

TOWN OF RIDGEFIELD, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF RIDGEFIELD,
CONNECTICUT**

**FOR THE YEAR ENDED
JUNE 30, 2012**

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, 2012

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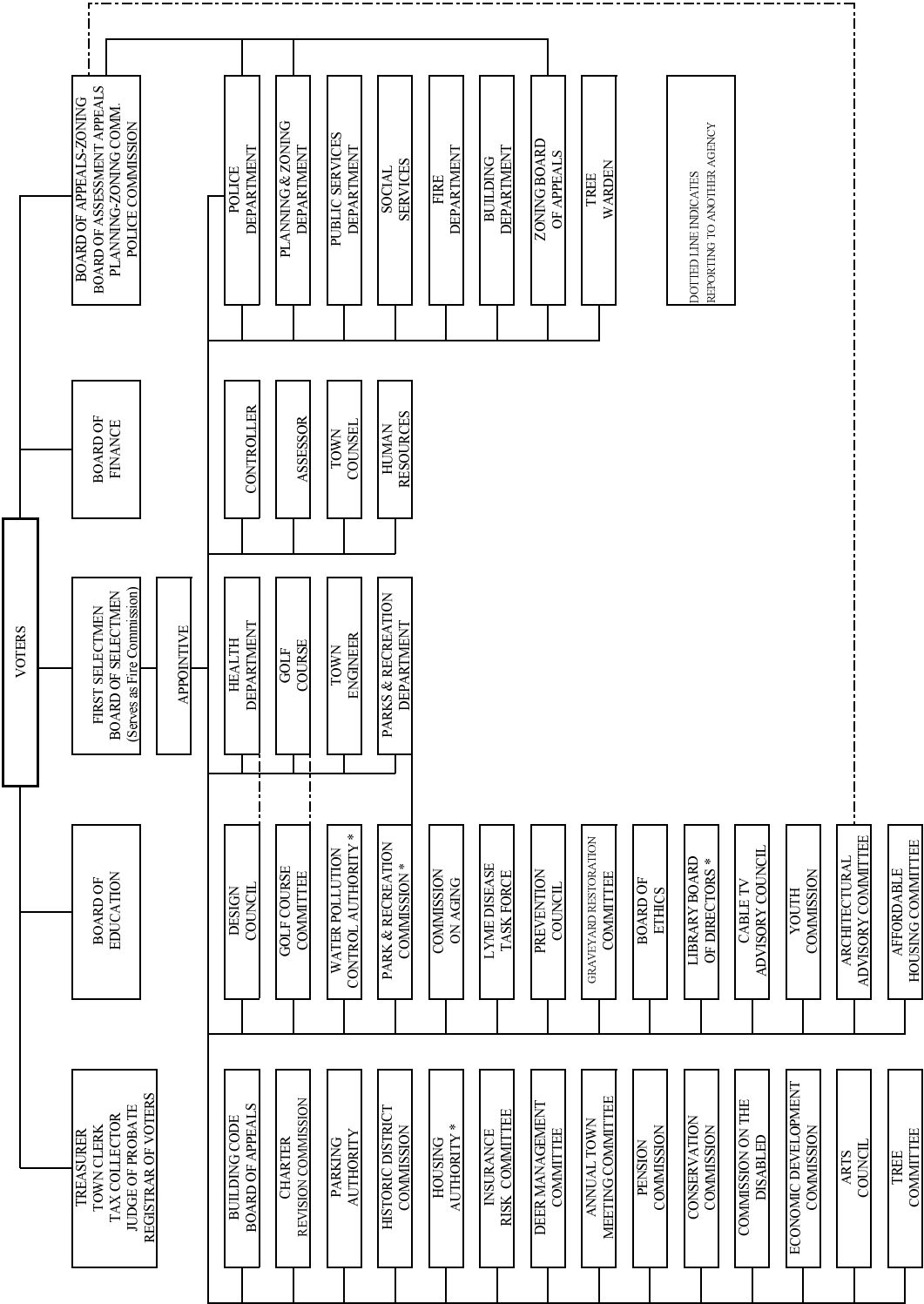
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Introductory Section

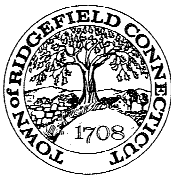
TOWN OF RIDGEFIELD, CONNECTICUT

ORGANIZATIONAL CHART



DOTTED LINE INDICATES
REPORTING TO ANOTHER AGENCY

* Appointed by Board of Selectmen but no direct reporting control



TOWN OF RIDGEFIELD

Finance Department

December 19, 2012

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, 2012.

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, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Ridgefield's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

Profile of the Government (continued)

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

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

Factors Affecting Financial Condition

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

Local Economy. Boehringer-Ingelheim, Ltd., a German drug research, development and manufacturing firm, owns 250 acres in the Town of Ridgefield. Facilities include an administrative office building, a research and development center, and an assessment and administrative support facility, totaling approximately 875,000 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 adult communities has increased over the past couple of years. These high-end units are attractive to many senior citizens from Ridgefield and other nearby communities. These individuals enjoy the social amenities that Ridgefield offers with minimal strain on the educational services of the school system.

Factors Affecting Financial Condition (continued)

General Fund Balance. The unassigned fund balance of the General Fund increased by 27.2% in 2012. The current undesignated fund balance provides the Town with the equivalence of approximately 34 working days of expenditures. This significantly reduces the likelihood of the Town entering the short-term debt market to pay for current operating expenditures.

Pension Trust Fund Operations. The operations of the Pension Trust Fund continued to be positively impacted by the market improvement in 2012. The net assets held in trust increased \$2,162,348 to \$70,572,903 at June 30, 2012 as a result of current year activity. The Pension Trust Fund experienced a trust yield of 1.8% 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 is using a five year phase-in funding approach. For fiscal 2012, the Town and Board of Education contributed a total of \$408,000 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, 2011. 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, 2012**

BOARD OF SELECTMEN

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

BOARD OF FINANCE

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

TOWN DEPARTMENTS

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

AUDITORS

Blum, Shapiro & Company, P.C.

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Egan

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Ridgefield, Connecticut

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, 2012, which collectively comprise the Town of Ridgefield, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Ridgefield, Connecticut's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ridgefield, Connecticut's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012 on our consideration of the Town of Ridgefield, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the budgetary comparison information on pages 58 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ridgefield, Connecticut's financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have 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.

Blum, Shapiro & Company, P.C.

December 19, 2012

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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 assets* which presents information on all of the Town’s assets and liabilities with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

All changes in net assets 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 assets are reported as capital assets net of related debt, restricted net assets, and unrestricted net assets. Permanent endowments, or permanent fund principal amounts included in restricted net assets, 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 assets for the period.

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

Governmental fund financial statements include financial data for the general fund, special revenue funds, capital projects, and permanent fund. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital nonrecurring fund, the bonded projects fund, and the sewer bond repayment fund, all of which are considered to be major funds. Data from the other thirteen special revenue governmental funds are combined into a single, aggregated presentation. Information for the permanent Ballard Park fund is presented separately. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The Town of Ridgefield adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

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

Notes to Basic Financial Statements

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

Required Supplementary Information (RSI)

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

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

Financial Highlights

- ❖ The assets of the Town of Ridgefield exceeded its liabilities at the close of the most recent year by \$108,401,335 (net assets). Of this amount, \$25,782,426 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net assets grew by \$12,390,836. This increase resulted in part from an increase in fund balances and reductions in long-term general obligation bonds.
- ❖ As of the close of the current fiscal year, the Town's governmental funds reported combining ending fund balances of \$8,272,794, a decrease of \$4,847,399 in comparison with the prior year. Of this amount, \$3,664,355 is available for spending at the government's discretion (unassigned fund balance).
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,507,184, or 8.34% of total general fund revenues of \$137,971,648. Total general fund balance of \$15,623,261 represented 11.32% of total general fund revenues.
- ❖ Ridgefield amortized \$9,745,000 (9.89%) of outstanding long-term bonds and \$723,819 (51.48%) of long-term notes. We also paid \$512,213 against outstanding capital leases. At the same time, we issued \$12,830,000 of short-term bond anticipation notes for a variety of capital improvement projects discussed elsewhere in this report.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Most of Ridgefield's net assets (76.17%) 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 Assets (Net of Accumulated Depreciation)

	Total Primary Government 2012	Total Primary Government 2011
Current and other assets	\$ 35,220,628	\$ 25,214,971
Capital assets	190,476,580	185,369,810
Total Assets	<u>225,697,208</u>	<u>210,584,781</u>
Long-term liabilities	98,352,728	109,883,541
Other liabilities	18,943,145	4,690,735
Total Liabilities	<u>117,295,873</u>	<u>114,574,276</u>
Net assets:		
Invested in capital assets, net of debt	82,564,434	79,350,980
Restricted	54,475	57,753
Unrestricted	<u>25,782,426</u>	<u>16,601,772</u>
Total Net Assets	<u>\$ 108,401,335</u>	<u>\$ 96,010,505</u>

The balance of *unrestricted net assets*, \$25,782,426, 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 assets both for the Town as a whole as well as for its separate governmental activities.

The government's net assets increased by \$12,390,830 during the current fiscal year as previously indicated. The primary contributing components to the increase were the \$5,154,014 (net increase after depreciation charges) in capital outlay and \$10,981,032 amortization of outstanding bonds, notes, and leases. Net assets were lowered by a \$4,847,399 decline in fund balances driven by \$9,985,861 of expenditures in the bonded projects fund yet to be offset by new bonds.

The Town brought in general revenues of \$146,452,777 which exceeded its gross operating expenses of \$134,061,941 by the amount of the net asset increase. Gross expenses were offset by \$13,263,057 in charges for services and \$13,728,634 in operating grants and contributions. Of the net expenses, \$77,690,714 was accounted for by the Board of Education. Public safety net expenses of \$11,009,398, public works net expenditures of \$6,380,345, interest expense of \$3,655,086, and general government net expenses of \$3,168,255 accounted for most of the expenses. The majority of the Town's revenue was \$114,105,779 in property tax collections. Other revenue sources were \$867,242 in unrestricted grants and contributions, \$69,732 in

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

investment income, and \$4,418,333 of miscellaneous revenues. Our largest item in this category was a \$4,315,757 rebate from Connecticut Light and Power (CL&P) for eight years of overcharges plus interest on the high school meter.

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

Table 2. Changes in Net Assets

	Total Primary Government 2012	Total Primary Government 2011
Revenues:		
Program revenues:		
Charges for services	\$ 13,263,057	\$ 11,770,103
Operating grants and contributions	13,728,634	13,100,693
Capital grants and contributions	--	690,743
General revenues:		
Property taxes	114,105,779	112,078,692
Grants and contributions not restricted to specific purpose	867,242	731,357
Unrestricted investment earnings	69,732	79,161
Gain on disposal of capital assets	--	25,549
Miscellaneous	4,418,333	148,443
Total Revenues	<u>146,452,777</u>	<u>138,624,741</u>
Program Expenses:		
General government	5,080,033	4,485,127
Health and welfare	854,954	813,904
Recreation	7,062,174	6,904,437
Public safety	12,233,586	12,266,773
Public works	9,208,835	9,522,503
Education	94,281,327	91,081,269
Library	1,685,946	1,682,300
Interest	3,655,086	4,014,647
Total Program Expenses	<u>134,061,941</u>	<u>130,770,960</u>
Change in net assets	12,390,836	7,853,781
Net Assets - July 1 +	<u>96,010,499</u>	<u>88,156,724</u>
Net Assets - June 30	<u>\$ 108,401,335</u>	<u>\$ 96,010,505</u>

+ See Note 6, Prior Period Adjustments, of Notes to Financial Statements for June 30, 2011

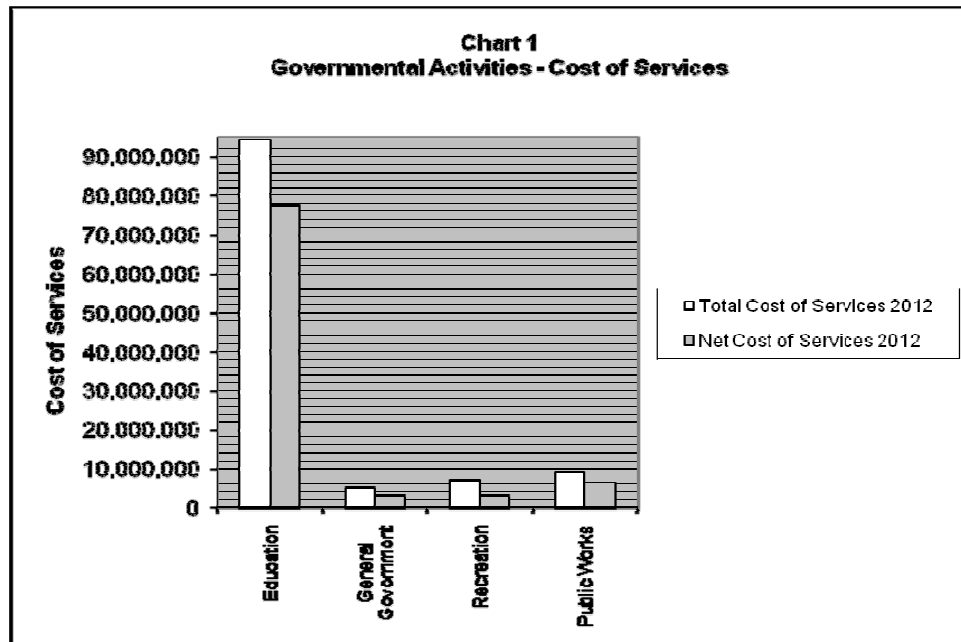
Property taxes collected rose by \$2.027 million (1.81%) between fiscal year 2011 and 2012 reflecting a 98.5% collection rate. Charges for services were higher by \$1,492,954 as a result of \$475 thousand increase in general government and \$890 thousand increase in education. The marked increase in miscellaneous revenues, \$4,269,890 was the outcome of the CL&P settlement discussed above.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Overall, program expenses rose \$3.291 million from last year with the majority attributable to the Board of Education.

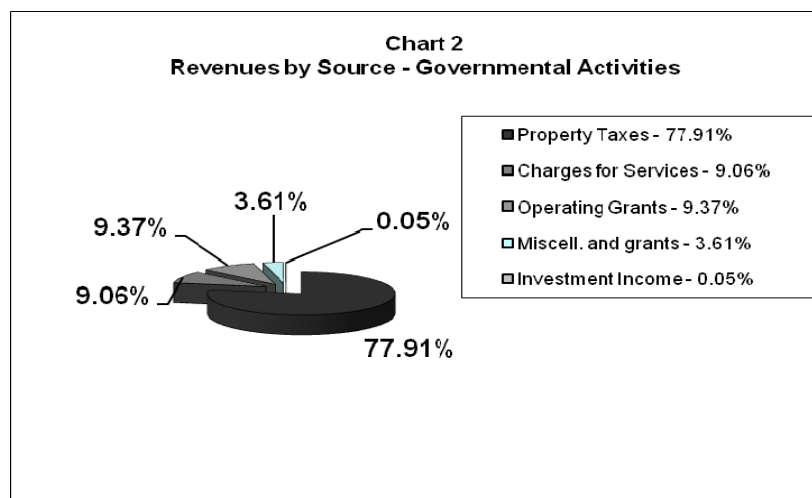
Chart 1 presents the costs of educational services and the three most costly government services as well as each group's net cost (total cost less revenues and grants generated by the activities).

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



For the most part, the rise in expenses reflects increases in salary and benefits and an increase in the State on-behalf teacher retirement charges.

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



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

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

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 \$8,272,794, a decrease of \$4,847,401 from the prior year's \$13,120,195. At June 30, 2012, \$199,453 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 restricted balances in the amount of \$8,073,341 with restricted balances of \$1,079,006, committed balances in the amount of \$2,878,258, and assigned balances of \$4,116,077. 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 \$15,623,261, and the unassigned general fund balance was \$11,507,184. As a measure of the general fund's liquidity, it may be useful to compare both unassigned general fund balance and total general fund balance to general fund expenditures and uses, net of the non-cash State On-behalf Teacher Retirement payments and other State Education charges. Unassigned general fund balance represents 9.33% of such general fund expenditures and uses while total general fund balance represents 12.67%.

The Town of Ridgefield's governmental funds fund balance decreased by \$4,847,399 during the current fiscal year. Key factors in this decrease are as follows:

- The General Fund realized revenues of \$137,971,648 and expenditures of \$131,454,232 for a positive operating result of \$6,517,416. Transfers out of \$1,168,820 to other funds generated a net other financing use of (\$1,168,820). The net change in fund balance for the general fund was an increase of \$5,348,596 to \$15,623,261. This increase was driven primarily by favorable operating results of \$6,517,416 driven largely by the unbudgeted \$4,291,007 of miscellaneous revenue discussed earlier. All major line items realized lower expenditures than budgeted resulting in a positive budget variance of \$978,349.
- The capital nonrecurring fund reflects revenues of \$113,161 and expenditures of \$749,325 producing a net excess of expenditures over revenues of (\$636,164). Despite the inclusion of \$510,000 of capital lease proceeds and \$96,000 of transfers in, the fund balance remained negative at \$145,846, a slight decrease over last year's negative \$115,682. We use this fund to account for our various projects and large fluctuations in fund balance are common due to the timing of cash flows in and out of the fund.
- The bonded projects fund accounts for our debt transactions and capital outlays not paid for from the operating budget. This fund generated no revenues in fiscal year 2012 and \$9,985,861 of expenditures for capital projects for negative operating results of \$9,985,861. Like the capital nonrecurring fund above, fund balance fluctuations are expected. Consequently, the prior year's negative fund balance of \$25,025 was further reduced to a negative fund balance of \$10,010,886.
- The sewer bond repayment fund realized \$196,173 of revenues, mostly from service charges and experienced no disbursements, resulting in a net fund balance increase of \$196,173 to \$1,851,056.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- Other nonmajor governmental funds reflect total revenues of \$7,240,153 and total expenditures of \$8,646,616 for a combined operating shortfall \$1,406,463. Coupled with a net other financing sources and uses input of \$1,030,320, the nonmajor governmental funds fund balance decreased a total of \$376,143 to \$955,209.

General Fund Budgetary Highlights

During the year, there was \$173,000 of additional funds provided for the police department increasing the original revenue budget of \$124,065,850 to \$124,238,850. This item represented police private duty revenue which was more than the budget contemplated. On the expenditure side, general government expenditures were increased \$81,000, almost all for additional legal counsel. The police department was accorded an additional \$22,000 and town buildings an extra \$70,000 for a total of additional expenditures amounting to \$173,000. There were multiple adjustments within the education budget that resulted in no net change to its original \$79,213,314 budget. Combined budget increases represented .14% of the original budget.

Operational results generated a favorable revenue variance over budget of \$4,154,536 primarily as a result of the CL&P settlement. We also did not use \$400,000 budgeted general fund balance. We were slightly under budget in most revenue categories except charges for services which was \$496,379 to the good and miscellaneous which returned \$4,219,007 more than expected. Under budget were taxes, (\$69,215), intergovernmental revenues (\$121,705), and investment income (\$41,930).

We continued to control expenditures in a variety of ways that ultimately generated a net positive expenditure budget variance of \$978,349. Every major department contributed to this effort with public safety favorable by \$250,194, general government \$228,164, public works with \$185,821, and parks and recreation with \$125,547 and Education with \$142,229.

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, 2012 details our capital asset additions of \$9,241,942 during the fiscal year before dispositions of \$179,053. The total net increase (before depreciation) in the Town's investment in capital assets for the current fiscal year was \$9,062,889, a 3.72% increase for governmental activities.

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

- We purchased the roughly 45 acre Schlumberger property on Old Quarry Road for a cost of \$6,000,000 which is reflected in \$1.5 million of land and \$4.5 million in buildings.
- We spent \$830 thousand retrofitting new energy efficient lighting to all Town buildings (excluding Board of Education and schools);
- Other buildings received energy related improvements for \$105 thousand such as insulating the Town Hall attic, replacing Town Hall storm windows, and installing new natural gas burners for the fire and police stations;
- We spent \$1.559 million for new machinery and equipment with one of the larger items being computer leases for the Board of Education. We purchased two Mack trucks, a John Deere loader, a truck with crane hoist, and an asphalt recycler for public works, a new ambulance, and three new police cruisers;

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- Our infrastructure was improved by \$698 thousand as we replaced roads, drainage pipes, and catch basins.

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

	Total Primary Government	
	2012	2011
Land	\$ 30,862,176	\$ 29,334,731
Land improvements	1,835,963	1,943,469
Buildings	121,471,186	118,039,507
Machinery and equipment	5,915,093	5,661,043
Infrastructure	30,392,162	30,391,060
Construction in progress	--	--
Total	<u>\$ 190,476,580</u>	<u>\$ 185,369,810</u>

Additional information on the Town of Ridgefield's capital assets can be found in the Notes to Financial Statements, June 30, 2012, Note 3.C., Capital Assets, of this report.

Long-term and Short-term Debt. At the end of the current fiscal year, the Town of Ridgefield had outstanding \$88,755,000 of long-term bonded debt and \$682,197 of long-term notes. During the year, we retired \$9,745,000 of maturing bond principal and \$723,819 of maturing long-term note principal. We issued \$12,830,000 of new money BANs to fund capital project expenditures such as \$6.0 million for the purchase of the Schlumberger property, \$1.4 million for school building and facilities improvements, \$1.4 million for road safety and repair, \$1.3 million for work on Town buildings, \$1.1 million related to the Bennett's' property and \$1.6 million for various vehicles and equipment for the police, fire, and public works departments. 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	
	2012	2011
General obligation bonds	\$ 88,755,000	\$ 98,500,000
Notes payable	682,197	1,406,016
Total	<u>\$ 89,437,197</u>	<u>\$ 99,906,016</u>

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

Connecticut General Statutes Section 7-374(b) limits the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees. For June 30, 2012, the maximum amount of borrowing permitted under the formula would be \$790,889,505. With net borrowings for debt limit purposes of \$95,347,863, the Town of Ridgefield's outstanding general obligation debt is \$695,541,642 below the maximum debt limitation (see Note 3.F. Long-term Debt in Notes to Financial Statements, June 30, 2012 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, 2012 was 5.9% compared to 6.4% a year ago. This compares favorably to the state's average unemployment rate of 8.4% and the national average rate of 8.4% (not seasonally adjusted).
- The occupancy rate of the government's central business district has remained at 96% for the past three years.
- Inflationary trends in the region compare favorably to the national indices.

The FY 2012 - 13 budget rose \$2,165,614, or 1.74% over last year to \$126,654,404. Property taxes were \$408,891 (-0.36%) less than FY 2012's budget at \$112,599,381. Intergovernmental revenues were also budgeted less than the previous year by \$182,698 (-5.66%) at \$3,046,722 with the major cut being in the manufacturer's exemption (-\$326,946). Although the Town has a larger budget and lower revenues, we also opted to use general fund balance by \$3,200,000 in order to return a significant portion of the CL&P settlement to the taxpayers of the Town. To fund the new budget, the mill rate went from 20.61 mills to 20.37 mills, a 1.15% decrease.

On the expenditure side, Town operations were budgeted at \$32,103,387 (before capital outlays and debt service), a \$618,131, or 1.96%, increase from the prior year. School operations increased \$2,056,159 to \$81,269,473, a 2.60% rise over last fiscal year. Debt service decreased \$412,676, or 3.01%. Capital project expenditures were budgeted at zero for the 2013 fiscal year. Notable increases (or decreases) in existing Town functions are detailed below:

- ❖ Insurance, employee benefits, and pension costs rose \$225,468 (3.05%) driven largely by increases in employee medical insurance premiums and workers' compensation premiums;
- ❖ Police rose \$170,528 (3.68%) driven primarily by almost \$150 thousand of new cruisers purchased, which had previously been included in the capital budget;
- ❖ All other departments with minimal increases due primarily to increases in salaries and benefits;
- ❖ The Board of Education drove much of the budget increase at \$2,056,159.

All of these factors contributed to Ridgefield's budget for the 2013 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 ASSETS
JUNE 30, 2012

	Primary Government Governmental Activities	Component Unit Ridgefield Library
Assets:		
Cash and cash equivalents	\$ 16,938,369	\$ 7,556,272
Restricted cash	11,409	
Investments	7,563,783	2,741,776
Restricted investments	30,170	1,766,177
Receivables, net	7,126,521	1,704,729
Other assets	22,572	72,424
Deferred charges	3,527,804	
Capital assets:		
Assets not being depreciated	30,862,176	2,184,344
Assets being depreciated, net	159,614,404	2,715,967
Total assets	<u>225,697,208</u>	<u>18,741,689</u>
Liabilities:		
Accounts payable and accrued items	3,509,328	186,897
Interest payable	1,503,603	
Unearned revenue	922,411	
Other liabilities	177,803	
Bond anticipation note payable	12,830,000	
Noncurrent liabilities:		
Due within one year	10,422,134	
Due in more than one year	87,930,594	
Total liabilities	<u>117,295,873</u>	<u>186,897</u>
Net Assets:		
Invested in capital assets, net of related debt	82,564,434	4,900,311
Restricted for:		
Endowments	12,896	1,766,177
Perpetual trust held by third party		1,671,379
Permanent Fund:		
Expendable	41,579	
Unrestricted	<u>25,782,426</u>	<u>10,216,925</u>
Total Net Assets	<u>\$ 108,401,335</u>	<u>\$ 18,554,792</u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Functions/Program Activities	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,080,033	\$ 1,880,008	\$ 31,770	\$ (3,168,255)
Health and welfare	854,954	73,145	252,704	(529,105)
Recreation	7,062,174	4,047,108	63,665	(2,951,401)
Public safety	12,233,586	1,137,401	86,787	(11,009,398)
Public works	9,208,835	2,639,730	188,760	(6,380,345)
Education	94,281,327	3,485,665	13,104,948	(77,690,714)
Library	1,685,946			(1,685,946)
Interest on long-term debt	3,655,086			(3,655,086)
Total Primary Government	\$ 134,061,941	\$ 13,263,057	\$ 13,728,634	\$ (107,070,250)
Component Unit:				
Ridgefield Library Association, Inc.	\$ 2,538,199	\$ 53,325	\$ 5,891,546	\$ 1,838,973
General Revenues:				
Property taxes				114,105,779
Grants and contributions not restricted to specific programs				867,242
Investment income				69,732
Miscellaneous				4,418,333
Net General Revenues				119,461,086
Change in Net Assets				12,390,836
Net Assets - Beginning of Year, as Restated				96,010,499
Net Assets - End of Year				\$ 108,401,335
				\$ 18,554,792

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<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	\$ 10,140,564	\$	\$ 2,985,902	\$ 1,502,837	\$ 2,197,545	\$ 16,826,848
Investments	7,563,783				30,170	7,593,953
Receivables, net	4,791,760	592,689		607,944	257,450	6,249,843
Due from other funds		150,000		348,219		498,219
Other assets					22,572	22,572
Total Assets	<u>\$ 22,496,107</u>	<u>\$ 742,689</u>	<u>\$ 2,985,902</u>	<u>\$ 2,459,000</u>	<u>\$ 2,507,737</u>	<u>\$ 31,191,435</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,784,413	\$ 613,751	\$ 47,445	\$	\$ 647,743	\$ 3,093,352
Accrued payroll	390,593					390,593
Due to the State					6,654	6,654
Due to other funds					498,219	498,219
Bond anticipation notes payable			12,830,000			12,830,000
Deferred revenue	4,639,380	274,784		607,944	399,912	5,922,020
Other	58,460		119,343			177,803
Total Liabilities	<u>6,872,846</u>	<u>888,535</u>	<u>12,996,788</u>	<u>607,944</u>	<u>1,552,528</u>	<u>22,918,641</u>
Fund balances:						
Restricted		113,235			965,771	1,079,006
Committed			575,000	1,851,056	452,202	2,878,258
Assigned	4,116,077					4,116,077
Unassigned	11,507,184	(259,081)	(10,585,886)		(462,764)	199,453
Total Fund Balances	<u>15,623,261</u>	<u>(145,846)</u>	<u>(10,010,886)</u>	<u>1,851,056</u>	<u>955,209</u>	<u>8,272,794</u>
Total Liabilities and Fund Balances	<u>\$ 22,496,107</u>	<u>\$ 742,689</u>	<u>\$ 2,985,902</u>	<u>\$ 2,459,000</u>	<u>\$ 2,507,737</u>	<u>\$ 31,191,435</u>

(Continued on next page)

TOWN OF RIDGEFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2012

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

Fund balances - total governmental funds (Exhibit III)	\$	8,272,794
--	----	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 257,372,414	
Less accumulated depreciation	<u>(66,895,834)</u>	190,476,580

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Property tax, sewer use and sewer assessment interest and lien accrual	1,676,680	
Property tax, sewer use, sewer assessment and loan receivable - accrual basis change	4,999,609	
Interest and lien allowance for doubtful accounts	(841,315)	
Note receivable	36,243	
Receivable from the State for school construction projects	5,070	

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 assets.

104,205

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(88,755,000)	
Notes payable	(682,197)	
Bond premium	(8,037,582)	
Deferred amount on refunding	2,895,360	
Deferred bond issue costs	3,527,804	
Pension obligation	(997,755)	
OPEB obligation	(923,690)	
Interest payable on bonds	(1,503,607)	
Compensated absences	(1,138,017)	
Claims and judgments	(211,120)	
Lease obligations	<u>(502,727)</u>	

Net Assets of Governmental Activities (Exhibit I)	\$	<u>108,401,335</u>
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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, 2012

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Bonded Projects</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 113,029,057	\$	\$	\$	\$	\$ 113,029,057
Intergovernmental	12,297,794	69,791			1,765,708	14,133,293
Charges for services	8,172,537			196,173	4,998,174	13,366,884
Contributions					463,980	463,980
Income from investments	58,070	11,379			283	69,732
Other	4,414,190	31,991			12,008	4,458,189
Total revenues	<u>137,971,648</u>	<u>113,161</u>	<u>-</u>	<u>196,173</u>	<u>7,240,153</u>	<u>145,521,135</u>
Expenditures:						
Current:						
General government	10,894,525				60,516	10,955,041
Health and welfare	413,277				292,351	705,628
Community grants	216,675					216,675
Recreation	4,901,506				293,173	5,194,679
Public safety	8,202,792				173,744	8,376,536
Public works	4,202,935				1,635,692	5,838,627
Education	87,248,296				5,531,479	92,779,775
Library	1,685,946					1,685,946
Debt service	13,688,280				659,661	14,347,941
Capital outlay		749,325	9,985,861			10,735,186
Total expenditures	<u>131,454,232</u>	<u>749,325</u>	<u>9,985,861</u>	<u>-</u>	<u>8,646,616</u>	<u>150,836,034</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,517,416</u>	<u>(636,164)</u>	<u>(9,985,861)</u>	<u>196,173</u>	<u>(1,406,463)</u>	<u>(5,314,899)</u>
Other Financing Sources (Uses):						
Issuance of capital lease		510,000				510,000
Transfers in		96,000			1,030,320	1,126,320
Transfers out	(1,168,820)					(1,168,820)
Net other financing sources (uses)	<u>(1,168,820)</u>	<u>606,000</u>	<u>-</u>	<u>-</u>	<u>1,030,320</u>	<u>467,500</u>
Net Change in Fund Balances	5,348,596	(30,164)	(9,985,861)	196,173	(376,143)	(4,847,399)
Fund Balances - Beginning of Year	<u>10,274,665</u>	<u>(115,682)</u>	<u>(25,025)</u>	<u>1,654,883</u>	<u>1,331,352</u>	<u>13,120,193</u>
Fund Balances - End of Year	<u>\$ 15,623,261</u>	<u>\$ (145,846)</u>	<u>\$ (10,010,886)</u>	<u>\$ 1,851,056</u>	<u>\$ 955,209</u>	<u>\$ 8,272,794</u>

(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, 2012

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)	\$ (4,847,399)
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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	9,241,942
Less current year depreciation	(4,087,928)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets. 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 assets differs from the change in fund balance by the cost of the capital assets sold.

(47,244)

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

Note receivable receipts	(33,566)
Intergovernmental revenue on school bonds	(5,070)
Increase in property tax, sewer use, sewer assessment and loan receivable - accrual basis change	685,841
Increase in property tax, sewer use and sewer assessment interest and lien revenue	301,138
Decrease in property tax and sewer use allowance for doubtful accounts	(92,409)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of capital leases	(510,000)
Payments on general obligations bonds	9,745,000
Payments on notes payable	723,819
Payments on capital leases	512,213

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	253,847
OPEB obligation	(116,058)
Compensated absences	(29,596)
Accrued interest	91,442
Bond issuance costs	(390,067)
Deferred amount on refunding	(228,602)
Bond premium	751,263
Claims and judgments	428,927

The net revenue of the activities of the Internal Service Fund is reported with governmental activities.

43,343

Change in Net Assets of Governmental Activities (Exhibit II)

\$ 12,390,836

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2012

	Governmental Activities
	Internal Service Funds
Assets:	
Cash	\$ 122,930
Liabilities:	
Accounts payable	18,725
Net Assets:	
Restricted	1,195
Unrestricted	103,010
Total Net Assets	\$ 104,205

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Insurance proceeds	\$ 106,101
Operating Expenses:	
Claims incurred	<u>105,258</u>
Operating Loss	843
Transfers in	<u>42,500</u>
Change in Net Assets	43,343
Net Assets - Beginning of Year, as Restated	<u>60,862</u>
Net Assets - End of Year	\$ <u><u>104,205</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, 2012

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received as insurance proceeds	\$ 106,101
Cash paid for benefits, claims and administration	(123,409)
Net cash used in operating activities	<u>(17,308)</u>
Cash Flows Provided by Noncapital Financing Activities:	
Transfers in	<u>42,500</u>
Net Increase in Cash	25,192
Cash - Beginning of Year	<u>97,738</u>
Cash - End of Year	<u><u>\$ 122,930</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ 843
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts payable	15,090
Decrease in due to other funds	<u>(33,241)</u>
Net Cash Used in Operating Activities	<u><u>\$ (17,308)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2012

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 6,148	\$ 126	\$ 2,272,939
Investments - at fair value:			
Mutual funds:			
Equity	70,369,517	1,055,571	
U.S. Treasury bonds			220,916
Total investments	<u>70,369,517</u>	<u>1,055,571</u>	<u>220,916</u>
Other Assets:			
Accounts receivable			3,741
Prepaid benefits	203,488		
Total other assets	<u>203,488</u>	<u>-</u>	<u>3,741</u>
Total assets	70,579,153	1,055,697	\$ <u>2,497,596</u>
Liabilities:			
Due to others	<u>6,250</u>		\$ <u>2,497,596</u>
Net Assets:			
Net Assets Held in Trust for Pension and OPEB Benefits	<u>\$ 70,572,903</u>	<u>\$ 1,055,697</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Pension Trust Funds	OPEB Trust Fund
	<hr/>	<hr/>
Additions:		
Contributions:		
Employer	\$ 2,713,881	\$ 408,000
Plan members	544,043	
Total contributions	<hr/> 3,257,924 <hr/>	<hr/> 408,000 <hr/>
Net investment income:		
Net appreciation in fair value of investments	540,235	
Interest and dividends	704,052	18,688
	<hr/> 1,244,287 <hr/>	<hr/> 18,688 <hr/>
Less investment expense	-	
Net investment income	<hr/> 1,244,287 <hr/>	<hr/> 18,688 <hr/>
Total additions	<hr/> 4,502,211 <hr/>	<hr/> 426,688 <hr/>
Deductions:		
Benefits	2,265,455	
Administration	74,408	
Total deductions	<hr/> 2,339,863 <hr/>	<hr/> - <hr/>
Change in Net Assets	2,162,348	426,688
Net Assets - Beginning of Year	<hr/> 68,410,555 <hr/>	<hr/> 629,009 <hr/>
Net Assets - End of Year	\$ <u><u>70,572,903</u></u>	\$ <u><u>1,055,697</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

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

Discretely Presented Component Unit

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

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

B. Basis of Presentation

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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. 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 use the accrual basis of accounting, but have no measurement focus since they report only assets and liabilities.

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, 2012.

F. Restricted Assets

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

G. Capital Assets

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

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

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

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

Component Unit

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Compensated Absences

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

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

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

I. Long-Term Obligations

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

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

J. Equity

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

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Restricted Net Assets - Net asset 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 Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

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

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

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as committed or restricted. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance, finance director or business manager, which have been delegated authority to assign amounts by the Town Charter.

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

K. Property Taxes

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

L. Accounting Estimates

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget for the year commencing July 1. The budget includes proposed expenditures and the means of financing them.
- The Board of Finance submits their final proposed budget to the annual Town Meeting, which is held on the first Monday in May. Those in attendance at the annual Town Meeting may comment on the proposed budget before it is forwarded to a referendum vote. Appropriations may not be increased. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting. The Board of Selectmen is responsible for establishing the hours of voting. This process is repeated, if necessary, until a budget is approved.
- The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one department's appropriation to another. Management may not authorize any additional appropriations. The Board of Finance may provide any single requesting agency with a special appropriation from General Fund unassigned fund balance a sum not to exceed \$50,000 cumulative and/or \$250,000 in the aggregate to all requesting agencies in any fiscal year. Special appropriations in excess of \$3,000,000 must be taken to referendum. During the year ended June 30, 2012, there was an additional appropriation of \$173,000.
- 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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI-2) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Deficit Fund Equity

The following individual funds had deficit fund balances at June 30, 2012:

Special revenue funds:		
Sewer Operating I, II, III	\$	462,764
Tiger Hollow		78,185
Youth Barn		43,920
Capital projects funds:		
Capital Nonrecurring		145,846
Bonded Capital Projects		10,010,886
Internal Serviced Funds:		
Heart and Hypertension Fund		16,941

The deficit in the Tiger Hollow, Youth Barn and Heart and Hypertension Fund will be funded by future operating transfers from the General Fund. The deficit in the Sewer Operating I, II, III will be funded by future operating transfers from the Sewer Bond Payment Fund. The Capital Nonrecurring Fund and Bonded Projects Fund will be funded by future state grant reimbursements and bond issues.

C. Donor Restricted Endowments

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Capital Projects Authorizations

The following is a summary of bonded projects and capital nonrecurring projects at June 30, 2012:

Project	Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2012
Sewer	\$ 2,230,000	\$	\$ 1,924,317	\$ 305,683
School buildings	115,571,185	1,124,975	115,546,792	24,393
Infrastructure	32,375,600	7,987,847	23,601,967	8,773,633
Municipal buildings	2,773,171	(16,474)	2,023,199	749,972
Motor vehicles	2,091,200	759,651	1,413,543	677,657
Machinery and equipment	1,414,366	369,189	1,251,129	163,237
Total	\$ 156,455,522	\$ 10,225,188	\$ 145,760,947	\$ 10,694,575

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,579,767 of the Town's bank balance of \$11,727,005 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,569,256
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,010,511</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 10,579,767</u>

At June 30, 2012, the entire balance of the component unit's deposits was covered by federal depository insurance.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$8,351,331. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
Money Market Funds*	
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm

*Not rated

At June 30, 2012, the component unit's cash equivalents include money market funds of \$7,022,808 with no rating.

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
U.S. Treasury bonds	N/A	\$ 220,916	\$ 220,916	\$	\$
Certificates of deposit	*	<u>7,593,953</u>	<u>7,593,953</u>		
Total		7,814,869	\$ <u><u>7,814,869</u></u>	\$ <u>-</u>	\$ <u>-</u>
Other investments:					
Mutual funds		<u>71,425,088</u>			
Total Investments		\$ <u>79,239,957</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

N/A Not applicable

At June 30, 2012, the component unit's investments include mutual funds of \$2,764,854 with no rating or maturity, certificates of deposit of \$71,720 with no rating and a maturity in one to ten years and \$1,671,379 beneficial interest in a perpetual trust.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2012, 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 MBIA 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, 2012 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*	\$ 4,949,424	\$	\$	\$	\$ 4,949,424
Assessments/use charges*			615,353	142,646	757,999
Intergovernmental	694,567	113,235		115,160	922,962
Notes receivable		274,784			274,784
Other	<u>116,460</u>	<u>204,670</u>		<u>9,883</u>	<u>331,013</u>
Gross receivables	5,760,451	592,689	615,353	267,689	7,236,182
Less allowance for uncollectibles**	<u>968,691</u>		<u>7,409</u>	<u>6,498</u>	<u>982,598</u>
Net Total Receivables	<u>\$ 4,791,760</u>	<u>\$ 592,689</u>	<u>\$ 607,944</u>	<u>\$ 261,191</u>	<u>\$ 6,253,584</u>

* Does not include accrued interest on property taxes of \$1,649,921 and use charges of \$26,759.

** Does not include allowance for uncollectibles on accrued interest on property taxes of \$839,755 and use charges of \$1,560.

Ridgefield Library, the component unit, has recorded contributions receivable in the amount of \$1,846,440. Ridgefield Library expects \$594,644 to be collected within one year and \$1,251,796 to be collected within one to five years. The allowance for uncollectibles was \$87,100. A rate of 1.5% was used for contributions expected to be received in more than one year, resulting in discounts to net present value of \$54,611.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 3,980,733	\$
Recreation revenue		658,647
Special Revenue Funds:		
Special assessments	607,944	
Delinquent sewer use receivable	136,148	
Loan receivable	274,784	
Cafeteria revenues		70,161
Miscellaneous grants		122,383
Education grants		71,220
	<u> </u>	<u> </u>
Total Deferred Revenue for Governmental Funds	\$ <u>4,999,609</u>	\$ <u>922,411</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 29,334,731	\$ 1,527,445	\$	\$ 30,862,176
Total capital assets not being depreciated	<u>29,334,731</u>	<u>1,527,445</u>	<u>-</u>	<u>30,862,176</u>
Capital assets being depreciated:				
Land improvements	6,434,981			6,434,981
Buildings	140,879,912	5,518,913		146,398,825
Machinery and equipment	27,178,797	1,497,643	179,053	28,497,387
Infrastructure	44,481,104	697,941		45,179,045
Total capital assets being depreciated	<u>218,974,794</u>	<u>7,714,497</u>	<u>179,053</u>	<u>226,510,238</u>
Less accumulated depreciation for:				
Land improvements	4,491,512	107,506		4,599,018
Buildings	22,840,405	2,087,234		24,927,639
Machinery and equipment	21,517,754	1,196,349	131,809	22,582,294
Infrastructure	14,090,044	696,839		14,786,883
Total accumulated depreciation	<u>62,939,715</u>	<u>4,087,928</u>	<u>131,809</u>	<u>66,895,834</u>
Total capital assets being depreciated, net	<u>156,035,079</u>	<u>3,626,569</u>	<u>47,244</u>	<u>159,614,404</u>
Governmental Activities Capital Assets, Net	\$ <u>185,369,810</u>	\$ <u>5,154,014</u>	\$ <u>47,244</u>	\$ <u>190,476,580</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental activities:

General government	\$ 275,427
Health and welfare	1,455
Public safety	318,451
Public works	1,014,201
Recreation	514,169
Education	<u>1,964,225</u>

Total Depreciation Expense - Governmental Activities \$ 4,087,928

Component Unit

Activity for the Ridgefield Library Association, Inc., for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 602,941	\$	\$	\$ 602,941
Construction in progress	<u>645,072</u>	<u>936,331</u>		<u>1,581,403</u>
Total capital assets not being depreciated	<u>1,248,013</u>	<u>936,331</u>	<u>-</u>	<u>2,184,344</u>
Capital assets being depreciated:				
Buildings	4,623,195			4,623,195
Land improvements	115,817			115,817
Furnishings and equipment	<u>453,427</u>	<u>15,403</u>	<u>27,218</u>	<u>441,612</u>
Total capital assets being depreciated	<u>5,192,439</u>	<u>15,403</u>	<u>27,218</u>	<u>5,180,624</u>
Less accumulated depreciation for:				
Buildings	1,887,950	104,911		1,992,861
Land improvements	61,195	7,721		68,916
Furnishings and equipment	<u>422,859</u>	<u>7,239</u>	<u>27,218</u>	<u>402,880</u>
Total accumulated depreciation	<u>2,372,004</u>	<u>119,871</u>	<u>27,218</u>	<u>2,464,657</u>
Total capital assets being depreciated, net	<u>2,820,435</u>	<u>(104,468)</u>	<u>-</u>	<u>2,715,967</u>
Ridgefield Library Association, Inc.,				
Capital Assets, Net	<u><u>\$ 4,068,448</u></u>	<u><u>\$ 831,863</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,900,311</u></u>

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

D. Interfund Receivables, Payables and Transfers

Interfund balances are a result of timing differences between the date payments occurred for various activities. The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Nonrecurring Fund	Nonmajor governmental funds	\$ 150,000
Sewer Bond Repayment Fund	Nonmajor governmental funds	<u>348,219</u>
		<u>\$ 498,219</u>

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

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>Capital Nonrecurring Fund</u>	<u>Internal Service Funds</u>	<u>Nonmajor Govern- mental Funds</u>	
Transfers out:				
General Fund	\$ <u>96,000</u>	\$ <u>42,500</u>	\$ <u>1,030,320</u>	\$ <u>1,168,820</u>
Total Transfers In	\$ <u><u>96,000</u></u>	\$ <u><u>42,500</u></u>	\$ <u><u>1,030,320</u></u>	\$ <u><u>1,168,820</u></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, 2012 were as follows:

Outstanding, July 1, 2011	\$
New borrowings	12,830,000
Repayments	<u> </u>
Outstanding, June 30, 2012	\$ <u><u>12,830,000</u></u>

The bond anticipation note outstanding at June 30, 2012 bears interest at 1.50% and matures on December 18, 2012.

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, 2012 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	\$ 98,500,000	\$	\$ 9,745,000	\$ 88,755,000	\$ 9,665,000
Premium on refunding	8,788,845		751,263	8,037,582	
Less deferred amounts on refunding	(3,123,962)		(228,602)	(2,895,360)	
Total bonds payable	<u>104,164,883</u>	<u>-</u>	<u>10,267,661</u>	<u>93,897,222</u>	<u>9,665,000</u>
Notes payable	1,406,016		723,819	682,197	218,836
Compensated absences	1,108,421	62,596	33,000	1,138,017	100,000
Pension obligation	1,251,602		253,847	997,755	
OPEB obligation	807,632	116,058		923,690	
Lease obligations	504,940	510,000	512,213	502,727	332,738
Claims and judgments	<u>640,047</u>	<u>107,466</u>	<u>536,393</u>	<u>211,120</u>	<u>105,560</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 109,883,541</u>	<u>\$ 796,120</u>	<u>\$ 12,326,933</u>	<u>\$ 98,352,728</u>	<u>\$ 10,422,134</u>

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Obligation Bonds

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

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

Description	Interest Rate (%)	Balance Outstanding June 30, 2012
General purpose:		
General obligation - improvement	3-6.2%	\$ 7,225,100
General obligation - improvement	1.75-5%	5,019,300
General obligation - refunding	2-5%	6,076,500
General obligation - refunding	2.25-5%	2,755,700
General obligation - refunding	2.375-5%	8,330,500
General obligation - refunding	2-5%	5,338,400
Total general purpose		<u>34,745,500</u>
School:		
School improvement - improvement	3-6.2%	1,224,900
School improvement - improvement	1.75-5%	995,700
School improvement - refunding	2-5%	12,213,500
School improvement - refunding	2.25-5%	25,834,300
School improvement - refunding	2.375-5%	10,903,800
School improvement - refunding	2-5%	1,341,600
Total school		<u>52,513,800</u>
Sewer:		
Sewer - refunding		<u>1,495,700</u>
Total outstanding		<u>\$ 88,755,000</u>

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Prior Year Defeasance of Debt

In prior years, the government defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the government's financial statements. At June 30, 2012, \$27,950,000 of defeased bonds remain outstanding and assets of \$28,756,584 are held in the trust account to provide for the future debt service payments.

Notes Payable

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

Danbury Note Payable - The Town entered into an Interlocal Sewer Agreement with the City of Danbury for a portion of sewer plant capacity. The Danbury sewer plant has been completed and the share applicable to the Town at June 30, 2012 is \$36,243, bearing interest at 2%. This amount is to be funded by contributions from a local company.

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

	General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2013	\$ 9,665,000	\$ 3,461,288	\$ 218,836	\$ 10,281
2014	9,255,000	3,059,232	25,546	9,273
2015	8,855,000	2,712,933	23,202	8,801
2016	8,190,000	2,401,676	23,685	8,318
2017	7,570,000	2,096,071	24,177	7,826
2018-20	36,125,000	5,601,509	128,640	31,375
2022-2026	7,500,000	855,133	142,584	17,430
2027-2031	<u>1,595,000</u>	<u>95,831</u>	<u>95,527</u>	<u>3,148</u>
Total	<u>\$ 88,755,000</u>	<u>\$ 20,283,673</u>	<u>\$ 682,197</u>	<u>\$ 96,452</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	\$ 3,407,766
Less accumulated depreciation	<u>2,271,236</u>
Total	<u><u>\$ 1,136,530</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2012 were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2013	\$ 342,368
2014	<u>172,369</u>
Total minimum lease payments	514,737
Less amount representing interest	<u>12,010</u>
Present Value of Minimum Lease Payments	<u><u>\$ 502,727</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, 2012 is \$211,120 and has been recorded for this liability.

Authorized But Unissued Bonds

The total of authorized but unissued bonds at June 30, 2012 is \$10,694,575. 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	\$ 254,214,484	\$ 45,440,075	\$ 208,774,409
Schools	508,428,968	52,508,730	455,920,238
Sewers	423,690,806	1,562,544	422,128,262
Urban renewal	367,198,699		367,198,699
Pension deficit	338,952,645		338,952,645

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$790,889,505.

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. School building grants receivable of \$5,070 for bond principal is reflected as deductions in the computation of net indebtedness.

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2012 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>		
Fund balances:					
Restricted for:					
Grants	\$	\$	\$	\$	\$ 370,320
Health and welfare					335,441
Parks and recreation					(36,607)
Public safety					67,623
Education					194,772
Branchville Railroad Station					34,222
Capital projects		113,235			113,235
Committed to:					
Sewer assessment					1,851,056
Health and welfare					(43,920)
Public safety					73,659
Public works			575,000		3,302
Education					419,161
Assigned:					
Education	916,077				916,077
Subsequent year's budget	3,200,000				3,200,000
Unassigned	11,507,184	(259,081)	(10,585,886)	(462,764)	199,453
Total Fund Balances	\$ 15,623,261	\$ (145,846)	\$ (10,010,886)	\$ 955,209	\$ 8,272,794

Significant encumbrances at June 30, 2012 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 \$51,587 in fees and permits and spent \$36,538 in parking expenditures.

4. EMPLOYEE RETIREMENT PLANS

A. Pension Plan

Summary

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

Summary of Significant Accounting Policies and Plan Asset Matters

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

Valuation of Investments - Investments are valued at fair value. Securities traded on a national exchange are valued at June 30, 2012 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, 2012 represent 13.93% 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, 2012, plan membership consisted of the following:

	Town Pension Plan	Police Union Pension Plan	Firefighters Union Pension Plan
Retirees and beneficiaries currently receiving benefits	136	32	17
Vested terminated employees	77	1	4
Active plan members	<u>355</u>	<u>38</u>	<u>32</u>
Total Participants	<u><u>568</u></u> *	<u><u>71</u></u>	<u><u>53</u></u>

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

The annual required contribution for the current year was determined as part of the June 30, 2012 actuarial valuation using the frozen entry-age actuarial cost method. The actuarial assumptions included (a) a 7% investment rate of return and (b) 4% 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.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation to the Town of Ridgefield's pension plans for the year ended June 30, 2012 were as follows:

	Town Pension Plan	Police Union Pension Plan	Firefighters Union Pension Plan
Annual required contribution (ARC)	\$ 1,522,605	\$ 592,451	\$ 385,234
Interest on net pension obligation	40,361	34,681	12,570
Adjustment to annual required contribution	<u>(65,382)</u>	<u>(65,051)</u>	<u>(21,316)</u>
Annual pension cost	1,497,584	562,081	376,488
Contributions made	<u>1,553,553</u>	<u>724,062</u>	<u>412,385</u>
Decrease in net pension obligation	55,969	161,981	35,897
Net pension obligation, beginning of year	<u>576,592</u>	<u>495,439</u>	<u>179,571</u>
Net Pension Obligation, End of Year	<u>\$ 520,623</u>	<u>\$ 333,458</u>	<u>\$ 143,674</u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage Of APC Contributed	Net Pension Obligation
Town Plan:				
6/30/2010	\$ 1,531,571	\$ 1,543,653	101 %	\$ 549,602
6/30/2011	1,550,622	1,523,632	98	576,592
6/30/2012	1,497,584	1,553,553	104	520,623
Police Plan:				
6/30/2010	\$ 618,052	\$ 618,886	100 %	\$ 483,024
6/30/2011	627,992	615,578	98	495,439
6/30/2012	562,081	724,062	129	333,458
Firefighters Plan:				
6/30/2010	\$ 378,517	\$ 367,843	97 %	\$ 160,076
6/30/2011	410,667	391,172	95	179,571
6/30/2012	376,488	412,385	110	143,674

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<i>Town Pension Plan</i>						
2012	\$ 36,109,162	\$ 39,200,388	\$ (3,091,226)	92.11 %	\$ 13,535,316	(22.84) %
2011	33,015,572	36,681,033	(3,665,461)	90.01	13,748,035	(26.66)
2010	29,632,882	33,917,740	(4,284,858)	87.37	13,617,621	(31.47)
2009	27,234,218	31,613,170	(4,378,952)	86.15	13,459,105	(32.54)
2008	27,495,328	29,607,483	(2,112,155)	92.87	13,317,463	(15.86)
2007	25,364,289	26,761,107	(1,396,818)	94.78	13,011,479	(10.74)
<i>Police Union Pension Plan</i>						
2012	\$ 21,311,684	\$ 24,430,637	\$ (3,118,953)	87.23 %	\$ 2,719,721	(114.68) %
2011	19,700,425	22,686,678	(2,986,253)	86.84	2,701,960	(110.52)
2010	17,897,417	21,144,884	(3,247,467)	84.64	2,950,860	(110.05)
2009	16,619,136	19,601,239	(2,982,103)	84.79	3,068,170	(97.19)
2008	16,847,159	18,850,975	(2,003,816)	89.37	2,937,107	(68.22)
2007	15,623,819	17,343,036	(1,719,217)	90.09	2,773,362	(61.99)
<i>Firefighters Union Pension Plan</i>						
2012	\$ 12,759,626	\$ 14,943,072	\$ (2,183,446)	85.39 %	\$ 1,642,192	(132.96) %
2011	11,858,463	13,909,112	(2,050,649)	85.26	1,716,216	(119.49)
2010	10,869,291	13,036,226	(2,166,935)	83.38	1,820,999	(119.00)
2009	10,191,124	12,341,937	(2,150,813)	82.57	1,689,935	(127.27)
2008	10,510,874	11,645,716	(1,134,842)	90.26	1,710,044	(66.36)
2007	9,857,516	10,840,318	(982,802)	90.93	1,447,147	(67.91)

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

Schedule of Employer Contributions

Year Ended	Town Plan			Police Plan			Firefighters Plan	
	Annual Required Contribution	Percentage Contributed		Annual Required Contribution	Percentage Contributed		Annual Required Contribution	Percentage Contributed
6/30/2012	\$ 1,522,605	102.03	% \$	592,451	122.21	% \$	385,234	107.05
6/30/2011	1,573,625	96.80		658,822	93.40		418,651	93.40
6/30/2010	1,556,663	99.20		647,992	95.50		385,142	95.50
6/30/2009	1,399,891	90.70		591,988	86.60		303,518	93.00
6/30/2008	1,208,388	97.40		533,454	90.50		256,045	97.70
6/30/2007	1,136,878	98.10		592,737	89.90		276,088	96.00

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

B. Elected Officials

Plan Description

The Town administers a single employer, defined contribution plan, which is included in the Town's financial statements in the pension trust fund. The plan, established in July 1983, requires the employer to contribute 6% of each participant's compensation. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. The Town contributed \$15,301 during the year ended June 30, 2012. Officials are not required to contribute, but can make voluntary contributions up to 10% of annual compensation. At June 30, 2012, the net assets available for benefits include \$239,437 of assets designated for this plan.

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

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

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

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Plan Financial Statements - Financial statements for each individual pension plan as of and for the year ended June 30, 2012 are as follows:

	Town Pension Plan	Firefighters Union Pension Plan	Police Union Pension Plan	Elected Officials Pension Plan	Total Pension Trust Funds
Assets:					
Cash and cash equivalents	\$ 3,115	\$ 1,125	\$ 1,886	\$ 22	\$ 6,148
Investments - at fair value:					
Mutual funds:					
Equity	35,649,197	12,877,622	21,596,405	246,293	70,369,517
Total investments	35,649,197	12,877,622	21,596,405	246,293	70,369,517
Other assets:					
Prepaid benefits	103,087	37,238	62,450	713	203,488
Total assets	35,755,399	12,915,985	21,660,741	247,028	70,579,153
Liabilities:					
Due to others	3,166	1,144	1,918	22	6,250
Net Assets:					
Net Assets Held in Trust for Pension Benefits	\$ 35,752,233	\$ 12,914,841	\$ 21,658,823	\$ 247,006	\$ 70,572,903
	Town Pension Plan	Firefighters Union Pension Plan	Police Union Pension Plan	Elected Officials Pension Plan	Total Pension Trust Funds
Additions:					
Contributions:					
Employer	\$ 1,553,553	\$ 412,385	\$ 724,062	\$ 23,881	\$ 2,713,881
Plan members	239,153	112,915	191,975		544,043
Total contributions	1,792,706	525,300	916,037	23,881	3,257,924
Net investment income:					
Net appreciation in fair value of investments	131,443	169,762	249,616	(10,586)	540,235
Interest and dividends	356,673	128,842	216,074	2,463	704,052
	488,116	298,604	465,690	(8,123)	1,244,287
Less investment expense	-	-	-	-	-
Net investment income	488,116	298,604	465,690	(8,123)	1,244,287
Net additions	2,280,822	823,904	1,381,727	15,758	4,502,211
Deductions:					
Benefits	1,147,680	414,578	695,268	7,929	2,265,455
Administration	37,695	13,617	22,836	260	74,408
Total deductions	1,185,375	428,195	718,104	8,189	2,339,863
Change in Net Assets	1,095,447	395,709	663,623	7,569	2,162,348
Net Assets - Beginning of Year	34,656,786	12,519,132	20,995,200	239,437	68,410,555
Net Assets - End of Year	\$ 35,752,233	\$ 12,914,841	\$ 21,658,823	\$ 247,006	\$ 70,572,903

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. On-Behalf Payments - Teachers' Retirement

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$37,867,103.

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, 2012, the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$7,789,683 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 and dental insurance benefits to eligible retirees and their spouses. All 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, 2012. The Town is using the phase-in funding approach. The OPEB trust fund should be fully funded after four years and at that point, all postemployment benefit payments will be paid out of the OPEB trust fund. The plan does not issue a stand-alone financial report.

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

At July 1, 2009, plan membership consisted of the following:

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

Funding Policy

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

Town Employees

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

Police Employees

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

Board of Education Employees

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

Employer Contributions

Employer contributions to the plan of \$1,774,000 were made in accordance with actuarially determined requirements. Of this amount \$1,366,000 represents premium payments and \$408,000 was contributed to prefund benefits.

TOWN OF RIDGEFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligations

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

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 1,876,000
Interest on net OPEB obligation	64,611
Adjustment to annual required contribution	<u>(50,553)</u>
Annual OPEB cost (expense)	1,890,058
Contributions made	<u>1,774,000</u>
Increase in net OPEB obligation	116,058
Net OPEB obligation, beginning of year	<u>807,632</u>
Net OPEB Obligation, End of Year	\$ <u><u>923,690</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2012, 2011 and 2010 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>
6/30/2010	\$ 1,636,985	\$ 1,382,440	84.45 %	\$ 591,025
6/30/2011	1,795,045	1,578,438	87.93	807,632
6/30/2012	1,890,058	1,774,000	93.86	923,690

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

Schedule of Funding Progress

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

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

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

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 8% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 5.8% initially, to an ultimate rate of 4.4% after 50 years. Projected salary increases were 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2011 was 26 years.

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

5. OTHER INFORMATION

A. Risk Management

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

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

A schedule of changes in the claims liability for heart and hypertension and workers' compensation judgments for the years ended June 30, 2012 and 2011, is presented below:

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
2012-11	\$	\$ 105,258	\$ 105,258	\$
2011-10		101,002	101,002	

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 ADJUSTMENTS

Component Unit

An adjustment was made to construction in progress for costs incurred in relation to a building project that were incorrectly capitalized, resulting in an decrease to nondepreciable capital assets and a decrease to net assets in the amount of \$210,902.

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, 2012

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:					
Property taxes	\$ 112,658,272	\$	\$ 112,658,272	\$ 112,518,724	\$ (139,548)
Interest and lien fees	350,000		350,000	424,875	74,875
Telephone tax	90,000		90,000	85,458	(4,542)
Total property taxes	<u>113,098,272</u>	<u>-</u>	<u>113,098,272</u>	<u>113,029,057</u>	<u>(69,215)</u>
Intergovernmental:					
Education cost sharing	2,063,814		2,063,814	2,082,950	19,136
School building grants	4,000		4,000	14,678	10,678
School interest subsidy	500		500	680	180
School transportation grants	1,452		1,452	1,908	456
Civil defense	10,000		10,000		(10,000)
State renters				6,245	6,245
Elderly circuit freeze	61,000		61,000	66,922	5,922
Mashantucket/Mohegan fund grant	14,009		14,009	14,331	322
Paid in lieu of taxes	184,929		184,929	179,610	(5,319)
Machinery and equipment	779,216		779,216	602,640	(176,576)
Highway safety grant					
Miscellaneous	20,500		20,500	47,751	27,251
Total intergovernmental	<u>3,139,420</u>	<u>-</u>	<u>3,139,420</u>	<u>3,017,715</u>	<u>(121,705)</u>
Charges for Services:					
Town Clerk's fees including conveyance taxes	835,000		835,000	788,802	(46,198)
Building, plumbing and electrical permits	353,030		353,030	947,229	594,199
Planning and zoning commission	73,000		73,000	84,717	11,717
Water and septic permits and fees	42,000		42,000	44,494	2,494
Highway permits	8,000		8,000	8,150	150
Solid waste facility	40,000		40,000	40,573	573
Parking Authority	50,000		50,000	42,501	(7,499)
Police Department	70,000	173,000	243,000	238,271	(4,729)
Fire Department	872,000		872,000	842,592	(29,408)
Golf course	1,275,000		1,275,000	1,289,059	14,059
Parks and recreation	2,549,990		2,549,990	2,534,416	(15,574)
Out of town tuition	100,000		100,000	111,726	11,726
Utilities and fuel	339,000		339,000	319,265	(19,735)
Rental of Town property	896,138		896,138	880,742	(15,396)
Total charges for services	<u>7,503,158</u>	<u>173,000</u>	<u>7,676,158</u>	<u>8,172,537</u>	<u>496,379</u>
Investment Income	<u>100,000</u>		<u>100,000</u>	<u>58,070</u>	<u>(41,930)</u>
Miscellaneous	<u>225,000</u>		<u>225,000</u>	<u>4,516,007</u>	<u>4,291,007</u>
Total revenues	<u>124,065,850</u>	<u>173,000</u>	<u>124,238,850</u>	<u>128,793,386</u>	<u>4,554,536</u>
Other Financing Sources:					
Utilization of fund balance	400,000		400,000		(400,000)
Transfers in:					
Sewer operating fund	22,940		22,940	22,940	-
Total other financing sources	<u>422,940</u>	<u>-</u>	<u>422,940</u>	<u>22,940</u>	<u>(400,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 124,488,790</u>	<u>\$ 173,000</u>	<u>\$ 124,661,790</u>	<u>128,816,326</u>	<u>\$ 4,154,536</u>

Budgetary revenues are different than GAAP revenues because:

Capital reserve transfers are recorded for budget purposes only.	(22,940)
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	7,789,683
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.	(101,817)
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	1,490,396

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

\$ 137,971,648

TOWN OF RIDGEFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual		Total	Variance with Final Budget
				Expenditures	Encumbrances		
General Government:							
Selectmen	\$ 313,063	\$	\$ 313,063	\$ 298,969	\$	\$ 298,969	\$ 14,094
Board of Finance	76,750		76,750	74,381		74,381	2,369
Legal counsel	219,800	75,000	294,800	288,307		288,307	6,493
Administrative support services	268,426		268,426	266,027		266,027	2,399
Department of Finance	407,682		407,682	400,662		400,662	7,020
Data processing	290,718		290,718	282,048		282,048	8,670
Registrars	113,258	6,000	119,258	117,331		117,331	1,927
Assessor	346,906		346,906	341,200		341,200	5,706
Tax Collector	212,602		212,602	208,722		208,722	3,880
Town Treasurer	26,883		26,883	26,836		26,836	47
Town Clerk	242,745		242,745	233,026		233,026	9,719
Planning and zoning	249,581		249,581	249,132		249,132	449
Zoning board of appeals	75,250		75,250	73,664		73,664	1,586
Building Department	210,871		210,871	205,496		205,496	5,375
Probate court	6,300		6,300	5,532		5,532	768
Conservation Commission	31,485		31,485	31,184		31,184	301
Commissions and Committees	46,800		46,800	43,688		43,688	3,112
Insurance and benefits	7,779,807		7,779,807	7,625,558		7,625,558	154,249
Miscellaneous	16,000		16,000	16,000		16,000	-
Total general government	10,934,927	81,000	11,015,927	10,787,763	-	10,787,763	228,164
Health and Welfare:							
Health Department	219,810		219,810	216,170		216,170	3,640
Social services	205,298		205,298	197,107		197,107	8,191
Total health and welfare	425,108	-	425,108	413,277	-	413,277	11,831
Community Grants	216,675		216,675	216,675		216,675	-
Parks and Recreation:							
Parks and recreation	3,034,257		3,034,257	2,989,096		2,989,096	45,161
Tree care	236,626		236,626	236,136		236,136	490
Golf course	944,286		944,286	907,218		907,218	37,068
Athletic fields	411,081		411,081	398,514		398,514	12,567
School grounds	400,803		400,803	370,542		370,542	30,261
Total parks and recreation	5,027,053	-	5,027,053	4,901,506	-	4,901,506	125,547
Public Safety:							
Police Department	4,636,413	22,000	4,658,413	4,515,499		4,515,499	142,914
Fire Department	3,755,153		3,755,153	3,663,511		3,663,511	91,642
Parking Authority	39,420		39,420	23,782		23,782	15,638
Total public safety	8,430,986	22,000	8,452,986	8,202,792	-	8,202,792	250,194
Public Works:							
Highway Department	2,783,875		2,783,875	2,669,842		2,669,842	114,033
Town buildings	462,916	70,000	532,916	527,861		527,861	5,055
Utilities	946,590		946,590	896,425		896,425	50,165
Solid waste	73,100		73,100	58,278		58,278	14,822
School buildings	52,275		52,275	50,529		50,529	1,746
Total public works	4,318,756	70,000	4,388,756	4,202,935	-	4,202,935	185,821

(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, 2012

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual		Total	Variance with Final Budget
				Expenditures	Encumbrances		
Contingency	\$ 54,250	\$	\$ 54,250	\$ 48,569	\$	\$ 48,569	\$ 5,681
Education:							
Certified salaries	39,253,408	(722,099)	38,531,309	38,488,520	125	38,488,645	42,664
Noncertified salaries	8,705,134	(84,223)	8,620,911	8,617,977		8,617,977	2,934
Fringe benefits	15,560,530	49,831	15,610,361	15,591,531	18,425	15,609,956	405
Professional services	2,381,378	433,864	2,815,242	2,687,419	110,881	2,798,300	16,942
Utility services - sewer and water	214,409	(12,122)	202,287	197,415	3,922	201,337	950
Equipment repair and maintenance	417,366	25,801	443,167	387,420	43,527	430,947	12,220
Building repairs	913,376	151,548	1,064,924	933,808	128,324	1,062,132	2,792
Transportation services	5,094,123	(64,897)	5,029,226	5,002,681	26,695	5,029,376	(150)
Insurance - property and liability	270,787	(37,783)	233,004	233,004		233,004	-
Communications - telephone	271,430	(24,911)	246,519	219,833	24,330	244,163	2,356
Advertising services	8,000		8,000	5,688		5,688	2,312
Printing services	54,800	(9,864)	44,936	31,283	10,714	41,997	2,939
Food management services	20,500	12,107	32,607	32,607		32,607	-
Travel, mileage and training	91,200	(4,237)	86,963	60,152	18,959	79,111	7,852
Other purchased services	16,175	700	16,875	14,506	1,512	16,018	857
Tuition - out of district facilities	834,008	241,569	1,075,577	875,707	199,870	1,075,577	-
Supplies and materials	1,198,361	53,111	1,251,472	1,117,392	109,200	1,226,592	24,880
Energy - electricity, gas and fuel	2,450,691	(463,576)	1,987,115	1,977,671	7,224	1,984,895	2,220
Books	372,058	267,365	639,423	512,543	124,006	636,549	2,874
Equipment	130,987	170,555	301,542	224,829	73,378	298,207	3,335
Dues and fees - memberships	109,309	16,934	126,243	104,693	10,770	115,463	10,780
Miscellaneous	54,579	327	54,906	47,624	4,215	51,839	3,067
Athletics program	790,705		790,705	790,705		790,705	-
Total education	79,213,314	-	79,213,314	78,155,008	916,077	79,071,085	142,229
Library	1,685,946		1,685,946	1,685,946		1,685,946	-
Debt Service	13,694,220		13,694,220	13,688,278		13,688,278	5,942
Total expenditures	124,001,235	173,000	124,174,235	122,302,749	916,077	123,218,826	955,409
Other Financing Uses:							
Transfers out:							
Tiger Hollow Fund	43,000		43,000	43,000		43,000	-
Sewer Operating Fund	72,750		72,750	49,810		49,810	22,940
Heart and Hypertension Fund	42,500		42,500	42,500		42,500	-
Canine Control Fund	122,805		122,805	122,805		122,805	-
Youth Barn	24,000		24,000	24,000		24,000	-
Capital Projects	96,000		96,000	96,000		96,000	-
Revaluation Fund	86,500		86,500	86,500		86,500	-
Total other financing uses	487,555	-	487,555	464,615	-	464,615	22,940
Total Expenditures and Other Financing Uses	\$ 124,488,790	\$ 173,000	\$ 124,661,790	\$ 122,767,364	\$ 916,077	123,683,441	\$ 978,349

Budgetary expenditures are different than GAAP expenditures because:

Revaluation expenses not budgeted for - combination of fund for GASB 54 purposes	54,482
Combination of Revaluation Fund for GASB 54 purposes	(86,500)
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	7,789,683
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.	(916,077)
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.	607,627
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	1,490,396

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

\$ 132,623,052

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, 2012

Grand List Year	Uncollected Taxes July 1, 2011	Current Year Levy	Lawful Corrections		Transfer to Suspense	Adjusted Amount Collectible	Collections		Uncollected Taxes June 30, 2012
			Additions	Deductions			Taxes	Interest and Lien Fees	
1995	\$ 18,813	\$	\$	\$ 18,813	\$	\$ -	\$	-	\$ -
1996	24,785			24,785		-		-	-
1997	26,010		983			26,993			26,993
1998	23,517		7,483			31,000			31,000
1999	16,371		14,649			31,020			31,020
2000	44,300		4,753			49,053	3,196	428	45,857
2001	58,511		12,870			71,381	1,146	2,317	70,235
2002	86,268		7,275			93,543	426	1,965	93,117
2003	110,324		21,145	750		130,719	7,605	2,658	123,114
2004	152,460		18,452	585		170,327	14,051	4,533	156,276
2005	211,349		22,491	1,512		232,328	16,913	4,733	215,415
2006	289,912		20,426	621		309,717	23,323	6,000	286,394
2007	579,639		24,588	2,575	70,174	531,478	43,451	9,499	488,027
2008	872,335		27,445	71,912		827,868	181,811	56,726	646,057
2009	1,583,588		57,245	50,645		1,590,188	601,579	107,092	988,609
Suspense					(6,307)	6,307	6,307	7,197	-
Total Prior Year	4,098,182	-	239,805	172,198	63,867	4,101,922	899,808	203,148	3,202,114
2010		113,291,106	306,715	267,578		113,330,243	111,582,933	230,456	1,747,310
Grand Total	\$ 4,098,182	\$ 113,291,106	\$ 546,520	\$ 439,776	\$ 63,867	\$ 117,432,165	\$ 112,482,741	\$ 433,604	\$ 4,949,424

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Nonmajor Governmental Funds (Continued)

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

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

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

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

Permanent Fund

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

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

TOWN OF RIDGEFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

	Special Revenue Funds						
	Canine Control	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous
ASSETS							
Cash and cash equivalents	\$ 87,095	\$ 140,942	\$	\$ 58,325	\$ 518,740	\$ 74,729	\$ 560,847
Investments							
Receivables, net			136,148		31,716	3,145	
Other assets					22,572		
Total Assets	<u>\$ 87,095</u>	<u>\$ 140,942</u>	<u>\$ 136,148</u>	<u>\$ 58,325</u>	<u>\$ 573,028</u>	<u>\$ 77,874</u>	<u>\$ 560,847</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 540	\$	\$ 114,545	\$ 3,598	\$ 449,781	\$ 6,654	\$
Due to State							
Due to other funds			348,219				
Deferred revenue			136,148		70,161	71,220	
Total liabilities	<u>540</u>	<u>-</u>	<u>598,912</u>	<u>3,598</u>	<u>519,942</u>	<u>77,874</u>	<u>-</u>
Fund Balances:							
Restricted	12,896	140,942		54,727	25,574		169,198
Committed	73,659				27,512		391,649
Unassigned			(462,764)				
Total fund balances	<u>86,555</u>	<u>140,942</u>	<u>(462,764)</u>	<u>54,727</u>	<u>53,086</u>	<u>-</u>	<u>560,847</u>
Total Liabilities and Fund Balances	<u>\$ 87,095</u>	<u>\$ 140,942</u>	<u>\$ 136,148</u>	<u>\$ 58,325</u>	<u>\$ 573,028</u>	<u>\$ 77,874</u>	<u>\$ 560,847</u>

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

JUNE 30, 2012

	Special Revenue Funds					Permanent	Total
	Tiger Hollow	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Fund Ballard Park Fund	Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 71,815	\$ 14,082	\$ 280,009	\$ 336,205	\$ 8,887	\$ 11,408	\$ 2,197,545
Investments						30,170	30,170
Receivables, net			86,441				257,450
Other assets							22,572
Total Assets	\$ 71,815	\$ 14,082	\$ 366,450	\$ 336,205	\$ 8,887	\$ 41,578	\$ 2,507,737
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$ 58,002	\$ 14,689	\$ 764	\$ 5,585	\$ 239	\$ 647,743
Due to State							6,654
Due to other funds	150,000						498,219
Deferred revenue			122,383				399,912
Total liabilities	150,000	58,002	137,072	764	5,585	239	1,552,528
Fund Balances:							
Restricted	(78,185)	(43,920)	229,378	335,441	3,302	41,578	965,771
Committed							452,202
Unassigned	(78,185)	(43,920)	229,378	335,441	3,302	41,578	(462,764)
Total fund balances							955,209
Total Liabilities and Fund Balances	\$ 71,815	\$ 14,082	\$ 366,450	\$ 336,205	\$ 8,887	\$ 41,578	\$ 2,507,737

TOWN OF RIDGEFIELD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds						
	Canine Control	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous
Revenues:							
Intergovernmental							
Charges for services	\$ 14,037	\$ 188,760	\$ 1,676,297		\$ 177,873	\$ 1,281,605	\$ 640,218
Contributions				16,471	2,351,782		195,929
Income from investments							
Other							(683)
Total revenues	<u>14,037</u>	<u>188,760</u>	<u>1,688,988</u>	<u>16,471</u>	<u>2,529,655</u>	<u>1,281,605</u>	<u>835,464</u>
Expenditures:							
Current:							
General government							
Health and welfare							
Parks and recreation							
Public safety	97,267	92,610	1,304,481	32,721	2,627,150	1,281,605	1,622,724
Public works							
Education			659,661				
Debt service			1,964,142				
Total expenditures	<u>97,267</u>	<u>92,610</u>	<u>1,964,142</u>	<u>32,721</u>	<u>2,627,150</u>	<u>1,281,605</u>	<u>1,622,724</u>
Excess (Deficiency) of Revenues over Expenditures	(83,230)	96,150	(275,154)	(16,250)	(97,495)	-	(787,260)
Other Financing Sources:							
Transfers in	122,805		49,810				790,705
Net Change in Fund Balances	39,575	96,150	(225,344)	(16,250)	(97,495)	-	3,445
Fund Balances, Beginning of Year, as Restated	46,980	44,792	(237,420)	70,977	150,581	-	557,402
Fund Balances, End of Year	<u>\$ 86,555</u>	<u>\$ 140,942</u>	<u>\$ (462,764)</u>	<u>\$ 54,727</u>	<u>\$ 53,086</u>	<u>\$ -</u>	<u>\$ 560,847</u>

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TOWN OF RIDGEFIELD, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds					Permanent Fund	Total Nonmajor Governmental Funds
	Tiger Hollow	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Ballard Park Fund	
Revenues:							
Intergovernmental	\$	\$	\$ 113,470	\$ 4,000	\$	\$	\$ 1,765,708
Charges for services		33,302	75,390	20,501	135,060		4,998,174
Contributions	56,121	23,822	9,000	162,637			463,980
Income from investments		13	103			167	283
Other							12,008
Total revenues	<u>56,121</u>	<u>57,137</u>	<u>197,963</u>	<u>187,138</u>	<u>135,060</u>	<u>167</u>	<u>7,240,153</u>
Expenditures:							
Current:							
General government			60,516				60,516
Health and welfare		153,187	40,085	99,079			292,351
Parks and recreation	269,369		10,449	13,355			293,173
Public safety			43,756				173,744
Public works			29,726		172,337		1,635,692
Education							5,531,479
Debt service							659,661
Total expenditures	<u>269,369</u>	<u>153,187</u>	<u>184,532</u>	<u>112,434</u>	<u>172,337</u>	<u>-</u>	<u>8,646,616</u>
Excess (Deficiency) of Revenues over Expenditures	(213,248)	(96,050)	13,431	74,704	(37,277)	167	(1,406,463)
Other Financing Sources:							
Transfers in	<u>43,000</u>	<u>24,000</u>					<u>1,030,320</u>
Net Change in Fund Balances	(170,248)	(72,050)	13,431	74,704	(37,277)	167	(376,143)
Fund Balances, Beginning of Year, as Restated	<u>92,063</u>	<u>28,130</u>	<u>215,947</u>	<u>260,737</u>	<u>40,579</u>	<u>41,411</u>	<u>1,331,352</u>
Fund Balances, End of Year	<u>\$ (78,185)</u>	<u>\$ (43,920)</u>	<u>\$ 229,378</u>	<u>\$ 335,441</u>	<u>\$ 3,302</u>	<u>\$ 41,578</u>	<u>\$ 955,209</u>

TOWN OF RIDGEFIELD, CONNECTICUT

**SCHEDULE OF SEWER USE CHARGES
DISTRICT I
FOR THE YEAR ENDED JUNE 30, 2012**

Year	Uncollected Sewer Use Charges July 1, 2011	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2012
2006	\$ 702	\$	\$	\$ 702	\$ (12)	\$ 714
2007	1,073			1,073		1,073
2008	2,243			2,243	436	1,807
2009	5,063		34	5,097	1,188	3,909
2010	14,920			14,920	2,436	12,484
2011	59,906		7	59,913	38,858	21,055
2012		1,328,140	8,637	1,336,777	1,272,436	64,341
Total	\$ 83,907	\$ 1,328,140	\$ 8,678	\$ 1,420,725	\$ 1,315,342	\$ 105,383

**SCHEDULE OF SEWER USE CHARGES
DISTRICT II
FOR THE YEAR ENDED JUNE 30, 2012**

Year	Uncollected Sewer Use Charges July 1, 2011	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2012
2009	\$ 340	\$	\$	\$ 340	\$	\$ 340
2010	11,613			11,613	663	10,950
2011	14,195			14,195	1,870	12,325
2012		257,890		257,890	244,897	12,993
Total	\$ 26,148	\$ 257,890	\$ -	\$ 284,038	\$ 247,430	\$ 36,608

**SCHEDULE OF SEWER USE CHARGES
DISTRICT III
FOR THE YEAR ENDED JUNE 30, 2012**

Year	Uncollected Sewer Use Charges July 1, 2011	Current Year Charges	Adjustments	Adjusted Amount Collectible	Collections	Uncollected Sewer Use Charges June 30, 2012
2011	\$ 320	\$	\$	\$ 320	\$ (5)	\$ 325
2012		23,430		23,430	23,100	330
Total	\$ 320	\$ 23,430	\$ -	\$ 23,750	\$ 23,095	\$ 655

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 ASSETS
INTERNAL SERVICE FUNDS****JUNE 30, 2012**

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Assets:			
Cash	\$ <u>122,930</u>	\$ <u></u>	\$ <u>122,930</u>
Liabilities:			
Accounts payable	<u>1,784</u>	<u>16,941</u>	<u>18,725</u>
Net Assets:			
Restricted	1,195		1,195
Unrestricted	<u>119,951</u>	<u>(16,941)</u>	<u>103,010</u>
Total Net Assets	\$ <u><u>121,146</u></u>	\$ <u><u>(16,941)</u></u>	\$ <u><u>104,205</u></u>

TOWN OF RIDGEFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Operating Revenues:			
Insurance proceeds	\$ 106,101	\$	\$ 106,101
Operating Expenses:			
Claims incurred	79,601	25,657	105,258
Operating Income (Loss)	26,500	(25,657)	843
Transfers in		42,500	42,500
Change in Net Assets	26,500	16,843	43,343
Net Assets - Beginning of Year, as Restated	94,646	(33,784)	60,862
Net Assets - End of Year	\$ 121,146	\$ (16,941)	\$ 104,205

TOWN OF RIDGEFIELD, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities - Internal Service Funds		
	Property and Casualty	Heart and Hypertension	Total
Cash Flows from Operating Activities:			
Cash received as insurance proceeds	\$ 106,101	\$	\$ 106,101
Cash paid for benefits, claims and administration	(80,909)	(42,500)	(123,409)
Net cash provided by (used in) operating activities	<u>25,192</u>	<u>(42,500)</u>	<u>(17,308)</u>
Cash Flows Provided by Noncapital Financing Activities:			
Transfers in		42,500	42,500
Net increase in Cash	25,192	-	25,192
Cash - Beginning of Year	<u>97,738</u>	<u>-</u>	<u>97,738</u>
Cash - End of Year	<u>\$ 122,930</u>	<u>\$ -</u>	<u>\$ 122,930</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 26,500	\$ (25,657)	\$ 843
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Increase (decrease) in accounts payable	(1,308)	16,398	15,090
Increase (decrease) in due to other funds		(33,241)	(33,241)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 25,192</u>	<u>\$ (42,500)</u>	<u>\$ (17,308)</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 post-employment 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.

Ridgebury Congregational Church - is used to account for the Ridgefield First Congregational Church organizational funds.

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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Cash and cash equivalents:				
Student Activities	\$ 446,992	\$ 1,534,579	\$ 1,527,329	\$ 454,242
Performance Bonds	585,489	46,607	52,500	579,596
Contractor's Driveway Bonds	95,750	51,500	82,500	64,750
Ridgebury Cemetery	20,005	4,809	15,000	9,814
Open Space Conservation Commission	750,062	116,323	2,277	864,108
Holiday Trust Fund	13,924	17,591	18,520	12,995
Welcome to Ridgefield Fund	6,710	20,000	23,984	2,726
McKeon Farm Preservation Trust	13,365		797	12,568
Flexible Spending Account	928	18,349	19,277	-
Tiger Hollow Scholarship Fund	15,016	44	5,000	10,060
Miscellaneous	274,516	193,302	205,738	262,080
Total cash and cash equivalents	<u>2,222,757</u>	<u>2,003,104</u>	<u>1,952,922</u>	<u>2,272,939</u>
Investments:				
Ridgebury Cemetery	203,340	23,785	6,209	220,916
Ridgebury Congregational Church	5,016		5,016	-
Total investments	<u>208,356</u>	<u>23,785</u>	<u>11,225</u>	<u>220,916</u>
Accounts receivable:				
Miscellaneous	<u>3,741</u>			<u>3,741</u>
Total Assets	<u>\$ 2,434,854</u>	<u>\$ 2,026,889</u>	<u>\$ 1,964,147</u>	<u>\$ 2,497,596</u>
LIABILITIES				
Due to others:				
Student Activities	\$ 446,992	\$ 1,534,579	\$ 1,527,329	\$ 454,242
Performance Bonds	585,489	46,607	52,500	579,596
Contractor's Driveway Bonds	95,750	51,500	82,500	64,750
Ridgebury Cemetery	223,345	28,594	21,209	230,730
Open Space Conservation Commission	750,062	116,323	2,277	864,108
Holiday Trust Fund	13,924	17,591	18,520	12,995
Welcome to Ridgefield Fund	6,710	20,000	23,984	2,726
Ridgebury Congregational Church	5,016		5,016	-
McKeon Farm Preservation Trust	13,365		797	12,568
Flexible Spending Account	928	18,349	19,277	-
Tiger Hollow Scholarship Fund	15,016	44	5,000	10,060
Miscellaneous	278,257	193,302	205,738	265,821
Total Liabilities	<u>\$ 2,434,854</u>	<u>\$ 2,026,889</u>	<u>\$ 1,964,147</u>	<u>\$ 2,497,596</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 ASSETS BY COMPONENT

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in capital assets,										
net of related debt	\$ 22,609,527	\$ 56,415,672	\$ 47,573,213	\$ 50,382,144	\$ 60,639,192	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434
Restricted for:										
Permanent fund:										
Expendable	25,000	25,000	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475
Unrestricted	33,547,802	3,567,197	12,083,815	15,982,058	14,747,928	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426
Total Governmental Activities										
Net Assets	\$ 56,182,329	\$ 60,007,869	\$ 59,682,028	\$ 66,413,995	\$ 75,440,896	\$ 81,418,217	\$ 86,094,480	\$ 91,421,730	\$ 96,010,505	\$ 108,401,335
Primary Government:										
Invested in capital assets,										
net of related debt	\$ 22,609,527	\$ 56,415,672	\$ 47,573,213	\$ 50,382,144	\$ 60,639,192	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434
Restricted	25,000	25,000	25,000	49,793	53,776	48,444	42,869	41,674	57,753	54,475
Unrestricted	33,547,802	3,567,197	12,083,815	15,982,058	14,747,928	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426
Total Primary Government										
Net Assets	\$ 56,182,329	\$ 60,007,869	\$ 59,682,028	\$ 66,413,995	\$ 75,440,896	\$ 81,418,217	\$ 86,094,480	\$ 91,421,730	\$ 96,010,505	\$ 108,401,335

TOWN OF RIDGEFIELD, CONNECTICUT

CHANGES IN NET ASSETS

LAST TEN YEARS

(Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
General government	\$ 8,987,526	\$ 8,408,774	\$ 4,541,033	\$ 5,226,056	\$ 5,578,405	\$ 4,980,763	\$ 7,001,880	\$ 7,558,307	\$ 4,485,127	\$ 5,080,033
Health and welfare	1,057,566	777,621	836,882	964,674	994,587	1,076,389	946,811	814,918	813,904	854,954
Recreation	5,496,998	5,457,571	6,069,623	6,456,843	6,928,229	6,973,383	6,742,497	6,299,705	6,904,437	7,062,174
Public safety	8,671,668	8,312,310	9,294,400	9,747,366	10,380,405	11,351,722	10,781,037	10,891,047	12,266,773	12,233,586
Public works	7,652,337	8,229,816	8,649,358	8,306,575	8,626,653	8,926,118	8,824,842	7,346,310	9,522,503	9,208,835
Education	56,982,838	63,390,436	70,525,966	74,257,956	78,943,085	104,833,414	87,303,629	91,142,573	91,081,269	94,281,327
Library	1,300,000	1,365,000	1,549,143	1,478,580	1,545,200	1,610,000	1,642,400	1,682,300	1,685,946	1,685,946
Interest expense	6,145,506	5,467,690	6,118,255	4,928,113	5,797,800	5,361,558	4,810,322	3,914,351	4,014,647	3,655,086
Total Primary Government Expenses	96,294,439	101,409,218	107,584,660	111,366,163	118,794,364	145,113,347	128,053,418	129,609,611	130,770,960	134,061,941
Program Revenues:										
Governmental activities:										
Changes for services:										
General government	1,834,360	2,502,690	2,102,472	2,689,269	2,356,361	1,839,287	1,235,053	1,346,634	1,405,011	1,880,008
Health and welfare	185,928	61,608	23,123	23,852	119,123	129,035	151,158	158,125	76,415	73,145
Recreation	3,466,307	3,558,972	3,735,524	3,747,677	3,885,215	4,205,128	3,968,287	3,826,202	3,981,291	4,047,108
Public safety	1,099,874	683,347	835,520	1,068,908	929,183	1,153,373	1,272,191	1,213,883	1,101,760	1,137,401
Public works	3,458,041	2,972,512	2,811,698	2,730,784	2,815,363	3,299,671	2,769,637	2,912,354	2,610,381	2,639,730
Education	1,521,398	1,944,022	2,083,900	2,108,515	2,386,642	2,207,114	2,348,860	2,161,821	2,595,245	3,485,665
Operating grants and contributions	4,531,579	4,772,053	4,684,942	7,803,555	9,316,257	31,536,057	11,075,194	12,724,035	13,100,693	13,728,634
Capital grants and contributions	9,145,586	5,491,797	255,143	141,008	308,068	365,589	445,243	121,219	690,743	
Total Primary Government Program Revenues	25,243,073	21,987,001	16,532,322	20,313,568	22,116,212	44,735,254	23,265,623	24,464,273	25,561,539	26,991,691
Net Expenses:										
Governmental activities	(71,051,366)	(79,422,217)	(91,052,338)	(91,052,595)	(96,678,152)	(100,378,093)	(104,787,795)	(105,145,338)	(105,209,421)	(107,070,250)
General Revenues and Other										
Changes in Net Assets:										
Governmental activities:										
Property taxes	74,978,010	82,487,533	88,777,534	95,793,280	100,455,882	104,397,451	107,950,909	109,369,264	112,078,692	114,105,779
Grants and contributions not restricted to specific programs	1,018,635	542,314	756,132	106,291	153,097	845,721	690,850	744,776	731,357	867,242
Gain on sale of capital assets	987,047	438,412	450,439	848,591	1,268,395	911,853	295,397	90,470	25,549	69,732
Investment income			29,140	414,820	858,840				79,161	
Donations of capital assets	164,525	365,306	756,558	621,580	1,186,234	178,566	65,864	313,640	148,443	4,418,333
Miscellaneous	77,148,217	83,833,565	90,769,803	97,784,562	103,941,485	106,333,591	109,045,754	110,518,150	113,063,202	119,461,086
Total governmental activities	\$ 6,096,851	\$ 4,411,348	\$ (282,535)	\$ 6,731,967	\$ 7,263,333	\$ 5,955,498	\$ 4,257,959	\$ 5,372,812	\$ 7,853,781	\$ 12,390,836
Change in Net Assets										

TABLE 3

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Reserved	\$ 180,355	\$ 126,433	\$ 593,872	\$ 440,412	\$ 841,150	\$ 799,156	\$ 762,120	\$ 419,421	\$	\$
Designated for subsequent year's budget	600,000	930,000			1,000,000	1,200,000	1,000,000	450,000		
Unreserved and undesignated	6,583,207	7,164,646	5,386,239	7,696,456	7,641,661	7,904,484	7,826,306	8,417,747		
Assigned									1,226,175	4,116,077
Unassigned									9,048,490	11,507,184
Total General Fund	\$ 7,363,562	\$ 8,221,079	\$ 5,980,111	\$ 8,136,868	\$ 9,482,811	\$ 9,903,640	\$ 9,588,426	\$ 9,287,168	\$ 10,274,665	\$ 15,623,261
All other governmental funds:										
Reserved	\$ 24,863,457	\$ 1,999,326	\$ 649,487	\$ 732,169	\$ 947,418	\$ 1,147,242	\$ 1,620,451	\$ 1,916,393	\$	\$
Unreserved, reported in:										
Special revenue funds	2,700,648	2,396,112	2,690,267	3,104,549	2,347,284	1,870,865	1,586,791	1,376,629		
Capital projects funds	(3,721,904)	(699,336)	(1,819,533)	480,076	(7,652,327)	(719,392)	(3,544,178)	(5,967,946)		
Permanent funds	21,714	22,271	23,210	24,793	28,776	23,444	15,368	15,938		
Restricted									1,128,427	1,079,006
Committed									2,316,294	2,878,258
Unassigned									(599,191)	(11,307,731)
Total All Other Governmental Funds	\$ 23,863,915	\$ 3,718,373	\$ 1,543,431	\$ 4,341,587	\$ (4,328,849)	\$ 2,322,159	\$ (321,568)	\$ (2,658,986)	\$ 2,845,530	\$ (7,350,467)

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Property taxes	\$ 74,533,875	\$ 83,182,130	\$ 88,583,323	\$ 95,539,518	\$ 100,065,605	\$ 104,080,550	\$ 107,419,676	\$ 109,378,457	\$ 111,206,601	\$ 113,029,057
Intergovernmental	14,523,085	10,139,958	5,370,261	7,473,719	9,244,867	31,610,291	11,735,668	13,148,682	14,079,840	14,133,293
Charges for services	10,871,304	11,590,479	11,645,239	12,491,793	12,533,981	12,437,141	11,984,238	11,747,758	11,889,261	13,366,884
Contributions	253,055	430,808	362,930	509,151	415,675	1,158,152	496,696	459,573	447,800	463,980
Interest and investment income	984,098	433,861	445,222	824,370	1,231,797	869,627	288,985	89,702	79,160	69,732
Other	164,525	365,306	785,047	650,643	1,174,035	216,475	169,490	257,383	303,127	4,458,189
Total revenues	101,329,942	106,142,542	107,192,022	117,489,194	124,665,960	150,372,236	132,094,753	135,081,555	138,005,789	145,521,135
Expenditures:										
Current:										
General government	8,954,752	7,919,638	8,310,995	8,508,620	9,059,947	9,582,204	9,533,790	10,042,185	10,399,600	10,955,041
Health and welfare	679,172	624,182	697,515	838,121	810,197	927,711	830,407	703,107	642,513	705,628
Community grants	223,038	228,788	239,467	243,604	232,545	224,162	293,100	178,775	204,075	216,675
Recreation	4,076,741	4,278,411	4,435,728	4,667,123	4,947,335	5,145,899	5,252,263	4,771,092	5,054,088	5,194,679
Public safety	5,763,000	6,029,891	6,691,279	7,128,342	7,249,288	8,098,038	8,339,019	8,207,636	8,365,740	8,376,536
Public works	5,547,933	6,007,704	5,635,669	5,984,995	5,459,233	6,037,325	6,208,517	5,807,367	5,876,015	5,838,627
Education	55,762,119	60,968,581	64,049,766	70,721,623	75,526,940	102,647,607	84,980,715	87,995,339	88,812,606	92,779,775
Library	1,365,000	1,365,000	1,419,600	1,478,580	1,545,200	1,610,000	1,642,400	1,642,400	1,682,300	1,683,946
Debt service:										
Principal	6,842,859	8,366,396	8,998,906	8,495,792	8,357,918	8,479,970	9,437,910	11,042,788	10,815,982	10,432,461
Interest	3,889,767	5,544,132	9,924,878	6,366,549	6,143,087	5,502,546	5,450,183	3,495,998	3,902,122	3,915,480
Bennett's pond settlement			2,300,000							
Capital outlay	56,516,262	28,501,680	9,300,823	6,152,567	5,815,293	5,018,365	3,837,148	4,312,674	4,309,975	10,735,186
Total expenditures	149,620,643	129,834,403	122,004,626	120,585,916	125,146,983	153,273,827	135,805,452	138,199,361	140,065,016	150,836,034
Deficiency of Revenues over Expenditures	(48,290,701)	(23,691,861)	(14,812,604)	(3,096,722)	(481,023)	(2,901,591)	(3,710,699)	(3,117,806)	(2,059,227)	(5,314,899)
Other Financing Sources (Uses):										
Payment to refunded bond escrow agent	(2,736,471)		(34,612,628)				(31,378,050)		(35,639,464)	
Premium on refunding bonds	982,892		3,132,628				2,981,845		3,631,170	
Refunding bonds	2,705,000		31,480,000				28,635,000		32,225,000	
Issuance of bonds	38,600,000	4,450,000	10,440,000	7,180,000		9,640,000			6,385,000	
Premium on issuance of bonds									514,299	
Issuance of drinking water loans									529,288	
Issuance of capital lease									496,084	
Proceeds from sale of assets										510,000
Fund balance restatements		100,398		871,635	559,254	713,700	512,963	479,130		
Transfers in					41,850					
Transfers out	1,217,495	1,788,889	1,209,479	1,470,702	3,964,852	2,648,233	1,421,842	1,450,976	1,637,736	1,126,320
Total other financing sources	(1,217,495)	(2,321,628)	(1,209,479)	(1,470,702)	(4,229,426)	(2,648,233)	(1,421,842)	(1,450,976)	(1,664,736)	(1,168,820)
Total other financing sources	43,801,421	4,017,650	10,440,000	8,051,635	336,530	10,353,700	751,758	479,130	8,114,377	467,500
Net Change in Fund Balances	(4,489,280)	(19,674,202)	(4,372,604)	4,954,913	(144,493)	7,452,109	(2,958,941)	(2,638,676)	6,055,150	(4,847,399)
Fund Balance at Beginning of Year, or as Restated	35,716,757	31,613,654	11,896,146	7,523,542	5,298,455	4,773,690	12,225,799	9,266,858	7,065,045	13,120,193
Fund Balance at End of Year	\$ 31,227,477	\$ 11,939,452	\$ 7,523,542	\$ 12,478,455	\$ 5,153,962	\$ 12,225,799	\$ 9,266,858	\$ 6,628,182	\$ 13,120,195	\$ 8,272,794
Debit Service as a Percentage to Noncapital Expenditures	11.53%	13.73%	16.79%	12.99%	12.15%	9.28%	11.09%	10.72%	10.69%	10.13%

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				
2003	\$ 3,669,721	\$ 363,120	\$ 22,037	\$ 4,010,804	27.58	\$ 6,167,261	65.03%
2004	3,739,353	340,669	27,648	4,052,374	20.77	6,959,445	58.23%
2005	3,773,194	359,589	28,511	4,104,272	22.02	7,401,087	55.45%
2006	3,818,831	362,902	27,332	4,154,401	23.42	8,711,940	47.69%
2007	3,873,447	373,305	34,076	4,212,676	24.23	8,030,910	52.46%
2008	5,098,296	373,702	33,258	5,438,740	24.87	8,031,355	67.72%
2009	5,167,975	363,214	38,220	5,492,969	19.91	7,409,510	74.13%
2010	5,516,832	371,707	72,982	5,815,557	20.00	7,601,307	76.51%
2011	5,552,991	382,940	78,709	5,857,222	20.40	7,509,258	78.00%
2012	5,602,283	399,288	80,666	5,920,905	20.37	6,846,962	86.47%

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.

TABLE 6

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
2003	24.30	3.28	27.58	N/A	N/A
2004	17.71	3.06	20.77	N/A	N/A
2005	18.96	3.06	22.02	N/A	N/A
2006	20.26	3.16	23.42	N/A	N/A
2007	21.05	3.18	24.23	N/A	N/A
2008	21.83	3.04	24.87	N/A	N/A
2009	17.53	2.38	19.91	N/A	N/A
2010	17.69	2.31	20.00	N/A	N/A
2011	18.09	2.31	20.40	N/A	N/A
2012	18.33	2.28	20.61	N/A	N/A

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2012			2003		
	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.	\$ 289,948,727	1	5.10%	\$ 177,037,521	1	4.41%
Equity One (Copps Hill)	25,581,000	2	0.45%			
Connecticut Light & Power	18,958,810	3	0.33%	12,521,908	3	0.31%
Ridgefield Professional Building	16,179,434	4	0.28%			
Flat Rock Corp	12,956,563	5	0.23%			
Harrison Hunter	12,862,562	6	0.23%			
Eureka V, LLC	11,291,780	7	0.20%			
Stephen J. Zemo	11,120,010	8	0.20%	7,664,270	8	0.19%
Irief II (formally CCC of Ridgefield, CT)	10,506,190	9	0.18%			
Ridgefield Bank	10,456,510	10	0.18%	7,640,608	9	0.19%
Schlumberger Technical Corporation				28,260,372	2	0.70%
Ridgefield Properties, LLC				11,322,270	4	0.28%
Bank of America				8,641,600	5	0.22%
Athena Holdings, LLC				8,371,560	6	0.21%
Bridgeport Hydraulic Co.				7,771,828	7	0.19%
S.V.G. Lithography Systems, Inc.				6,405,378	10	0.16%
	<u>\$ 419,861,586</u>		<u>7.38%</u>	<u>\$ 275,637,315</u>		<u>6.86%</u>

Source: Town Assessor's office

TABLE 8

TOWN OF RIDGEFIELD, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$	74,493,968	\$ 73,366,527	98.49%	\$ 1,013,620	\$ 74,380,147	99.85%
2004		81,936,586	81,210,896	99.11%	591,305	81,802,201	99.84%
2005		88,483,571	87,517,161	98.91%	799,774	88,316,935	99.81%
2006		95,159,220	94,428,055	99.23%	509,460	94,937,515	99.77%
2007		99,974,730	99,045,063	99.07%	716,027	99,761,090	99.79%
2008		104,203,399	103,123,944	98.96%	733,285	103,857,229	99.67%
2009		107,467,697	106,190,473	98.81%	737,366	106,927,839	99.50%
2010		108,814,209	107,420,320	98.72%	708,979	108,129,299	99.37%
2011		111,397,853	109,814,265	98.58%	643,869	110,458,134	99.16%
2012		113,330,243	111,582,933	98.46%	-	111,582,933	98.46%

Source: Tax Collector's office and Finance office

TOWN OF RIDGEFIELD, CONNECTICUT

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

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds(3)	Notes Payable (3)	Capital Leases (3)	Total General Long-Term Debt (3)	Assessed Value (1)(3)	Ratio of Long-Term Debt to Assessed Value	Population (2)	Per Capita Income (2)	Percentage of Personal Income (2)	Long-Term Debt Per Capita
2003	142,770	5,935	358	\$ 149,063	\$ 4,010,804	3.72%	24,080	\$ 59,503	10.40%	\$ 6,190
2004	135,082	5,257		140,339	4,052,374	3.46%	24,154	62,776	9.26%	5,810
2005	136,225	4,668		140,893	4,104,272	3.43%	24,588	66,480	8.62%	5,730
2006	127,790	4,068	629	132,487	4,154,401	3.19%	24,612	70,136	7.68%	5,383
2007	119,695	3,455	771	123,921	4,212,276	2.94%	24,710	72,941	6.88%	5,015
2008	121,430	2,829	843	125,102	5,438,740	2.30%	24,720	75,155	6.73%	5,061
2009	111,640	2,191	806	114,637	5,492,969	2.09%	24,595	70,366	6.62%	4,661
2010	102,390	1,541	542	104,473	5,815,557	1.80%	24,228	70,366	6.13%	4,312
2011	98,500	1,406	505	100,411	5,857,222	1.71%	24,652	67,076	6.07%	4,073
2012	88,755	692	503	89,950	5,920,905	1.52%	24,652	72,232	5.05%	3,649

(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, 2012**

Tax Base:	
Total tax collections	\$ 112,916,345
Reimbursement of Revenue Loss on:	
Elderly tax freeze and homeowners' grants	<u>67,870</u>
Total Base	<u><u>\$ 112,984,215</u></u>

	<u>Public Improvement</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 Times Base	\$ 254,214,484	\$	\$	\$	\$
4 1/2 Times Base		508,428,968			
3 3/4 Times Base			423,690,806		
3 1/4 Times Base				367,198,699	
3 Times Base					<u>338,952,645</u>
Total limitations	<u>254,214,484</u>	<u>508,428,968</u>	<u>423,690,806</u>	<u>367,198,699</u>	<u>338,952,645</u>
Indebtedness:					
Bonds outstanding	34,745,500	52,513,800	1,495,700		
Bonds authorized but unissued	10,694,575				
Sewer notes payable			682,197		
Less school building grants		(5,070)			
Less sewer assessments			<u>(615,353)</u>		
Total indebtedness (1)	<u>45,440,075</u>	<u>52,508,730</u>	<u>1,562,544</u>		
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 208,774,409</u></u>	<u><u>\$ 455,920,238</u></u>	<u><u>\$ 422,128,262</u></u>	<u><u>\$ 367,198,699</u></u>	<u><u>\$ 338,952,645</u></u>

Notes: (1) The total of the above indebtedness amounts to: \$ 98,829,152

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 790,889,505

(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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 519,879,123	\$ 580,786,885	\$ 618,650,410	\$ 668,830,162	\$ 699,930,735	\$ 727,968,528	\$ 751,329,068	\$ 766,281,747	\$ 778,274,042	\$ 790,889,505
Total net debt applicable to limit	150,442,486	137,360,933	135,106,335	122,216,405	118,675,388	120,421,909	114,044,065	106,508,712	105,088,571	98,829,152
Legal Debt Margin	\$ 369,436,637	\$ 443,425,952	\$ 483,544,075	\$ 546,613,757	\$ 581,255,347	\$ 607,546,619	\$ 637,285,003	\$ 659,773,035	\$ 673,185,471	\$ 692,060,353
Total net debt applicable to the limit as a percentage of debt limit	28.94%	23.65%	21.84%	18.27%	16.96%	16.54%	15.18%	13.90%	13.50%	12.50%

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

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

(Unaudited)

Fiscal Year	Population	Per Capita Income	Personal Income (1)	Median Age	School Enrollment (2)	Unemployment Rate (3)
2003	24,080	\$ 59,503	\$ 1,432,832,240	39	5,429	2.50%
2004	24,154	62,776	1,516,291,504	39	5,522	3.20%
2005	24,588	66,480	1,634,610,240	39	5,597	3.70%
2006	24,612	70,136	1,726,187,232	38	5,641	2.50%
2007	24,710	72,941	1,802,372,110	38	5,498	3.10%
2008	24,720	75,155	1,857,831,600	39	5,591	2.80%
2009	24,595	70,366	1,730,651,770	41	5,480	6.10%
2010	24,228	70,366	1,704,827,448	41	5,400	5.80%
2011	24,652	67,076	1,653,557,552	42	5,377	6.40%
2012	24,885	74,926	1,864,533,510	42	5,312	6.40%

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

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

(2) Town of Ridgefield, Board of Education.

(3) State of Connecticut, Department of Labor.

TOWN OF RIDGEFIELD, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

(Unaudited)

	2012			2000 (1)		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Boehringer-Ingelheim, Inc.	1,500	1	12.90%	1,200	1	10.08%
Laurel Ridge Health Care Center	180	2	1.55%			
Stop & Shop	175	3	1.51%			
Adam Broderick Salon & Spa	155	4	1.33%			
Fairfield County Bankcorp	145	5	1.25%	95	6	0.80%
Ridgefield Crossings	145	6	1.25%	50	10	0.42%
Kohl's Department Store	90	7	0.77%			
Ridgefield BMW	65	8	0.56%			
Ullman Devices, Corp	55	9	0.47%	76	8	0.64%
Pamby Motors, Inc.	51	10	0.44%	61	9	0.51%
S.V.G. Lithography Systems, Inc.				500	2	4.20%
Schlumberger Technical Corporation				140	3	1.18%
Norco Company				128	4	1.08%
Village Bank				100	5	0.84%
Duty Free International				80	7	0.67%
	<u>2,561</u>		<u>22.03%</u>	<u>2,430</u>		<u>20.42%</u>

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

(1) Information not available for 2003.

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

LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>General government</u>										
Management services	28.4	28.4	28.4	27.4	28.9	30.5	26.5	26.5	26.5	24.5
Finance	5.0	5.0	5.0	6.0	6.5	7.0	7.0	7.0	6.7	6.7
Planning	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.0	4.0	5.0
Building	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
<u>Public Health</u>										
Health	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Social Services	2.5	2.5	2.5	2.6	2.7	2.4	2.4	2.4	2.4	2.3
<u>Public safety</u>										
Police	46.9	46.9	46.9	46.9	48.5	48.5	48.5	48.5	48.5	43.6
Fire	42.5	42.5	42.5	42.5	38.0	37.8	35.2	35.2	35.2	33.0
Parking	0.8	0.8	0.8	0.8	0.7	0.7	0.5	0.5	1.3	1.3
Canine	1.0	1.0	1.0	1.0	1.8	1.8	1.8	1.8	1.5	1.5
<u>Public works</u>										
	26.0	26.0	26.0	26.0	29.0	29.0	30.0	29.0	28.0	31.8
<u>Public Recreation</u>										
Recreation	37.1	37.1	37.1	37.3	50.0	50.0	50.0	50.0	50.0	49.0
Golf Course	13.4	13.4	13.4	13.4	14.0	14.0	14.0	14.0	16.0	17.3
Tree Warden	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
<u>Public Education</u>										
Certified	460.8	460.8	460.2	462.2	469.8	459.7	445.9	435.3	435.0	424.2
Non-certified	231.4	231.4	248.8	242.7	227.4	217.1	214.5	210.6	206.3	197.8
Total	<u>905.8</u>	<u>905.8</u>	<u>922.6</u>	<u>918.8</u>	<u>929.3</u>	<u>911.5</u>	<u>889.4</u>	<u>873.5</u>	<u>870.0</u>	<u>846.6</u>

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

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>General Government</u>										
<u>Legal Counsel:</u>										
Professional fees	\$ 288,307	\$ 181,081	\$ 184,766	\$ 201,721	\$ 303,069	\$ 265,603	\$ 232,828	\$ 162,001	\$ 206,736	\$ 337,898
<u>Town Clerk's Office:</u>										
Licenses issued	2,798	3,054	3,073	3,111	2,958	2,949	3,046	2,982	3,116	3,228
Record vital statistics	436	509	448	427	230	427	460	509	523	580
Document recordings	6,744	6,427	6,189	6,357	6,392	7,134	7,872	8,322	9,438	12,415
<u>Registrar of Voters:</u>										
Registered voters	17,090	16,225	16,352	16,131	15,019	14,961	15,194	15,853	15,382	15,495
Elections and referenda	5	4	3	3	4	2	3	5	4	3
<u>Planning and Development</u>										
Building permits issued	2,336	1,734	1,666	1,719	2,146	2,067	2,264	2,198	2,554	2,415
Value of building permits	\$ 114,539,257	\$ 44,575,354	\$ 36,179,734	\$ 50,918,011	\$ 88,204,342	\$ 117,022,051	\$ 83,580,683	\$ 65,921,952	\$ 75,710,078	\$ 101,733,974
Zoning permits issued	258	249	258	260	306	350	337	341	358	424
<u>Public Safety</u>										
<u>Police Department:</u>										
Motor vehicle citations	4,984	4,988	4,926	4,679	5,806	3,231	4,718	4,131	5,031	4,600
General citations	2,716	2,637	2,468	1,532	1,496	844	599	501	496	706
<u>Fire Department:</u>										
Fire related calls	1,419	1,229	1,103	1,327	1,217	1,215	1,022	940	1,058	960
Medical related calls	2,158	2,141	2,046	1,952	1,952	1,889	1,905	1,986	1,827	1,792
<u>Parking Authority:</u>										
Parking violations	3,118	2,455	1,641	1,796	2,585	1,359	1,235	2,594	2,610	2,560
<u>Public Works</u>										
Miles of street resurfacing	6.7	5.1	5.4	4.3	4.3	9.0	12.8	13.0	12.4	13.0
Work Orders completed	591	571	606	419	401	465	572	748	625	680
<u>Public Recreation</u>										
Rounds of golf	35,888	33,349	37,138	37,001	38,078	38,247	36,196	36,796	32,722	35,125
Recreation center members	6,434	5,882	6,008	6,373	6,669	6,858	7,002	7,098	7,161	6,170
Summer camp participants	2,396	1,198	1,252	1,116	1,141	1,400	1,300	1,232	1,202	1,175
Martin park beach passes	696	583	548	531	563	538	452	474	604	714
<u>Public Education</u>										
Student enrollment	5,312	5,377	5,400	5,480	5,591	5,498	5,641	5,597	5,522	5,429

Source(s): Various Town Departments

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

LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>General Government</u>										
Vehicles	8	8	8	8	8	8	8	8	8	8
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Police vehicles	19	17	18	18	20	20	19	19	19	18
Fire vehicles	16	16	17	17	16	16	16	17	17	17
<u>Public Works</u>										
Town roads (miles)	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	189.5	189.5
Town sidewalks (miles)	14.0	14.0	14.0	14.0	14.0	13.6	13.1	13.1	11.6	11.6
Sanitary sewers (miles)	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
Storm sewers (miles)	88.0	88.0	88.0	88.0	88.0	87.6	85.7	85.7	85.0	84.0
Treatment plants	2	2	2	2	2	2	2	2	2	2
Highway vehicles	38	38	38	38	37	37	37	37	36	35
<u>Public Recreation</u>										
Acreage	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,114	2,114	2,114
<u>Athletic facilities:</u>										
Baseball diamonds	21	21	21	21	21	21	19	19	19	19
Basketball courts - Outside	2	2	2	2	2	2	2	3	3	3
Soccer fields	15	15	15	15	15	15	15	15	15	16
Football fields	3	3	3	3	3	3	3	3	3	3
Playgrounds	10	10	10	10	10	10	9	9	9	9
Tennis courts	9	9	9	9	9	9	9	9	9	9
Skate board park	1	1	1	1	1	1	1	1	1	1
Nature areas	39	39	39	39	39	39	39	39	39	39
Picnic areas	3	3	3	3	3	3	3	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Vehicles	17	17	16	18	18	17	17	17	17	16
<u>Public Education</u>										
Elementary schools	6	6	6	6	6	6	6	6	5	5
Middle schools	2	2	2	2	2	2	2	2	2	2
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments