	150	41,924	94,102	11,726	3,718	15,444	82,376
2005	169,024				59,790	109,234	12,487	3,861	16,348	96,747
2006	210,479				63,258	147,221	14,173	3,009	17,182	133,048
2007	390,304				220,066	170,238	17,108	3,011	20,119	153,130
2008	371,954				144,983	226,971	49,722	13,124	62,846	177,249
2009	624,100		1,914	472	152,912	472,630	114,954	60,881	175,835	357,676
2010	1,018,946		3,295	15,558	85,696	920,987	266,006	76,050	342,056	654,981
2011	1,667,695		13,109	81,682	84,699	1,514,423	698,486	118,907	817,393	815,937
Suspense					(26,372)	26,372	26,372	29,750	56,122	-
Total Prior Year	4,962,212	-	18,544	118,136	962,749	3,899,871	1,238,720	322,655	1,561,375	2,661,151
2012		116,369,248	427,454	381,765	98,746	116,316,191	114,821,477	218,967	115,040,444	1,494,714
Grand Total	\$ 4,962,212	\$ 116,369,248	\$ 445,998	\$ 499,901	\$ 1,061,495	\$ 120,216,062	\$ 116,060,197	\$ 541,622	\$ 116,601,819	\$ 4,155,865

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.

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, 2014

	Special Revenue Funds						
	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous	Tiger Hollow
ASSETS							
Cash and cash equivalents	\$ 143,863	\$ 517,604	\$ 276,489	\$ 88,757	\$ 63,499	\$ 359,933	\$ 167,314
Investments							
Receivables, net		113,273		34,060	3,297		
Other assets				36,568			
Total Assets	<u>\$ 143,863</u>	<u>\$ 630,877</u>	<u>\$ 276,489</u>	<u>\$ 159,385</u>	<u>\$ 66,796</u>	<u>\$ 359,933</u>	<u>\$ 167,314</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 3,815	\$ 118,548	\$	\$ 123,071	\$	\$	\$
Due to other funds							140,000
Unearned revenue				48,369	66,796		
Total liabilities	<u>3,815</u>	<u>118,548</u>	<u>-</u>	<u>171,440</u>	<u>66,796</u>	<u>-</u>	<u>140,000</u>
Deferred Inflows of Resources:							
Unavailable revenue - other receivables		113,273					
Fund Balances:							
Nonspendable				36,568			
Restricted	140,048		276,489			93,477	27,314
Committed		399,056				266,456	
Unassigned				(48,623)			
Total fund balances	<u>140,048</u>	<u>399,056</u>	<u>276,489</u>	<u>(12,055)</u>	<u>-</u>	<u>359,933</u>	<u>27,314</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 143,863</u>	<u>\$ 630,877</u>	<u>\$ 276,489</u>	<u>\$ 159,385</u>	<u>\$ 66,796</u>	<u>\$ 359,933</u>	<u>\$ 167,314</u>

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

JUNE 30, 2014

	Special Revenue Funds					Permanent Fund Ballard Park Fund	Total Nonmajor Governmental Funds
	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Parking Fund		
ASSETS							
Cash and cash equivalents	\$	\$ 355,321	\$ 360,635	\$	\$ 31,027	\$ 11,409	\$ 2,375,851
Investments						30,364	30,364
Receivables, net							150,630
Other assets							36,568
Total Assets	\$ -	\$ 355,321	\$ 360,635	\$ -	\$ 31,027	\$ 41,773	\$ 2,593,413
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 446	\$ 10,004	\$ 46,600	\$ 4,733	\$ 2,670	\$	\$ 309,887
Due to other funds	16,769			42,589			199,358
Unearned revenue		47,182					162,347
Total liabilities	17,215	57,186	46,600	47,322	2,670	-	671,592
Deferred Inflows of Resources:							
Unavailable revenue - other receivables							113,273
Fund Balances:							
Nonspendable							36,568
Restricted		298,135	314,035		28,357	41,773	1,219,628
Committed							665,512
Unassigned	(17,215)			(47,322)			(113,160)
Total fund balances	(17,215)	298,135	314,035	(47,322)	28,357	41,773	1,808,548
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 355,321	\$ 360,635	\$ -	\$ 31,027	\$ 41,773	\$ 2,593,413

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

FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous	Tiger Hollow
Revenues:							
Intergovernmental	\$ 378,462		\$ 13,779	\$ 192,583	\$ 1,180,517		\$
Charges for services		1,815,322		1,800,357		232,291	
Contributions			228,643			148,880	308,928
Income from investments							
Other		13,920					
Total revenues	<u>378,462</u>	<u>1,829,242</u>	<u>242,422</u>	<u>1,992,940</u>	<u>1,180,517</u>	<u>381,171</u>	<u>308,928</u>
Expenditures:							
Current:							
General government							
Health and welfare							
Parks and recreation							469,752
Public safety			29,824				
Public works	376,475	1,279,572					
Education				2,097,526	1,180,517	1,371,174	
Total expenditures	<u>376,475</u>	<u>1,279,572</u>	<u>29,824</u>	<u>2,097,526</u>	<u>1,180,517</u>	<u>1,371,174</u>	<u>469,752</u>
Excess (Deficiency) of Revenues over Expenditures	1,987	549,670	212,598	(104,586)	-	(990,003)	(160,824)
Other Financing Sources (Uses):							
Transfers in						810,296	63,000
Transfers out		(25,000)					
Net other financing sources (uses)	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810,296</u>	<u>63,000</u>
Net Change in Fund Balances	1,987	524,670	212,598	(104,586)	-	(179,707)	(97,824)
Fund Balances, Beginning of Year	<u>138,061</u>	<u>(125,614)</u>	<u>63,891</u>	<u>92,531</u>	<u>-</u>	<u>539,640</u>	<u>125,138</u>
Fund Balances, End of Year	<u>\$ 140,048</u>	<u>\$ 399,056</u>	<u>\$ 276,489</u>	<u>\$ (12,055)</u>	<u>\$ -</u>	<u>\$ 359,933</u>	<u>\$ 27,314</u>

(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, 2014

	<u>Special Revenue Funds</u>					<u>Permanent Fund Ballard Park Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Youth Barn</u>	<u>Miscellaneous Grants</u>	<u>Social Services</u>	<u>Solid Waste</u>	<u>Parking Fund</u>		
Revenues:							
Intergovernmental	\$	\$ 55,666	\$ 7,000	\$	\$	\$	\$ 1,828,007
Charges for services		77,532	21,523	210,284	50,729		4,208,038
Contributions	17,811	9,680	156,305				870,247
Income from investments		548				91	639
Other							13,920
Total revenues	<u>17,811</u>	<u>143,426</u>	<u>184,828</u>	<u>210,284</u>	<u>50,729</u>	<u>91</u>	<u>6,920,851</u>
Expenditures:							
Current:							
General government		25,009					25,009
Health and welfare	63,298	72,993	161,788				298,079
Parks and recreation		3,496	56,343				529,591
Public safety		9,075					38,899
Public works				212,634	60,314		1,928,995
Education							4,649,217
Total expenditures	<u>63,298</u>	<u>110,573</u>	<u>218,131</u>	<u>212,634</u>	<u>60,314</u>	<u>-</u>	<u>7,469,790</u>
Excess (Deficiency) of Revenues over Expenditures	(45,487)	32,853	(33,303)	(2,350)	(9,585)	91	(548,939)
Other Financing Sources (Uses):							
Transfers in	66,920						940,216
Transfers out							(25,000)
Net other financing sources (uses)	<u>66,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>915,216</u>
Net Change in Fund Balances	21,433	32,853	(33,303)	(2,350)	(9,585)	91	366,277
Fund Balances, Beginning of Year	<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>
Fund Balances, End of Year	<u>\$ (17,215)</u>	<u>\$ 298,135</u>	<u>\$ 314,035</u>	<u>\$ (47,322)</u>	<u>\$ 28,357</u>	<u>\$ 41,773</u>	<u>\$ 1,808,548</u>

TOWN OF RIDGEFIELD, CONNECTICUT

**SCHEDULE OF SEWER USE CHARGES
DISTRICT I
FOR THE YEAR ENDED JUNE 30, 2014**

Year	Uncollected Sewer Use Charges July 1, 2013	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2014
2006	\$ 636	\$	\$	\$ 636	\$ 390	\$ 246
2007	1,073			1,073	390	683
2008	1,462			1,462	780	682
2009	2,670			2,670	1,208	1,462
2010	8,480			8,480	1,700	6,780
2011	14,977			14,977	4,620	10,357
2012	25,374		(1,000)	24,374	10,251	14,123
2013	60,321		1,674	61,995	38,475	23,520
2014		1,346,340	11,277	1,357,617	1,302,946	54,671
Total	<u>\$ 114,993</u>	<u>\$ 1,346,340</u>	<u>\$ 11,951</u>	<u>\$ 1,473,284</u>	<u>\$ 1,360,760</u>	<u>\$ 112,524</u>

**SCHEDULE OF SEWER USE CHARGES
DISTRICT II
FOR THE YEAR ENDED JUNE 30, 2014**

Year	Uncollected Sewer Use Charges July 1, 2013	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2014
2009	\$ 340	\$	\$	\$ 340	\$ 340	\$ -
2010	10,880			10,880	10,880	-
2011	11,386			11,386	11,244	142
2012	12,884			12,884	12,558	326
2013	20,669			20,669	19,643	1,026
2014		265,475		265,475	261,275	4,200
Total	<u>\$ 56,159</u>	<u>\$ 265,475</u>	<u>\$ -</u>	<u>\$ 321,634</u>	<u>\$ 315,940</u>	<u>\$ 5,694</u>

**SCHEDULE OF SEWER USE CHARGES
DISTRICT III
FOR THE YEAR ENDED JUNE 30, 2014**

Year	Uncollected Sewer Use Charges July 1, 2013	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2014
2012	\$ (24)	\$	\$	\$ (24)	\$ (24)	\$ -
2013				-		-
2014		23,430		23,430	22,440	990
Total	<u>\$ (24)</u>	<u>\$ 23,430</u>	<u>\$ -</u>	<u>\$ 23,406</u>	<u>\$ 22,416</u>	<u>\$ 990</u>

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, 2014

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Assets:			
Cash and cash equivalents	\$ 53,796	\$ 44,358	\$ 98,154
Liabilities:			
Accounts payable	6,902	7,657	14,559
Net Position:			
Unrestricted	46,894	36,701	83,595
Total Net Position	\$ 46,894	\$ 36,701	\$ 83,595

TOWN OF RIDGEFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Property and Casualty</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Operating Revenues:			
Insurance proceeds	\$ 101,261	\$	\$ 101,261
Operating Expenses:			
Claims incurred	<u>125,837</u>	<u>84,347</u>	<u>210,184</u>
Operating Loss	(24,576)	(84,347)	(108,923)
Nonoperating Income:			
Investment income	<u>8</u>	<u></u>	<u>8</u>
Loss Before Transfers	(24,568)	(84,347)	(108,915)
Transfers in	<u></u>	<u>65,000</u>	<u>65,000</u>
Change in Net Position	(24,568)	(19,347)	(43,915)
Net Position - Beginning of Year	<u>71,462</u>	<u>56,048</u>	<u>127,510</u>
Net Position - End of Year	<u>\$ 46,894</u>	<u>\$ 36,701</u>	<u>\$ 83,595</u>

TOWN OF RIDGEFIELD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Cash Flows from Operating Activities:			
Cash received as insurance proceeds	\$ 101,261	\$	\$ 101,261
Cash paid for benefits, claims and administration	(122,498)	(82,121)	(204,619)
Net cash used in operating activities	<u>(21,237)</u>	<u>(82,121)</u>	<u>(103,358)</u>
Cash Flows Provided by Noncapital Financing Activities:			
Transfers in		65,000	65,000
Cash Flows from Investing Activities:			
Investment income	8		8
Net Decrease in Cash and Cash Equivalents	(21,229)	(17,121)	(38,350)
Cash and Cash Equivalents - Beginning of Year	75,025	61,479	136,504
Cash and Cash Equivalents - End of Year	<u>\$ 53,796</u>	<u>\$ 44,358</u>	<u>\$ 98,154</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (24,576)	\$ (84,347)	\$ (108,923)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase in accounts payable	3,339	2,226	5,565
Net Cash Used in Operating Activities	<u>\$ (21,237)</u>	<u>\$ (82,121)</u>	<u>\$ (103,358)</u>

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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash and cash equivalents:				
Student Activities	\$ 448,771	\$ 1,704,635	\$ 1,686,037	\$ 467,369
Performance Bonds	575,152	164,169	73,264	666,057
Contractor's Driveway Bonds	67,750	50,250	54,000	64,000
Ridgebury Cemetery	12,521	7,205	10,000	9,726
Open Space Conservation Commission	112,861	73,245	2,492	183,614
Holiday Trust Fund	27,450	27,164	25,111	29,503
Welcome to Ridgefield Fund		25,000	25,000	-
McKeon Farm Preservation Trust	12,373		1,090	11,283
Flexible Spending Account	15,311	19,942	15,161	20,092
Tiger Hollow Scholarship Fund	5,082	10		5,092
Miscellaneous	278,049	255,555	231,569	302,035
Total cash and cash equivalents	<u>1,555,320</u>	<u>2,327,175</u>	<u>2,123,724</u>	<u>1,758,771</u>
Investments:				
Ridgebury Cemetery	225,369	13,565	3,121	235,813
Accounts receivable:				
Miscellaneous	3,741		3,741	-
Total Assets	<u>\$ 1,784,430</u>	<u>\$ 2,340,740</u>	<u>\$ 2,130,586</u>	<u>\$ 1,994,584</u>
LIABILITIES				
Due to others:				
Student Activities	\$ 448,771	\$ 1,704,635	\$ 1,686,037	\$ 467,369
Performance Bonds	575,152	164,169	73,264	666,057
Contractor's Driveway Bonds	67,750	50,250	54,000	64,000
Ridgebury Cemetery	237,890	20,770	13,121	245,539
Open Space Conservation Commission	112,861	73,245	2,492	183,614
Holiday Trust Fund	27,450	27,164	25,111	29,503
Welcome to Ridgefield Fund		25,000	25,000	-
McKeon Farm Preservation Trust	12,373		1,090	11,283
Flexible Spending Account	15,311	19,942	15,161	20,092
Tiger Hollow Scholarship Fund	5,082	10		5,092
Miscellaneous	281,790	255,555	235,310	302,035
Total Liabilities	<u>\$ 1,784,430</u>	<u>\$ 2,340,740</u>	<u>\$ 2,130,586</u>	<u>\$ 1,994,584</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 93,277,534
Restricted for:										
Permanent fund:										
Expendable	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475	41,682	41,773
Unrestricted	<u>12,083,815</u>	<u>15,982,058</u>	<u>14,747,928</u>	<u>18,460,647</u>	<u>17,914,847</u>	<u>15,694,003</u>	<u>16,601,772</u>	<u>25,782,426</u>	<u>19,051,251</u>	<u>20,978,070</u>
Total Governmental Activities										
Net Position	<u>\$ 59,682,028</u>	<u>\$ 66,413,995</u>	<u>\$ 75,440,896</u>	<u>\$ 81,418,217</u>	<u>\$ 86,094,480</u>	<u>\$ 91,421,730</u>	<u>\$ 96,010,505</u>	<u>\$ 108,401,335</u>	<u>\$ 111,628,775</u>	<u>\$ 114,297,377</u>
Primary Government:										
Net investment in capital assets	\$ 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	\$ 93,277,534
Restricted	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475	41,682	41,773
Unrestricted	<u>12,083,815</u>	<u>15,982,058</u>	<u>14,747,928</u>	<u>18,460,647</u>	<u>17,914,847</u>	<u>15,694,003</u>	<u>16,601,772</u>	<u>25,782,426</u>	<u>19,051,251</u>	<u>20,978,070</u>
Total Primary Government										
Net Position	<u>\$ 59,682,028</u>	<u>\$ 66,413,995</u>	<u>\$ 75,440,896</u>	<u>\$ 81,418,217</u>	<u>\$ 86,094,480</u>	<u>\$ 91,421,730</u>	<u>\$ 96,010,505</u>	<u>\$ 108,401,335</u>	<u>\$ 111,628,775</u>	<u>\$ 114,297,377</u>

* As restated

TOWN OF RIDGEFIELD, CONNECTICUT

CHANGES IN NET POSITION

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 7,239,708
Health and welfare	836,882	964,674	994,587	1,076,389	946,811	814,918	813,904	854,954	766,590	1,128,544
Recreation	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	7,558,077
Public safety	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	13,142,993
Public works	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	9,551,580
Education	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	99,372,877
Library	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	6,716,725
Interest expense	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	2,813,682
Total Primary Government Expenses	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	147,524,186
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	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	1,780,912
Health and welfare	23,123	23,852	119,123	129,035	151,158	158,125	76,415	73,145	78,782	80,556
Recreation	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	4,535,460
Public safety	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	1,384,985
Public works	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	2,812,681
Education	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	2,535,127
Operating grants and contributions	4,684,942	7,803,555	9,316,257	31,536,057	11,075,194	12,724,035	13,100,693	13,728,634	15,679,679	17,836,669
Capital grants and contributions	255,143	141,008	308,068	365,589	445,243	121,219	690,743			
Total Primary Government Program Revenues	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	30,966,390
Net Expenses:										
Governmental activities	(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)	(116,557,796)
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	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	117,235,686
Grants and contributions not restricted to specific programs	756,132	106,291	153,097	845,721	690,850	744,776	731,357	867,242	706,590	241,212
Gain on sale of capital assets			19,037		42,734		25,549			
Investment income	450,439	848,591	1,268,395	911,853	295,397	90,470	79,161	69,732	49,688	68,309
Donations of capital assets	29,140	414,820	858,840							
Miscellaneous	756,558	621,580	1,186,234	178,566	65,864	313,640	148,443	4,418,333	48,768	1,681,191
Total governmental activities	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	119,226,398
Change in Net Position	\$ (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	\$ 2,668,602

TOWN OF RIDGEFIELD, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Reserved	\$ 593,872	\$ 440,412	\$ 841,150	\$ 799,156	\$ 762,120	\$ 419,421	\$	\$	\$	\$
Designated for subsequent year's budget			1,000,000	1,200,000	1,000,000	450,000				
Unreserved and undesignated	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	3,158,728
Unassigned							9,048,490	11,507,184	11,709,896	12,897,561
Total General Fund	<u>\$ 5,980,111</u>	<u>\$ 8,136,868</u>	<u>\$ 9,482,811</u>	<u>\$ 9,903,640</u>	<u>\$ 9,588,426</u>	<u>\$ 9,287,168</u>	<u>\$ 10,274,665</u>	<u>\$ 15,623,261</u>	<u>\$ 14,651,084</u>	<u>\$ 16,056,289</u>
All other governmental funds:										
Reserved	\$ 649,487	\$ 732,169	\$ 947,418	\$ 1,147,242	\$ 1,620,451	\$ 1,916,393	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	2,690,267	3,104,549	2,347,284	1,870,865	1,586,791	1,376,629				
Capital projects funds	(1,819,533)	480,076	(7,652,327)	(719,392)	(3,544,178)	(5,967,946)				
Permanent funds	23,210	24,793	28,776	23,444	15,368	15,938				
Nonspendable									23,886	36,568
Restricted							1,128,427	1,079,006	1,630,657	1,647,461
Committed							2,316,294	2,878,258	1,930,587	2,325,461
Unassigned							(599,191)	(11,307,731)	(3,751,893)	(3,410,135)
Total All Other Governmental Funds	<u>\$ 1,543,431</u>	<u>\$ 4,341,587</u>	<u>\$ (4,328,849)</u>	<u>\$ 2,322,159</u>	<u>\$ (321,568)</u>	<u>\$ (2,658,986)</u>	<u>\$ 2,845,530</u>	<u>\$ (7,350,467)</u>	<u>\$ (166,763)</u>	<u>\$ 599,355</u>

TOWN OF RIDGEFIELD, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Property taxes	\$ 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	\$ 116,757,863
Intergovernmental	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	17,207,634
Charges for services	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	13,241,517
Contributions	362,930	509,151	415,675	1,158,152	496,696	459,573	447,800	463,980	899,729	870,247
Interest and investment income	445,222	824,370	1,231,797	869,627	288,985	89,702	79,160	69,732	49,636	68,301
Other	785,047	650,643	1,174,035	216,475	169,490	257,383	303,127	4,458,189	121,308	1,719,937
Total revenues	<u>107,192,022</u>	<u>117,489,194</u>	<u>124,665,960</u>	<u>150,372,236</u>	<u>132,094,753</u>	<u>135,081,555</u>	<u>138,005,789</u>	<u>145,521,135</u>	<u>142,746,229</u>	<u>149,865,499</u>
Expenditures:										
Current:										
General government	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	11,018,400
Health and welfare	697,515	838,121	810,197	927,711	830,407	703,107	642,513	705,628	655,289	695,659
Community grants	239,467	243,604	232,545	224,162	293,100	178,775	204,075	216,675	229,322	225,772
Recreation	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	5,933,736
Public safety	6,691,279	7,128,342	7,249,288	8,098,038	8,339,019	8,207,636	8,365,740	8,376,538	8,715,521	9,019,151
Public works	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	6,768,034
Education	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	97,411,126
Library	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	1,716,725
Debt service:										
Principal	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	9,837,729
Interest	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	3,658,296
Bennett's pond settlement	2,300,000									
Capital outlay	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	10,421,400
Total expenditures	<u>122,004,626</u>	<u>120,585,916</u>	<u>125,146,983</u>	<u>153,273,827</u>	<u>135,805,452</u>	<u>138,199,361</u>	<u>140,065,016</u>	<u>150,836,036</u>	<u>147,774,664</u>	<u>156,706,028</u>
Deficiency of Revenues over Expenditures	<u>(14,812,604)</u>	<u>(3,096,722)</u>	<u>(481,023)</u>	<u>(2,901,591)</u>	<u>(3,710,699)</u>	<u>(3,117,806)</u>	<u>(2,059,227)</u>	<u>(5,314,901)</u>	<u>(5,028,435)</u>	<u>(6,840,529)</u>
Other Financing Sources (Uses):										
Payment to refunded bond escrow agent	(34,612,628)				(31,378,050)		(35,639,464)			(11,237,245)
Premium on refunding bonds	3,132,628				2,981,845		3,631,170			1,131,311
Refunding bonds	31,480,000				28,635,000		32,225,000			10,240,000
Issuance of bonds	10,440,000	7,180,000		9,640,000			6,385,000		10,600,000	8,170,000
Premium on issuance of bonds							514,299		272,462	332,786
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	510,000	440,000
Proceeds from sale of assets			41,850							
Transfers in	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	1,279,716
Transfers out	(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)	(1,344,716)
Total other financing sources	<u>10,440,000</u>	<u>8,051,635</u>	<u>336,530</u>	<u>10,353,700</u>	<u>751,758</u>	<u>479,130</u>	<u>8,114,377</u>	<u>467,500</u>	<u>11,239,962</u>	<u>9,011,852</u>
Net Change in Fund Balances	(4,372,604)	4,954,913	(144,493)	7,452,109	(2,958,941)	(2,638,676)	6,055,150	(4,847,401)	6,211,527	2,171,323
Fund Balance at Beginning of Year, or as Restated	<u>11,896,146</u>	<u>7,523,542</u>	<u>5,298,455</u>	<u>4,773,690</u>	<u>12,225,799</u>	<u>9,266,858</u>	<u>7,065,045</u>	<u>13,120,195</u>	<u>8,272,794</u>	<u>14,484,321</u>
Fund Balance at End of Year	<u>\$ 7,523,542</u>	<u>\$ 12,478,455</u>	<u>\$ 5,153,962</u>	<u>\$ 12,225,799</u>	<u>\$ 9,266,858</u>	<u>\$ 6,628,182</u>	<u>\$ 13,120,195</u>	<u>\$ 8,272,794</u>	<u>\$ 14,484,321</u>	<u>\$ 16,655,644</u>
Debit Service as a Percentage to Noncapital Expenditures	16.79%	12.99%	12.15%	9.28%	11.09%	10.72%	10.69%	10.13%	9.42%	8.82%

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				
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%
2014	4,381,922	395,256	76,790	4,700,388	26.01	7,238,148	64.94%

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
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
2014	23.34	2.67	26.01	N/A	N/A

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2014			2005		
	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.	\$ 223,697,005	1	4.76%	\$ 182,120,774	1	4.44%
Connecticut Light & Power	20,797,210	2	0.44%	13,390,200	4	0.33%
Equity One (Cops Hill)	19,390,000	3	0.41%			
Stephen J. Zemo	13,523,150	4	0.29%			
Ridgefield Professional Building	12,896,570	5	0.27%			
Flat Rock Corp	11,437,200	6	0.24%	6,527,460	10	0.16%
Ridgefield Waterside Properties	10,941,220	7	0.23%			
Harrison Hunter	9,594,428	8	0.20%			
Eureka V, LLC	9,366,880	9	0.20%			
Irief II (formally CCC of Ridgefield, CT)	8,321,370	10	0.18%			
Schlumberger Technical Corporation				21,473,030	2	0.52%
Ridgefield Properties, LLC				18,504,470	3	0.45%
Benchmark Senior Housing LLC				8,641,600	5	0.21%
Joseph & Ellen Ann Donnelly, Trustees				8,392,530	6	0.20%
Acquarion Water Company				8,101,368	7	0.20%
Ridgefield Bank				7,844,550	8	0.19%
Athena Holdings, LLC				7,623,000	9	0.19%
	<u>\$ 339,965,033</u>		<u>7.22%</u>	<u>\$ 282,618,982</u>		<u>6.89%</u>

Source: Town Assessor's office

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
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%	719,795	111,932,116	99.13%
2014	116,369,248	114,891,284	98.73%	-	114,891,284	98.73%

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)

<u>Fiscal Year</u>	<u>General Obligation Bonds(3)</u>	<u>Notes Payable (3)</u>	<u>Capital Leases (3)</u>	<u>Total General Long-Term Debt (3)</u>	<u>Assessed Value (1)(3)</u>	<u>Ratio of Long-Term Debt to Assessed Value</u>	<u>Population (2)</u>	<u>Per Capita Income (2)</u>	<u>Percentage of Personal Income (2)</u>	<u>Long-Term Debt Per Capita</u>
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	107,289	1,406	505	109,200	5,857,222	1.86%	24,652	67,076	6.60%	4,430
2012	96,793	692	503	97,988	5,920,905	1.65%	24,885	74,926	5.26%	3,938
2013	97,210	463	508	98,181	4,618,880	2.13%	25,045	75,470	5.19%	3,920
2014	95,686	438	462	96,586	4,700,388	2.05%	25,164	77,342	4.96%	3,838

(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, 2014

Tax Base:	
Total tax collections	\$ 116,601,819
Reimbursement of Revenue Loss on:	
Elderly tax freeze and homeowners' grants	<u>58,654</u>
Total Base	<u>\$ 116,660,473</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	\$ 262,486,064	\$	\$	\$	\$
4 1/2 Times Base		524,972,129			
3 3/4 Times Base			437,476,774		
3 1/4 Times Base				379,146,537	
3 Times Base					349,981,419
Total limitations	<u>262,486,064</u>	<u>524,972,129</u>	<u>437,476,774</u>	<u>379,146,537</u>	<u>349,981,419</u>
Indebtedness:					
Bonds outstanding	62,020,150	24,121,130	1,508,720		
Bonds authorized but unissued	4,175,819				
Sewer notes payable			437,815		
Less sewer assessments			<u>(663,046)</u>		
Total indebtedness (1)	<u>66,195,969</u>	<u>24,121,130</u>	<u>1,283,489</u>		
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 196,290,095</u>	<u>\$ 500,850,999</u>	<u>\$ 436,193,285</u>	<u>\$ 379,146,537</u>	<u>\$ 349,981,419</u>

Notes: (1) The total of the above indebtedness amounts to: \$ 91,600,588

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 816,623,311

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 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	\$ 816,623,311
Total net debt applicable to limit	<u>135,106,335</u>	<u>122,216,405</u>	<u>118,675,388</u>	<u>120,421,909</u>	<u>114,044,065</u>	<u>106,508,712</u>	<u>105,088,571</u>	<u>98,829,152</u>	<u>99,096,548</u>	<u>91,600,588</u>
Legal Debt Margin	<u>\$ 483,544,075</u>	<u>\$ 546,613,757</u>	<u>\$ 581,255,347</u>	<u>\$ 607,546,619</u>	<u>\$ 637,285,003</u>	<u>\$ 659,773,035</u>	<u>\$ 673,185,471</u>	<u>\$ 692,060,353</u>	<u>\$ 694,807,521</u>	<u>\$ 725,022,723</u>
Total net debt applicable to the limit as a percentage of debt limit	21.84%	18.27%	16.96%	16.54%	15.18%	13.90%	13.50%	12.50%	12.48%	11.22%

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 (2)	School Enrollment (3)	Unemployment Rate (4)
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%
2014	25,164	77,342	1,946,234,088	43	5,263	4.70%

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) Connecticut Economic Resource Center
- (3) Town of Ridgefield, Board of Education.
- (4) Connecticut Economic Digest

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

(Unaudited)

	2014			2000 (1)		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Boehringer-Ingelheim, Inc.	2,746	1	23.75%	1,200	1	10.08%
Laurel Ridge Health Care Center	210	2	1.82%			
Fairfield County Bankcorp	178	3	1.54%	95	6	0.80%
Stop & Shop	158	4	1.37%			
Adam Broderick Salon & Spa	157	5	1.36%			
Ridgefield Crossings	145	6	1.25%	50	10	0.42%
Kohl's Department Store	90	7	0.78%			
Ridgefield BMW	90	8	0.78%			
Ullman Devices, Corp	50	9	0.43%	76	8	0.64%
Pamby Motors, Inc.	48	10	0.42%	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>3,872</u>		<u>33.50%</u>	<u>2,430</u>		<u>20.42%</u>

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

(1) Information not available for 2005.

TOWN OF RIDGEFIELD, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>General government</u>										
Management services	28.4	28.4	28.4	28.4	28.4	27.4	28.9	30.5	26.5	26.5
Finance	5.0	5.0	5.0	5.0	5.0	6.0	6.5	7.0	7.0	7.0
Planning	3.5	3.5	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	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	3.0	4.0	4.0	4.0
Social Services	2.0	2.5	2.5	2.5	2.5	2.6	2.7	2.4	2.4	2.4
<u>Public safety</u>										
Police	46.9	46.9	46.9	46.9	46.9	46.9	48.5	48.5	48.5	48.5
Fire	42.5	42.5	42.5	42.5	42.5	42.5	38.0	37.8	35.2	35.2
Parking	1.0	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.5	0.5
Canine	1.0	1.0	1.0	1.0	1.0	1.0	1.8	1.8	1.8	1.8
<u>Public works</u>	26.0	26.0	26.0	26.0	26.0	26.0	29.0	29.0	30.0	29.0
<u>Public Recreation</u>										
Recreation	37.1	37.1	37.1	37.1	37.1	37.3	50.0	50.0	50.0	50.0
Golf Course	13.4	13.4	13.4	13.4	13.4	13.4	14.0	14.0	14.0	14.0
Tree Warden	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6
<u>Public Education</u>										
Certified	469.0	460.8	460.8	460.8	460.2	462.2	469.8	459.7	445.9	435.3
Non-certified	242.0	231.4	231.4	231.4	248.8	242.7	227.4	217.1	214.5	210.6
Total	924.3	905.8	905.8	905.8	922.6	918.8	929.3	911.5	889.4	873.5

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)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>General Government</u>										
<u>Legal Counsel:</u>										
Professional fees	\$ 275,004	\$ 267,381	\$ 288,307	\$ 181,081	\$ 184,766	\$ 201,721	\$ 303,069	\$ 265,603	\$ 232,828	\$ 162,001
<u>Town Clerk's Office:</u>										
Licenses issued	2,743	2,671	2,798	3,054	3,073	3,111	2,958	2,949	3,046	2,982
Record vital statistics	760	434	436	509	448	427	230	427	460	509
Document recordings	5,495	7,077	6,744	6,427	6,189	6,357	6,392	7,134	7,872	8,322
<u>Registrar of Voters:</u>										
Registered voters	16,500	16,677	17,090	16,225	16,352	16,131	15,019	14,961	15,194	15,853
Elections and referenda	3	2	5	4	3	3	4	2	3	5
<u>Planning and Development</u>										
Building permits issued	2,381	2,220	2,336	1,734	1,666	1,719	2,146	2,067	2,264	2,198
Value of building permits	\$ 62,343,391	\$ 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
Zoning permits issued	313	245	258	249	258	260	306	350	337	341
<u>Public Safety</u>										
<u>Police Department:</u>										
Motor vehicle citations	5,848	6,148	4,984	4,988	4,926	4,679	5,806	3,231	4,718	4,131
General citations	3,266	2,981	2,716	2,637	2,468	1,532	1,496	844	599	501
<u>Fire Department:</u>										
Fire related calls	1,292	1,213	1,419	1,229	1,103	1,327	1,217	1,215	1,022	940
Medical related calls	2,045	2,287	2,158	2,141	2,046	1,952	1,952	1,889	1,905	1,986
<u>Parking Authority:</u>										
Parking violations	3,497	3,054	3,118	2,455	1,641	1,796	2,585	1,359	1,235	2,594
<u>Public Works</u>										
Miles of street resurfacing	6.3	6.7	6.7	5.1	5.4	4.3	4.3	9.0	12.8	13.0
Work Orders completed	638	556	591	571	606	419	401	465	572	748
<u>Public Recreation</u>										
Rounds of golf	38,573	35,761	35,888	33,349	37,138	37,001	38,078	38,247	36,196	36,796
Recreation center members	6,556	6,526	6,434	5,882	6,008	6,373	6,669	6,858	7,002	7,098
Summer camp participants	2,559	2,381	2,396	1,198	1,252	1,116	1,141	1,400	1,300	1,232
Martin park beach passes	689	772	696	583	548	531	563	538	452	474
<u>Public Education</u>										
Student enrollment	5,263	5,233	5,312	5,377	5,400	5,480	5,591	5,498	5,641	5,597

Source(s): Various Town Departments

TOWN OF RIDGEFIELD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>General Government</u>										
Vehicles	9	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	21	19	19	17	18	18	20	20	19	19
Fire vehicles	16	16	16	16	17	17	16	16	16	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	193.2
Town sidewalks (miles)	14.0	14.5	14.0	14.0	14.0	14.0	14.0	13.6	13.1	13.1
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	88.0	87.6	85.7	85.7
Treatment plants	2	2	2	2	2	2	2	2	2	2
Highway vehicles	37	38	38	38	38	38	37	37	37	37
<u>Public Recreation</u>										
Acreage	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,114
<u>Athletic facilities:</u>										
Baseball diamonds	21	21	21	21	21	21	21	21	19	19
Basketball courts - Outside	2	2	2	2	2	2	2	2	2	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	10	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	3	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Vehicles	18	17	17	17	16	18	18	17	17	17
<u>Public Education</u>										
Elementary schools	6	6	6	6	6	6	6	6	6	6
Middle schools	2	2	2	2	2	2	2	2	2	2
High schools	1	1	1	1	1	1	1	1	1	1

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Source(s): Various Town Departments