

TOWN OF REDDING, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2015



# **The Town of Redding, Connecticut**

Comprehensive Annual Financial Report

For

The Fiscal Year Ended June 30, 2015

*Prepared By:*

Town of Redding  
Finance Department

Stephen Gniadek  
Finance Director



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## **Introductory Section**



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[www.townofreddingct.org](http://www.townofreddingct.org)

## **TOWN OF REDDING CT FINANCE DEPARTMENT**

December 9, 2015

To the Honorable First Selectman, Members of the Board of Selectmen, Members of the Board of Finance, and Citizens of the Town of Redding, Connecticut.

The Finance Department is pleased to present the Comprehensive Annual Financial Report ("CAFR") of the Town of Redding for the year ended June 30, 2015. The report includes the independent auditors' report as required by the Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles ("GAAP") and standards set forth by the Governmental Accounting Standards Board ("GASB").

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

RSM US LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Redding, Connecticut for the fiscal year ended June 30, 2015, 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Redding's financial statements for the fiscal year ended June 30, 2015, 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 was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. 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 Federal and State awards. These reports are available in the Town's separately issued Single Audit Report.

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's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Town of Redding**

The Town of Redding was incorporated in 1767 and is located in Fairfield County in the southwest part of the State of Connecticut, bordered by the towns of Bethel, Danbury, Easton, Newtown, Ridgefield, Weston and Wilton. It is located about 65 miles northeast of New York City, and is served by Metro North Commuter Railroad. The Town has a land area of 32 square miles, of which 87% is existing watershed, and a population of 9,148 at 2012.

The Town operates under the Statutes of the State of Connecticut. The Town employs a Town Meeting form of government with the First Selectman, elected to a two-year term, acting as the Town's chief executive officer. A three-member Board of Selectmen generally supervises the administration of the Town. Fiscal matters are administered under a six-member Board of Finance and an appointed Finance Director. The Town provides a full range of services, including police and volunteer fire protection, the construction and maintenance of streets, a transfer and recycling center, recreational activities and cultural events.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

All departments are required to submit revenue estimates and requests for appropriations to the Finance Director. A budget workshop is conducted by the Board of Selectmen to review the department requests. The Town and Board of Education budgets are then presented to the Board of Finance at a public meeting. Additional Board of Finance meetings are held if deemed necessary. Upon approval of the Board of Finance, the budget is submitted to a town-wide referendum held on the first Tuesday in May.

### **Factors Affecting Financial Condition**

Redding's presence in Fairfield County, its proximity to an excellent regional transportation network, its fine schools, public library, and wide range of recreational programs have all contributed to its continued growth and excellent financial condition. The Town is currently rated AAA by S&P with a healthy Unassigned Fund balance of 13.8%.

## **Factors Affecting Financial Condition (Continued)**

The Town's economic base is supported primarily by its residential base, with the Georgetown and West Redding business districts supplying the majority of commercial business interests.

There were 653 Building Permits issued in fiscal year 2015, at a value of \$ 12.5 million, compared to 822 issued at a value of \$ 19.2 million in fiscal year 2014.

The unemployment rate for fiscal year 2015 in Redding was 4.5% which compares favorably with the State rate of 6.2%. Median Household Income is \$ 123,862.

Property taxes, which account for approximately 89% of the general fund revenue, have provided a reliable revenue source, with collections consistently at or around 99 percent. Current tax collections were 98.7% of the adjusted tax levy.

Housing prices are competitive relative to Fairfield County norms. Most residents work in Fairfield County, Westchester County, New York, and New York City

Although the State of Connecticut projects future fiscal operating deficits, it has managed to maintain its support to local communities with only slight changes year over year.

## **Long-Term Financial Planning**

The vast majority of capital spending is incurred for Highway reconstruction and school facility improvements. The Town maintains a 5 year Capital Plan which is updated quarterly. Most capital projects are financed through short term borrowing (BAN) pending long term bonding. All rolling stock is financed through 5 year municipal leases.

For FY 2014-15, the Town has approved a four year road reconstruction plan totaling \$ 6.8 million, with the first year approximately \$ 1.9 million leaving a balance of \$4.4 million in the road plan. The current 5 year capital cost projection is for a total of \$ 9.9 million, with a Town portion of \$ 6.2 million and schools at \$ 3.7 million.

The Town also maintains a Capital Non-Recurring Expense reserve, with a balance of approximately \$ 1.0 million, for use on selected capital projects as needed.

## **Relevant Financial Policies**

The Town's financial policies have been applied consistently with no notable current year effect on the financial statements. As required, the Town has implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, issued June 2012 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68— to capture the apportioned pension liability of the Town due to its participation in the State of CT Municipal Employees Retirement System (CMERS).

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the first year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town

published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report. The cooperation and advice of the accounting firm of RSM US LLP also contributed significantly to its production.

This CAFR reflects a commitment to the citizens of Redding, the Board of Finance, the Board of Selectmen, and all concerned readers of this report to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "S. Gniadek".

Stephen Gniadek  
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Redding  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

TOWN OF REDDING, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS  
As of JUNE 30, 2015

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**Board of Selectmen  
Julia Pemberton  
First Selectman**

**Leon Karvelis**

**Michael Thompson**

**Board of Finance  
William Alvarez  
Chairman**

**Francis DeSalvo  
Joseph Dolan**

**Ward Mazzucco  
Kimberly Yonkers**

**Susan Clark**

**Finance Director  
Stephen Gniadek**

**Building Official – Shaun Donnelly  
Chief of Police – Douglas Fuchs  
Public Works Director – Robert Blick  
Social Services Director – Gail Schiron**

**Planning/Land Use – Jo-An Brooks  
Tax Collector - Patricia Moisio  
Tax Assessor – John Ford  
Town Clerk – Michele Grande  
Treasurer – Margaret O'Donnell  
Zoning Official – Aimee Pardee**

**Board of Education  
Sara Sobel  
Chairman**

**Open**

**Edward Miller**

**Allyson Florkowski  
Melinda Irwin**

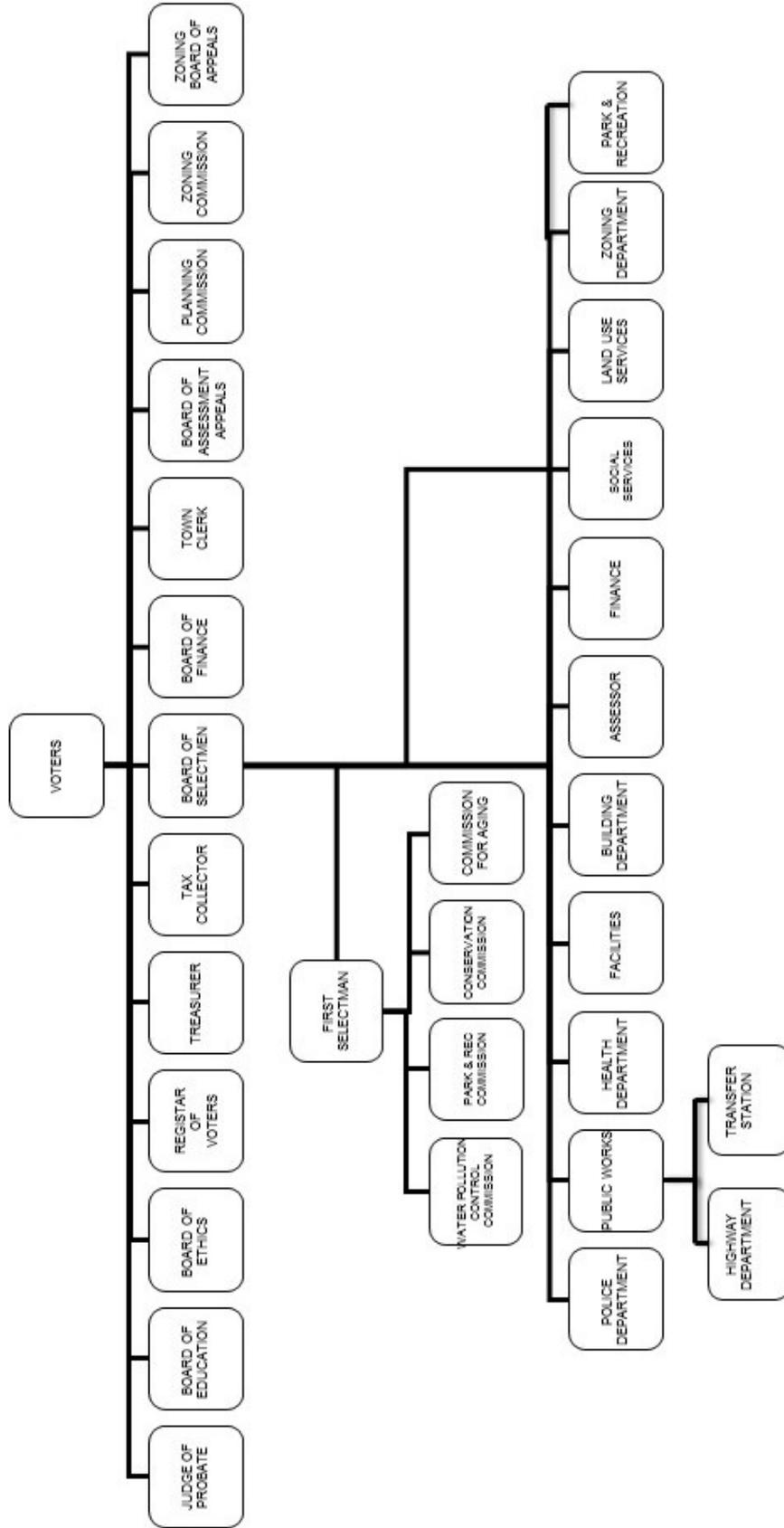
**Jess Gaspar  
Glen Eric Witt**

**Dr. Thomas McMorran –  
Superintendent of Schools**

**Peggy Sullivan – Director of  
Finance and Operations**

**Independent Auditors  
RSM US LLP  
New Haven, CT**

# TOWN OF REDDING, CONNECTICUT ORGANIZATIONAL CHART



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**Financial Section**





## Independent Auditor's Report

RSM US LLP

To the Board of Finance  
Town of Redding, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Redding, Connecticut (the Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Redding, Connecticut's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Redding, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB 68*, which resulted in the Town restating net position for recognition of the Town's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of employer contributions and the schedule of funding progress – OPEB, the schedule of contributions and the Town's proportionate share of the net pension liability – MERS pension plan and the schedule of the Town's proportionate share of the net pension liability – Teachers' Retirement Plan, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the Town of Redding, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Redding, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut  
December 9, 2015

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## Town of Redding, Connecticut

### Management's Discussion and Analysis - unaudited For the Year Ended June 30, 2015

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As management of the Town of Redding, Connecticut (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015.

#### **Financial Highlights**

- The assets of the Town's governmental activities exceeded its liabilities at the close of the most recent year by \$47,751,954 (net position). Of this amount, \$16,784,958 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position for governmental activities increased by \$4,139,242 due to increased tax collections and reduced expenses.
- Total General Fund fund balance at June 30, 2015 is \$8,488,722 which is \$1,328,640 or 18.6% higher than the prior year fund balance. The General Fund balance consists of the Unassigned Fund Balance, Nonspendable Fund Balance, the Committed Fund Balance and the Assigned Fund Balance. The Unassigned Fund Balance totals \$6,594,466 and represents 13.8% of the next year budgeted expenditures. The Nonspendable Fund Balance totals \$1,526,022 and represents a receivable from the sewer enterprise fund, which will be reclassified to Unassigned Fund Balance when the receivable is paid, as well as certain prepaids and inventories, and the Committed Fund Balance of \$ 208,822, for debt reduction, and the Assigned Fund Balance of \$159,412 for encumbrances.
- Actual expenditures came in 1.46% or \$694,219 under budget due to responsible spending within Town departments.
- Additionally, actual revenues were 1.37% or \$649,103, higher than budgeted primarily due to property tax collections and related interest.
- The Town issued \$10,574,000 in authorized bond anticipation notes (BANS) for road repair and construction, bridge rehabilitation, and school building renovations. The coupon rate of 1.0% is reduced by the premium, resulting in a net interest cost of .296%.

#### **Overview of the Basic Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They include:

The statement of net position, which presents information on all of the Town's assets, deferred outflows, liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The statement of net position and statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, deferred inflows/outflows, revenues, expenses, and gains and losses of the Town. Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the Town include general government, public safety, highway and streets, transfer station and recycling, health and social services, library, parks and recreation and education. The Town's business-type activities are for the Georgetown Sewer Enterprise Fund operations.

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

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements within the supplementary information section of this report.

The Town adopts an annual appropriated budget for its General Fund. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary Funds.** The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Georgetown Sewer fund (a major fund).

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

**Notes to Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide other post-employment benefits to its employees, and General Fund budget information. This information can be found on pages 51-56 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to basic financial statements.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. Assets exceeded liabilities by \$54,646,596 at the close of the most recent fiscal year.

	<b>Summary Statement of Net Position</b>					
	Governmental Activities		Business-Type Activities		Total	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Current and Other Assets	\$ 23,671,607	\$ 16,988,586	\$ (1,432,255)	\$ (1,203,123)	\$ 22,239,352	\$ 15,785,463
Capital Assets	60,683,219	59,519,372	8,420,654	8,600,245	69,103,873	68,119,617
<b>Total assets</b>	<b>84,354,826</b>	<b>76,507,958</b>	<b>6,988,399</b>	<b>7,397,122</b>	<b>91,343,225</b>	<b>83,905,080</b>
Deferred outflows of resources	946,528	88,339	-	-	946,528	88,339
Long-Term Debt Outstanding	20,768,709	19,125,232	-	-	20,768,709	19,125,232
Other Liabilities	14,008,814	9,758,029	93,757	134,425	14,102,571	9,892,454
<b>Total liabilities</b>	<b>34,777,523</b>	<b>28,883,261</b>	<b>93,757</b>	<b>134,425</b>	<b>34,871,280</b>	<b>29,017,686</b>
Deferred inflows of resources	2,771,877	246,225	-	-	2,771,877	246,225
Net Position						
Net investment in capital assets	30,966,996	37,246,394	8,420,654	8,600,245	39,387,650	45,846,639
Unrestricted	16,784,958	10,220,417	(1,526,012)	(1,337,548)	15,258,946	8,882,869
<b>Total net position</b>	<b>\$ 47,751,954</b>	<b>\$ 47,466,811</b>	<b>\$ 6,894,642</b>	<b>\$ 7,262,697</b>	<b>54,646,596</b>	<b>\$ 54,729,508</b>

By far, the largest portion of the Town's net position (72%) reflects its investment in capital (e.g., land, construction in progress, buildings, sewer plant, sewer collection system, machinery and equipment, vehicles, furniture, and fixtures and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

**Governmental Activities.** Governmental activities increased the Town's net position by \$4,139,242 mainly due to better expected revenues from property taxes and expenses being lower than anticipated.

**Revenues.** Governmental activities revenues totaled \$52,416,606 for the fiscal year. Property taxes are the largest revenue source for the Town and represent 88% of governmental revenues. Operating grants and contributions are the Town's second largest revenue and account for 9% of governmental revenues.

**Expenses.** Governmental expenses totaled \$48,277,364 for the fiscal year. Of the expenses, \$36,221,941 or 75% is related to education. Public safety expenses amounted \$3,228,429 or 7%. General government expenses amounted to \$4,011,987 or 8% and highway and streets expenses were \$2,259,779 or 5%.

**Summary Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,389,984	\$ 1,436,019	\$ 402,752	\$ 358,717	\$ 1,792,736	\$ 1,794,736
Operating grants and contributions	4,720,743	4,136,754	-	-	4,720,743	4,136,754
Capital grants and contributions	85,933	790,408	-	-	85,933	790,408
General revenues						
Property taxes	46,019,078	46,215,357	-	-	46,019,078	46,215,357
Grants and contributions not restricted to specific purposes	38,028	43,246	-	-	38,028	43,246
Investment income	28,052	27,443	7	193	28,059	27,636
Miscellaneous	134,788	66,514	-	-	134,788	66,514
<b>Total revenues</b>	<b>52,416,606</b>	<b>52,715,741</b>	<b>402,759</b>	<b>358,910</b>	<b>52,819,365</b>	<b>53,074,651</b>
<b>Program Expenses</b>						
General government	4,011,987	4,705,089	-	-	4,011,987	4,705,089
Public safety	3,228,429	3,354,838	-	-	3,228,429	3,354,838
Highway and streets	1,592,510	2,440,040	-	-	1,592,510	2,440,040
Transfer station and recycling	373,408	413,983	-	-	373,408	413,983
Health and social services	159,177	163,226	-	-	159,177	163,226
Library	613,563	578,440	-	-	613,563	578,440
Parks and recreation	1,212,541	1,249,000	-	-	1,212,541	1,249,000
Education	36,531,377	37,271,718	-	-	36,531,377	37,271,718
Interest expense	554,372	283,301	-	-	554,372	283,301
Sewer department	-	-	770,814	1,017,197	770,814	1,017,197
<b>Total program expenses</b>	<b>48,277,364</b>	<b>50,459,635</b>	<b>770,814</b>	<b>1,017,197</b>	<b>49,048,178</b>	<b>51,476,832</b>
<b>Changes in net position</b>	<b>4,139,242</b>	<b>2,256,106</b>	<b>(368,055)</b>	<b>(658,287)</b>	<b>3,771,187</b>	<b>1,597,819</b>
Net Position, Beginning as Restated*	43,612,712	45,210,705	7,262,697	7,920,984	50,875,409	53,131,689
Net Position, Ending	<b>\$ 47,751,954</b>	<b>\$ 47,466,811</b>	<b>\$ 6,894,642</b>	<b>\$ 7,262,697</b>	<b>\$ 54,646,596</b>	<b>\$ 54,729,508</b>

\* See Note 1

**Business-Type Activities.** Business-type activities decreased the Town's net position by \$368,055. General revenues do not support the Town's business-type activities; thus, revenues come from charges for services.

The Georgetown sewer expenses were \$770,814, which was a 24% decrease from the prior year. This decrease was due to a one-time charge last year associated with the replacement of failed membranes.

**Financial Analysis of the Town's Funds**

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

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

**General Fund:**

At year end, unassigned fund balance in the General Fund was as follows:

Unassigned fund balance, July 1, 2014	\$ 5,587,046
Actual revenue greater than budgeted	649,103
Actual expenditures less than budgeted	694,219
Less supplemental appropriation	(180,925)
Encumbrances	<u>(154,977)</u>
<b>Unassigned fund balance, June 30, 2015</b>	<b><u><u>\$ 6,594,466</u></u></b>

The supplemental appropriation approved at town meeting was used to fund highway department snow removal expenses, special legal expenses, and debt retirement.

General Fund actual expenditures came in 1.46% under budget due to responsible spending within Town departments. Additionally, actual revenues were 1.37% higher than budgeted primarily due to property tax collections and interest.

**General Fund Budgetary Highlights**

Actual revenue exceeded budget by approximately 1.37%. Property tax collections both current and prior, alone with associated interest, all exceeded the budgeted amounts.

Actual expenditures were 1.46% favorable to budget primarily due to controlling departmental spending and the transfer of a year-end Board of Education surplus. These factors helped mitigate the negative impact of severe winter weather and associated storm and snow removal costs.

**Road reconstruction fund:** The fund balance has decreased by approximately \$867,000 which resulted from expenditures related to the road improvement projects.

**Capital Projects- Schools:** The fund balance decreased by approximately \$298,000 which is a result of expenditures relating to capital improvements for the schools.

**Capital Assets and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$69,103,873 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, sewer plant, sewer collection system, machinery and equipment, vehicles, furniture and fixtures and infrastructure.

	<b>Capital Assets (Net of Depreciation)</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Primary Government</u>	
	2015	2014	2015	2014	2015	2014
Land	\$ 19,203,822	\$ 19,203,822	\$ 15,342	\$ 15,342	\$ 19,219,164	\$ 19,219,164
Construction in Progress	428,949	3,151,679	-	-	428,949	3,151,679
Buildings	15,002,786	14,839,160	-	-	15,002,786	14,839,160
Sewer Plant	-	-	7,907,279	7,990,489	7,907,279	7,990,489
Sewer Collection System	-	-	498,033	594,414	498,033	594,414
Machinery and Equipment	2,613,820	2,547,625	-	-	2,613,820	2,547,625
Infrastructure	20,905,184	17,211,324	-	-	20,905,184	17,211,324
Vehicles	2,298,745	2,392,182	-	-	2,298,745	2,392,182
Furniture and Fixtures	229,913	173,580	-	-	229,913	173,580
	<u>\$ 60,683,219</u>	<u>\$ 59,519,372</u>	<u>\$ 8,420,654</u>	<u>\$ 8,600,245</u>	<u>\$ 69,103,873</u>	<u>\$ 68,119,617</u>

Additional information on the Town's capital assets can be found in Note 6 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$13,758,032. The entire amount is backed by the full faith and credit of the Town.

**Outstanding Debt  
General Obligation Bonds and Notes**

	Governmental Activities	
	2015	2014
General Obligation Bonds - Town Improvements	\$ 9,685,539	\$ 10,818,462
General Obligation Bonds - School Improvements	4,030,000	4,443,000
Clean Water Fund Note	42,493	92,559
	<u>\$ 13,758,032</u>	<u>\$ 15,354,021</u>

The Town received an “AAA” credit rating from Standard & Poor’s for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$329,519,064 which is significantly in excess of the Town’s outstanding general obligation debt.

In addition to the above recorded amounts, the Town participates with the Town of Easton in providing a regional high school for students residing in each town. Accordingly, the outstanding debt and related interest expense of Regional School District No. 9 (the District) is shared by Easton and Redding based upon the respective number of students attending from each town. Total outstanding debt of the District at June 30, 2015, which matures through 2026, amounted to \$13,965,000. The Town’s share of the debt was \$7,555,065.

Additional information on the Town’s long-term debt can be found in Note 9 of this report. The Town also has short-term debt in the form of BANS totaling \$10,574,000, the detail of which can be found in Note 8.

**Economic Factors and Next Year’s Budget and Assumptions**

The unemployment rate for the Town was 4.5%, down from last year reported of 5.5%. The rate compares favorably with the state’s average rate of 6.2%.

The Governor of the State has declared that there will be no reduction in state aid.

These factors, along with declining school enrollment forecasts and continued expense management were considered in the preparation of the budget for 2015-16, that resulted in an increase of only .35% over the prior year budget.

**Requests for Information**

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the Town’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Redding, Finance Department, P.O. Box 1028, Redding, Connecticut 06875.

## **Basic Financial Statements**



**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 17,763,097	\$ 33,492	\$ 17,796,589
Receivables, net (Note 4)	4,382,488	-	4,382,488
Other	60,275	-	60,275
Advance to other funds	1,465,747	(1,465,747)	-
Capital assets, not being depreciated	19,632,771	15,342	19,648,113
Capital assets being depreciated, net	41,050,448	8,405,312	49,455,760
<b>Total assets</b>	<b>84,354,826</b>	<b>6,988,399</b>	<b>91,343,225</b>
<b>Deferred Outflows of Resources</b>			
Deferred pension expense	870,809	-	870,809
Deferred charge on refunding	75,719	-	75,719
<b>Total deferred outflows of resources</b>	<b>946,528</b>	<b>-</b>	<b>946,528</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	2,450,512	93,757	2,544,269
Due to other governments	14,895	-	14,895
Due to Regional School District No.9	969,407	-	969,407
Bond anticipation notes	10,574,000	-	10,574,000
Long-term liabilities:			
Noncurrent liabilities due within one year	1,634,694	-	1,634,694
Due in more than one year	19,134,015	-	19,134,015
<b>Total liabilities</b>	<b>34,777,523</b>	<b>93,757</b>	<b>34,871,280</b>
<b>Deferred Inflows of Resources</b>			
Deferred pension credit	1,057,230	-	1,057,230
Advance property tax collections	1,714,647	-	1,714,647
<b>Total deferred inflows of resources</b>	<b>2,771,877</b>	<b>-</b>	<b>2,771,877</b>
<b>Net Position</b>			
Net Investment in Capital Assets	30,966,996	8,420,654	39,387,650
Unrestricted (Deficit)	16,784,958	(1,526,012)	15,258,946
<b>Total net position</b>	<b>\$ 47,751,954</b>	<b>\$ 6,894,642</b>	<b>\$ 54,646,596</b>

See Notes to Financial Statements.

Statement of Activities  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>							
General government	\$ 4,011,987	\$ 358,776	\$ 324,815	\$ -	\$ (3,328,396)	\$ -	\$ (3,328,396)
Public Safety	3,228,429	56,852	12,948	-	(3,158,629)	-	(3,158,629)
Highway and street	1,592,510	172,574	268,879	85,933	(1,065,124)	-	(1,065,124)
Transfer station and recycling	373,408	160,617	-	-	(212,791)	-	(212,791)
Health and Welfare	159,177	21,620	-	-	(137,557)	-	(137,557)
Library	613,563	-	-	-	(613,563)	-	(613,563)
Education	36,531,377	-	4,114,101	-	(32,417,276)	-	(32,417,276)
Park and Recreation	1,212,541	619,545	-	-	(592,996)	-	(592,996)
Interest and fiscal charges	554,372	-	-	-	(554,372)	-	(554,372)
<b>Total governmental activities</b>	<b>48,277,364</b>	<b>1,389,984</b>	<b>4,720,743</b>	<b>85,933</b>	<b>(42,080,704)</b>	<b>-</b>	<b>(42,080,704)</b>
<b>Business-Type Activities</b>							
Georgetown sewer	770,814	402,752	-	-	-	(368,062)	(368,062)
	<b>\$ 49,048,178</b>	<b>\$ 1,792,736</b>	<b>\$ 4,720,743</b>	<b>\$ 85,933</b>			
General revenues:							
Property taxes					46,019,078	-	46,019,078
Grants and contributions not restricted to specific programs					38,028	-	38,028
Investment income					28,052	7	28,059
Miscellaneous					134,788	-	134,788
<b>Total general revenues</b>					<b>46,219,946</b>	<b>7</b>	<b>46,219,953</b>
Change in net position					4,139,242	(368,055)	3,771,187
Net Position - Beginning , as Restated- Note 1					43,612,712	7,262,697	50,875,409
Net position - Ending					<b>\$ 47,751,954</b>	<b>\$ 6,894,642</b>	<b>\$ 54,646,596</b>

See Notes to Financial Statements.

**Balance Sheet - Governmental Funds  
June 30, 2015**

	General	Road Reconstruction	Capital Projects- Schools	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 10,862,854	\$ 3,041,597	\$ 2,033,102	\$ 1,646,237	\$ 17,583,790
Receivables					
Property taxes	3,470,716	-	-	-	3,470,716
Sewer assessments	-	-	-	5,506	5,506
Intergovernmental	-	-	-	774,200	774,200
Other	132,066	-	-	-	132,066
Due from Other Funds	723,752	17,600	-	261,687	1,003,039
Prepays	56,462	-	-	-	56,462
Inventory	3,813	-	-	-	3,813
Advance to Other Funds	1,465,747	-	-	-	1,465,747
<b>Total assets</b>	<b>\$ 16,715,410</b>	<b>\$ 3,059,197</b>	<b>\$ 2,033,102</b>	<b>\$ 2,687,630</b>	<b>\$ 24,495,339</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>					
Liabilities					
Accounts payable	\$ 1,483,307	\$ 412,272	\$ 207,817	\$ 29,404	\$ 2,132,800
Due to other governments	14,895	-	-	-	14,895
Due to Regional School District No.9	969,407	-	-	-	969,407
Due to other funds	664,806	-	-	723,752	1,388,558
Bond anticipation notes payables	-	7,280,699	2,336,301	957,000	10,574,000
<b>Total liabilities</b>	<b>3,132,415</b>	<b>7,692,971</b>	<b>2,544,118</b>	<b>1,710,156</b>	<b>15,079,660</b>
Deferred Inflows of Resources					
Advance tax collections	1,714,647	-	-	-	1,714,647
Unavailable resources-other	3,379,626	-	-	775,506	4,155,132
	<b>5,094,273</b>	<b>-</b>	<b>-</b>	<b>775,506</b>	<b>5,869,779</b>
Fund Balances (Deficits)					
Nonspendable	1,526,022	-	-	-	1,526,022
Restricted	-	-	-	187,936	187,936
Committed	208,822	-	-	1,272,580	1,481,402
Assigned	159,412	-	-	-	159,412
Unassigned	6,594,466	(4,633,774)	(511,016)	(1,258,548)	191,128
<b>Total fund balances (deficits)</b>	<b>8,488,722</b>	<b>(4,633,774)</b>	<b>(511,016)</b>	<b>201,968</b>	<b>3,545,900</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 16,715,410</b>	<b>\$ 3,059,197</b>	<b>\$ 2,033,102</b>	<b>\$ 2,687,630</b>	<b>\$ 24,495,339</b>

See Notes to Financial Statements.

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$ 3,545,900
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	75,108,978
Less accumulated depreciation	<u>(14,425,759)</u>
<b>Net capital assets</b>	<u>60,683,219</u>

Assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds:

Property tax and sewer assessment interest and lien accrual	1,230,778
Property tax and sewer assessment receivable	2,154,354
Intergovernmental	770,000

Internal service funds are used by management to charge the cost of medical insurance to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	395,619
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Net deferred outflows/inflows relating to pension	(186,421)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(13,758,032)
Deferred amounts on refunding	75,719
Compensated absences	(224,414)
Accrued interest payable	(148,505)
Capital leases	(1,194,873)
MERS net pension liability	(3,405,997)
Net OPEB obligation	(2,157,643)
Landfill closure and post-closure care	<u>(27,750)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 47,751,954</u>
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See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds**  
**For the Year Ended June 30, 2015**

	General	Road Reconstruction Fund	Capital Projects- Schools	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 45,698,262	\$ -	\$ -	\$ -	\$ 45,698,262
Intergovernmental	4,064,199	-	-	687,912	4,752,111
Investment income	25,464	29	318	2,241	28,052
Charges for services	1,317,683	-	-	164,894	1,482,577
Other	76,509	-	-	58,279	134,788
<b>Total revenues</b>	<b>51,182,117</b>	<b>29</b>	<b>318</b>	<b>913,326</b>	<b>52,095,790</b>
<b>Expenditures</b>					
Current:					
General government	2,999,900	337	-	74,048	3,074,285
Public safety	2,366,064	-	-	9,458	2,375,522
Highway and street	1,497,305	-	-	1,207	1,498,512
Transfer station and recycling	258,057	-	-	-	258,057
Health and welfare	112,839	-	-	99	112,938
Library	457,898	-	-	-	457,898
Parks and recreation	888,842	-	-	15,262	904,104
Employee benefits	2,745,402	-	-	-	2,745,402
Education	36,249,453	-	-	309,436	36,558,889
Debt service	2,190,217	-	-	-	2,190,217
Capital outlay	-	910,385	341,868	855,310	2,107,563
<b>Total expenditures</b>	<b>49,765,977</b>	<b>910,722</b>	<b>341,868</b>	<b>1,264,820</b>	<b>52,283,387</b>
<b>Revenues over (under) expenditures</b>	<b>1,416,140</b>	<b>(910,693)</b>	<b>(341,550)</b>	<b>(351,494)</b>	<b>(187,597)</b>
<b>Other Financing Sources (Uses)</b>					
Transfer in	-	43,750	43,750	-	87,500
Transfer out	(87,500)	-	-	-	(87,500)
Capital leases proceeds	-	-	-	393,927	393,927
<b>Total other financing sources (uses)</b>	<b>(87,500)</b>	<b>43,750</b>	<b>43,750</b>	<b>393,927</b>	<b>393,927</b>
<b>Change in fund balances (deficits)</b>	<b>1,328,640</b>	<b>(866,943)</b>	<b>(297,800)</b>	<b>42,433</b>	<b>206,330</b>
Fund Balances (Deficits), Beginning of Year	7,160,082	(3,766,831)	(213,216)	159,535	3,339,570
Fund Balances (Deficits), End of Year	\$ 8,488,722	\$ (4,633,774)	\$ (511,016)	\$ 201,968	\$ 3,545,900

See Notes to Financial Statements.

(Continued)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of  
Governmental Funds to the Statement of Activities (Continued)  
For the Year Ended June 30, 2015**

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)	\$ 206,330
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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 outlay exceeded depreciation in the current period:

Capital outlay	2,300,915
Depreciation expense	(1,036,600)
Loss on disposal of assets	(100,468)
	<u>1,163,847</u>

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

<u>320,816</u>
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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 has any effect on net position. Also, governmental funds report the 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:

Premium amortization	20,923
Deferred amounts on refunding	(12,620)
Bond principal repayments	1,525,000
Proceeds from capital leases	(393,927)
Capital lease payments	667,269
Notes payable	50,066
	<u>1,856,711</u>

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:

Net MERF pension expense	261,681
Net OPEB expense	(90,722)
Landfill post-closure care	3,750
Compensated absences	(19,839)
Accrued interest payable	52,476
	<u>207,346</u>

Internal Service Funds are used by management to charge costs of medical insurance benefits to individual departments. The net expense of the activities of the Internal Service Fund is reported with governmental activities.

<u>384,192</u>
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Change in Net Position of Governmental Activities (Exhibit II)

<u>\$ 4,139,242</u>
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See Notes to Financial Statements.

**Statement of Net Position - Proprietary Funds**  
**June 30, 2015**

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Georgetown Sewer	
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 33,492	\$ 179,307
Due from other funds	-	385,519
<b>Total current assets</b>	<b>33,492</b>	<b>564,826</b>
Noncurrent Assets		
Capital Assets, net:		
Land	15,342	-
Sewer plant	7,907,279	-
Sewer collection system	498,033	-
<b>Total capital assets, net</b>	<b>8,420,654</b>	<b>-</b>
<b>Total assets</b>	<b>8,454,146</b>	<b>564,826</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	93,757	-
Claims payable	-	169,207
<b>Total current liabilities</b>	<b>93,757</b>	<b>169,207</b>
Noncurrent Liabilities		
Advance from other funds	1,465,747	-
<b>Total liabilities</b>	<b>1,559,504</b>	<b>169,207</b>
<b>Net Position</b>		
Net Investment in Capital Assets	8,420,653	-
Unrestricted (Deficit)	(1,526,011)	395,619
<b>Total net position</b>	<b>\$ 6,894,642</b>	<b>\$ 395,619</b>

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds  
For the Year Ended June 30, 2015**

	Business-Type Activities	
	Enterprise Fund	Governmental Activities
	Georgetown Sewer	Internal Service Fund
Operating Revenues		
Charges for services	\$ 402,752	\$ 3,039,289
<b>Total operating revenues</b>	<b>402,752</b>	<b>3,039,289</b>
Operating Expenses		
Claims incurred	-	2,331,000
Administration	23,104	324,607
Contracted services	332,107	-
Outside services	17,637	-
Materials disposal	17,775	-
Materials and supplies	100,033	-
Utilities	100,567	-
Depreciation	179,591	-
<b>Total operating expenses</b>	<b>770,814</b>	<b>2,655,607</b>
<b>Operating (loss) Income</b>	<b>(368,062)</b>	<b>383,682</b>
Nonoperating Revenues		
Investment income	7	510
<b>Change in net position</b>	<b>(368,055)</b>	<b>384,192</b>
Net Position, Beginning	7,262,697	11,427
Net Position, Ending	\$ 6,894,642	\$ 395,619

See Notes to Financial Statements.

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2015**

	Business-Type Activities	
	Enterprise Fund	Governmental Activities
	Georgetown Sewer	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and others	\$ 402,754	\$ -
Payments to suppliers	(631,892)	-
Claim payments	-	(2,380,793)
Charges for services	-	2,658,962
Administrative payments	\$ -	(324,607)
<b>Net cash used in operating activities</b>	<b>(229,138)</b>	<b>(46,438)</b>
Cash Flows From Noncapital Financing Activities		
Advances from other funds	235,746	-
Cash Flows From Investing Activities		
Income from investments	7	510
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>6,615</b>	<b>(45,928)</b>
Cash and Cash Equivalents, Beginning of year	26,877	225,235
Cash and cash equivalents, Ending	\$ 33,492	\$ 179,307
<b>Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (368,062)	\$ 383,682
Adjustments to reconcile operating (loss) income to net cash used in operating activities:		
Depreciation expense	179,591	-
(Increase) decrease in:		
Due from other funds	-	(380,327)
Increase (decrease) in:		
Accounts and claims payable	(40,667)	(49,793)
<b>Net cash used in operating activities</b>	<b>(229,138)</b>	<b>(46,438)</b>

See Notes to Financial Statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2015**

	Agency Funds
<hr/>	
<b>Assets</b>	
Cash and Cash Equivalents	\$ 129,843
	<hr/> <hr/>
<b>Liabilities</b>	
Due to Others	\$ 129,843
	<hr/> <hr/>

See Notes to Financial Statements.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies**

The financial statements of the Town of Redding, Connecticut (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 policies of the Town are described below.

**Reporting entity:** The Town of Redding, Connecticut is a municipal corporation and operates under the provisions of the General Statutes of the State of Connecticut. The Town is governed by an elected Board of Selectmen and an elected Board of Finance. The Town Meeting acts as the legislative body. The First Selectman is the Chief Executive Officer. The Town provides the following services: education, public safety, public works, public health and social services, and recreation.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Governmental Accounting Standards Board Codification, Section 2100, have been considered and there are no agencies or entities, which should be presented with the Town.

#### **Accounting standards adopted in the current year:**

***GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71***, ("GASB 68") was implemented on July 1, 2014. This statement revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, GASB 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The effects on the Town's financials are as follows: beginning net position was adjusted by \$3,854,099, a net pension liability of \$4,724,468 was added, and deferred pension expense of \$870,369 was added. The implementation of this statement also resulted in additional disclosures as shown in Note 12.

***GASB Statement No. 69, Government Combinations and Disposals of Government Operations***, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the Town's financial statements.

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from the statement of net position, except for the net residual amounts due between governmental and business-type activities. The interfund services provided and used are not eliminated from the statement of activities in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting and financial statement presentation:** The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are 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. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, landfill post-closure monitoring, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town.

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 *Road Reconstruction Fund* is used to account for the various road repair activities. The major funding source for this fund is from bond proceeds.
- The *Capital Projects- School Fund* is used to account for various school projects. The major funding source for this fund is from BAN/bond proceeds.

The Town reports the following major proprietary fund:

- The Georgetown Sewer Fund accounts for the activities of the Town's sewer operations. The major source of revenue for this fund is from sewer assessments.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Additionally, the Town reports the following fund types:

- The *Internal Service Fund* accounts for risk financing activities for the medical insurance benefits as allowed by the GASB Statement No. 10 provided to other departments on a cost reimbursement basis.
- The Agency Fund accounts for monies held on behalf of students.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's sewer operations and various other functions of the Town. 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 property 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 Georgetown Sewer enterprise fund and of the Town's internal service funds are charges to customers for sales and services. The Georgetown Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, claim expense, administrative expenses and depreciation on capital assets. 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.

#### **Assets, liabilities and net position or equity:**

**Deposits and investments:** The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of 12 months or less from the date of acquisition.

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost. The General Fund has \$2.45 million invested with maturities of one year or less. All CD's are fully insured by the FDIC.

**Interfunds:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources.

**Property taxes:** Property taxes are assessed as of October 1 and levied on the following June 1st. Real estate taxes are generally due and payable in two installments on July 1 and January 1. Motor vehicle taxes are due and payable in one installment on July 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1 ½% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Liens are recorded July 1.

**Allowance for doubtful accounts:** Receivables for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay. An amount of \$115,000 has been established as an allowance for uncollectible taxes.

**Capital assets:** Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the enterprise fund 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 one year. 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 assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**Net pension liability:** The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	100
Roads	40
Bridges	25
Sewer plant	30
Sewer lines	40
Vehicles	10-25
Equipment	5-40

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

**Compensated absences:** Town and Board of Education employees are granted vacation based upon length of employment. Unused vacation time accrued prior to voluntary termination shall be paid on a pro rata basis. For the Town, sick leave does not accrue, and cannot be carried forward. For the Board of Education, sick leave may be carried forward, but any unused balance at termination will be forfeited. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**Long-term obligations:** In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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, and debt principal payments other than bond anticipation notes (BANs) are reported as debt service expenditures.

**Fund equity and net position:** In the government-wide and proprietary fund financial statements, net position is classified into the following categories:

*Net investments in capital assets:* The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted net position:* These amounts are restricted to specific purposes when constraints placed on the use of the resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

*Unrestricted net position:* This category presents the net position of the Town, not included in the other two categories, which are not restricted. A deficit will require future funding.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

*Nonspendable fund balance*: These amounts cannot be spent either because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

*Restricted fund balance*: These amounts are restricted to specific purposes when constraints placed on the use of the resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

*Committed fund balance*: This represents amounts constrained for a specific purpose by a government as approved by the Board of Finance.

*Assigned fund balance*: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

*Unassigned fund balance*: This represents fund balance in the General Fund in excess of nonspendable, 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.

**Estimates:** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (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.

#### Note 2. Stewardship, Compliance and Accountability

**Deficit fund balance:** The following funds had fund balance deficits at June 30, 2015:

Major fund	
Road Reconstruction Fund	\$ 4,633,774
Capital projects schools	511,016
Nonmajor governmental funds	
Georgetown STEAP Intersection	704,863
Athletic Field	5,196
Communication Tower	800
School Bonded Projects	547,689

The deficits will be eliminated in future years as additional revenues are recognized and projects are permanently financed.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability (Continued)

**Capital projects authorization:** The following is a summary of major Capital Projects at June 30, 2015:

Capital Project Fund	Authorization	Current Year Expenditures	Cumulative Expenditures	Commitment Balance June 30, 2015
Road Reconstruction Fund	\$ 7,081,439	\$ 910,385	\$ 4,347,111	\$ 2,734,328
Georgetown STEAP	1,227,953	69,245	1,211,265	16,688
Georgetown STEAP Intersection	3,641,000	-	3,042,640	598,360
Town Buildings	618,000	308,070	417,109	200,891
Stepney Rd Bridge	739,000	12,857	57,287	681,713
School Projects	1,950,071	216,406	216,406	1,733,665
Cell Tower	423,000	800	800	422,200

#### Note 3. Cash and Cash Equivalents

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. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan. For the capital and nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). The investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and is 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.

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 3. Cash and Cash Equivalents (Continued)**

**Deposits:**

*Deposit custodial credit risk:* Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town has 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, approximately \$13,355,000 of the Town's bank balance of approximately \$14,843,000 was uninsured and uncollateralized at June 30, 2015.

**Cash equivalents:** At June 30, 2015, the Town's cash equivalents amounted to \$5,923,430, which includes \$2,702,205 of certificates of deposit. 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 and Poor's</u>
State Short-Term Investment Fund (STIF)	AAA/m

**Note 4. Receivables**

Receivables as of year-end for the Town's individual major funds, proprietary funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor and Other Funds	Enterprise Fund	Total
Receivables				
Taxes	\$ 2,354,938	\$ -	\$ -	\$ 2,354,938
Interest on property taxes	1,230,778	-	-	1,230,778
Accounts	132,066	-	1,678,984	1,811,050
Sewer assessments	-	5,506	-	5,506
Intergovernmental	-	774,200	-	774,200
<b>Gross receivables</b>	<b>3,717,782</b>	<b>779,706</b>	<b>1,678,984</b>	<b>4,497,488</b>
Less allowance for uncollectibles	115,000	-	1,678,984	1,793,984
<b>Net total receivables</b>	<b>\$ 3,602,782</b>	<b>\$ 779,706</b>	<b>\$ -</b>	<b>\$ 4,382,488</b>

## Town of Redding, Connecticut

### Notes to Financial Statements

#### Note 5. Deferred Inflows of Resources/Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned 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 unavailable/unearned revenue reported in the governmental funds were as follows:

	Unavailable Revenues	Unearned Revenues
Property taxes collected in advance	\$ 1,714,647	\$ -
Delinquent property taxes receivable and interest receivable	3,379,626	-
Special assessments not yet due	5,506	-
Grants	770,000	-
<b>Total unavailable revenue/unearned revenue for governmental funds</b>	<b>\$ 5,869,779</b>	<b>\$ -</b>

#### Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 19,203,822	\$ -	\$ -	\$ 19,203,822
Construction in progress	3,151,679	1,209,693	(3,932,423)	428,949
<b>Total capital assets, not       being depreciated</b>	<b>22,355,501</b>	<b>1,209,693</b>	<b>(3,932,423)</b>	<b>19,632,771</b>
Capital assets, being depreciated				
Buildings	19,014,009	377,109	-	19,391,118
Machinery and equipment	3,108,370	267,740	(95,700)	3,280,410
Vehicles	3,637,286	187,957	(147,429)	3,677,814
Furniture and fixtures	299,821	51,171	-	350,992
Infrastructure	24,636,205	4,139,668	-	28,775,873
<b>Total capital assets,       being depreciated</b>	<b>50,695,691</b>	<b>5,023,645</b>	<b>(243,129)</b>	<b>55,476,207</b>
Less accumulated depreciation for				
Buildings	4,174,849	213,483	-	4,388,332
Machinery and equipment	560,745	131,341	(25,496)	666,590
Vehicles	1,245,104	228,623	(94,658)	1,379,069
Furniture and fixtures	126,241	17,345	(22,507)	121,079
Infrastructure	7,424,881	445,808	-	7,870,689
<b>Total accumulated     depreciation</b>	<b>13,531,820</b>	<b>1,036,600</b>	<b>(142,661)</b>	<b>14,425,759</b>
<b>Total capital assets, being       depreciated, net</b>	<b>37,163,871</b>	<b>3,987,045</b>	<b>(100,468)</b>	<b>41,050,448</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 59,519,372</b>	<b>5,196,738</b>	<b>(4,032,891)</b>	<b>\$ 60,683,219</b>

Town of Redding, Connecticut

Notes to Financial Statements

Note 6. Capital Assets (Continued)

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 15,342	\$ -	\$ -	\$ 15,342
Capital assets, being depreciated				
Sewer plant	9,245,519	-	-	9,245,519
Sewer collection system	1,106,541	-	-	1,106,541
Machinery and equipment	6,550	-	-	6,550
<b>Total capital assets, being depreciated</b>	<b>10,358,610</b>	<b>-</b>	<b>-</b>	<b>10,358,610</b>
Less accumulated depreciation for				
Sewer plant	1,255,030	83,210	-	1,338,240
Sewer collection system	512,127	96,381	-	608,508
Machinery and equipment	6,550	-	-	6,550
<b>Total accumulated depreciation</b>	<b>1,773,707</b>	<b>179,591</b>	<b>-</b>	<b>1,953,298</b>
<b>Total capital assets, being depreciated, net</b>	<b>8,584,903</b>	<b>(179,591)</b>	<b>-</b>	<b>8,405,312</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 8,600,245</b>	<b>\$ (179,591)</b>	<b>\$ -</b>	<b>\$ 8,420,654</b>

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

Governmental activities	
General government	\$ 244,423
Public safety	96,894
Highways and streets	493,513
Transfer station and recycling	16,430
Health and social services	4,155
Parks and recreation	6,605
Education	174,580
<b>Total depreciation expense – governmental activities</b>	<b>\$ 1,036,600</b>
Business-type activities	
Sewer	<b>\$ 179,591</b>

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 7. Interfund Accounts**

At June 30, 2015, the amounts due to and from other funds were as follows:

	Due From Other Funds	Due to Other Funds
General fund	\$ 723,752	\$ 664,806
Road reconstruction	17,600	-
Internal service fund	385,519	-
Nonmajor governmental fund	261,687	723,752
	<u>\$ 1,388,558</u>	<u>\$ 1,388,558</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the general fund expects to collect in the subsequent year.

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 1,465,747	\$ -
Georgetown sewer	-	1,465,747
	<u>\$ 1,465,747</u>	<u>\$ 1,465,747</u>

The advances amongst the funds relate to loans made between the Georgetown Sewer fund and the General fund. The Georgetown Sewer plans to repay funds with future revenues and collection of past accounts receivable. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers during the year ended June 30, 2015 were as follows:

	Transfer from Other Funds	Transfer to Other Funds
General fund	\$ -	\$ 87,500
Road reconstruction	43,750	-
Capital projects - schools	43,750	-
	<u>\$ 87,500</u>	<u>\$ 87,500</u>

Transfers to other funds from the General Fund represent monies used to fund projects accounted for in the Road Reconstruction and Capital Projects- Schools funds in accordance with budget authorizations.

## Town of Redding, Connecticut

### Notes to Financial Statements

#### Note 8. 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. On June 17, 2015, the Town issued \$10,574,000 in bond anticipation notes for school projects and bridge and road improvements. The notes mature on March 17, 2016 and carry a coupon rate of 1.0%. The net interest cost, after the premium, is 29.6 basis points (.296%). Short-term obligation activity for the year ended June 30, 2015 is as follows:

Description	Date of Issue	Date of Maturity	Interest Rate	Balance, July 1, 2014	Additions	Deductions	Balance, June 30, 2015
Bond anticipation notes	12/19/2013	9/18/2014	1%	\$ 5,638,000	\$ -	\$ 5,638,000	\$ -
Bond anticipation notes	9/18/2014	6/17/2015	1%	-	7,873,000	7,873,000	-
Bond anticipation notes	6/17/2015	3/17/2016	1%	-	10,574,000	-	\$ 10,574,000

#### Note 9. Long-Term Liabilities

##### Changes in long-term obligations:

*Summary of changes:* The following is a summary of changes in long-term obligations during the fiscal year. All long-term liabilities are generally liquidated by the General Fund.

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance July 1, 2014*	Additions	Deductions	Balance Outstanding June 30, 2015	Current Portion
<b>Bond notes</b>									
<b>General purpose</b>									
Improvement bond	\$ 8,345,000	10/15/99	10/15/19	4.75-6.5	\$ 2,502,000	\$ -	\$ 417,000	\$ 2,085,000	\$ 417,000
Improvement bond	6,729,950	07/15/10	07/15/30	2.0-4.0	5,725,000	-	335,000	5,390,000	335,000
Refunding bond	2,680,000	19/12/12	08/01/20	2.0-3.0	2,445,000	-	360,000	2,085,000	360,000
Premium on refunding					146,462	-	20,923	125,539	-
<b>Total general purpose</b>					<b>10,818,462</b>	<b>-</b>	<b>1,132,923</b>	<b>9,685,539</b>	<b>1,112,000</b>
<b>Schools</b>									
Improvement bond	4,755,000	10/15/99	10/15/19	4.75-6.5	1,398,000	-	233,000	1,165,000	233,000
Improvement bond	3,585,050	07/15/10	07/15/31	2.0-4.0	3,045,000	-	180,000	2,865,000	180,000
<b>Total schools</b>					<b>4,443,000</b>	<b>-</b>	<b>413,000</b>	<b>4,030,000</b>	<b>413,000</b>
<b>Sewer</b>									
Clean water note	246,648	06/01/11	04/01/16	2	92,559	-	50,066	42,493	42,493
<b>Total bond/notes</b>					<b>15,354,021</b>	<b>-</b>	<b>1,595,989</b>	<b>13,758,032</b>	<b>1,567,493</b>
Compensated absences					204,575	320,463	300,624	224,414	63,701
Capital leases					1,468,215	393,927	667,269	1,194,873	-
MERS pension liability					4,724,468	-	1,318,471	3,405,997	-
Net OPEB obligation					2,066,921	90,722	-	2,157,643	-
Landfill closure and post-closure care					31,500	-	3,750	27,750	3,500
<b>Total general long-term liabilities</b>					<b>\$ 23,849,700</b>	<b>\$ 805,112</b>	<b>\$ 3,886,103</b>	<b>\$ 20,768,709</b>	<b>\$ 1,634,694</b>

\* Amounts were restated for the implementation of GASB 68

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 9. Long-Term Liabilities (Continued)**

The following is a summary of amounts to be provided for the retirement of bond and note maturities:

Year Ending June 30,	Principal		Interest	
	Bonds	Clean Water Loan	Bonds	Clean Water Loans
2016	\$ 1,525,000	\$ 42,493	\$ 456,297	\$ 390
2017	1,520,000	-	394,306	-
2018	1,515,000	-	334,281	-
2019	1,510,000	-	278,431	-
2020	1,505,000	-	220,838	-
2021-2025	2,910,000	-	741,194	-
2026-2030	2,585,000	-	325,528	-
2031	520,000	-	9,750	-
	<u>\$ 13,590,000</u>	<u>\$ 42,493</u>	<u>\$ 2,760,625</u>	<u>\$ 390</u>

In addition to the above recorded amounts, the Town participates with the Town of Easton in providing a regional high school for students residing in each town. Accordingly, the outstanding debt and related interest expense of Regional School District No. 9 (the District) is shared by Easton and Redding based upon the respective number of students attending from each town. Total outstanding debt of the District at June 30, 2015, which matures through 2026, amounted to \$13,965,000. The Town's share of the debt was \$7,555,065.

**In-substance defeasance – prior years:** In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. At June 30, 2014, \$2,345,000 of the defeased debt is outstanding.

**Capital leases:** The Town has entered into leases for the purchase of a phone system, trucks, police vehicles and school buses.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The cost of these assets was approximately \$2,878,000 with accumulated depreciation as of June 30, 2015 of approximately \$547,000. The following is a schedule of the minimum lease payments under the leases and the present value of the future minimum lease payments reflected at June 30, 2015:

Year Ending June 30,	Amount
2016	\$ 584,798
2017	482,646
2018	163,416
	<u>1,230,860</u>
Less amount representing interest	35,987
<b>Present value of future minimum lease payment</b>	<u><u>\$ 1,194,873</u></u>

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 9. Long-Term Liabilities (Continued)

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 105,916,842	\$ 21,183,867	\$ 84,732,975
Schools	211,833,684	11,585,065	200,248,619
Sewers	176,528,070	42,493	176,485,577
Urban renewal	152,990,994	-	152,990,994
Pension deficit	141,222,456	-	141,222,456

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$329,519,064.

The indebtedness reflected above includes bonds outstanding in addition to the Town's portion of Regional School District No.9's debt and the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

**Landfill closure and post-closure care costs:** State and federal laws and regulations require landfill closures to meet certain standards. The Town landfill has been closed. Estimated monitoring costs for the next 10 years at \$3,500 per year are \$35,000. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations. This estimated liability is recorded in the governmental activities statement of net position, since the liability will be funded from future financial resources, not from expendable available financial resources. The balance outstanding as of June 30, 2015 is \$27,750.

## Town of Redding, Connecticut

### Notes to Financial Statements

#### Note 10. Fund Balance

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	General Fund	Road Reconstruction Fund	Capital Projects- Schools	Nonmajor Governmental Funds	Total
Fund balances					
Nonspendable					
Advance to other funds	\$ 1,465,747	\$ -	\$ -	\$ -	\$ 1,465,747
Prepays	56,462	-	-	-	56,462
Inventory	3,813	-	-	-	3,813
	<u>1,526,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,526,022</u>
Restricted for:					
Grants	-	-	-	187,936	187,936
Committed to:					
General government	208,822	-	-	124,986	333,808
Public Safety	-	-	-	66,289	66,289
Highway and streets	-	-	-	19,269	19,269
Education	-	-	-	-	-
Health and social services	-	-	-	32,888	32,888
Parks and Recreation	-	-	-	26,973	26,973
Capital projects	-	-	-	1,002,175	1,002,175
	<u>208,822</u>	<u>-</u>	<u>-</u>	<u>1,272,580</u>	<u>1,481,402</u>
Assigned to:					
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Highway and streets	-	-	-	-	-
Education	159,412	-	-	-	159,412
Parks and Recreation	-	-	-	-	-
Capital projects	-	-	-	-	-
	<u>159,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,412</u>
Unassigned	6,594,466	(4,633,774)	(511,016)	(1,258,548)	191,128
<b>Total fund balances</b>	<u>\$ 8,488,722</u>	<u>\$ (4,633,774)</u>	<u>\$ (511,016)</u>	<u>\$ 201,968</u>	<u>\$ 3,545,900</u>

Encumbrances at June 30, 2015 are contained in the above table in the assigned category of the General Fund.

#### Note 11. Risk Management

The Town is exposed to various risks of loss related to public officials and police liability, Board of Education liability, torts, thefts of, damage to or destruction of assets, errors or omissions, injuries to employees or natural disasters. Except for medical insurance, the Town purchases commercial insurance for all risks of loss. The Town established an internal service fund, the medical insurance fund, to account for and finance the retained risk of loss for the Board of Education's medical benefits claims.

The Redding Board of Education, along with the Easton Board of Education and the District, participates in a medical self-insurance plan that accounts for health benefits provided to participants and their families. Recommended monthly deposits are calculated by the plan administrator and claims processor. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 11. Risk Management (Continued)

The medical claims fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The Town does not have aggregate stop-loss coverage but has individual stop-loss coverage of \$150,000. The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated.

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2013-2014	\$ 175,891	\$ 2,963,666	\$ 2,842,462	\$ 297,095
2014-2015	297,095	2,203,112	2,331,000	169,207

#### Note 12. Employee Retirement Fund and Pension Plans

##### Municipal Employees' Retirement Fund:

**Plan description:** Certain employees of the Town of Redding, Connecticut participate in a cost-sharing multiple-employer defined benefit pension plan administered by the State of Connecticut Employees' Retirement System (MERS). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained by writing to the State of Connecticut, Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

**Benefit provisions:** Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

**Average final compensation:** Average of the three highest paid years of service.

**Normal form of benefit:** Life annuity.

**Year's breakpoint:** With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. For 2014, the breakpoint is \$69,200.

**Service retirement allowance:** Condition for Allowance - Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Fund and Pension Plans (Continued)

**Amount of allowance:** For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include Workers Compensation and Social Security benefits. If any member covered by Social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

**Disability retirement allowance:** Condition for Allowance - 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the Municipality.

Amount of Allowance calculated as a service retirement allowance based on compensation and service to the date of the disability.

**Service connected disability:** Condition for Allowance - Totally and permanently disabled from engaging in any gainful employment in the service of the Municipality provided such disability has arisen out of and in the course of his/her employment with the Municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of Allowance - Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including Worker's Compensation benefits) of 50% of compensation at the time of the disability.

**Vesting retirement allowance:** Condition for Allowance - 5 years of continuous or 15 years of active aggregate service.

**Amount of allowance:** Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**Death benefit:** Condition for Benefit - Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

**Amount of benefit:** Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Return of Deductions - Upon the withdrawal of a member the amount of his accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

**Optional benefits:** Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of his retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Fund and Pension Plans (Continued)

**Cost-of-living adjustment:** For those retired prior to January 1, 2002: (i) the benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

**Contributions by members:** For members not covered by Social Security: 5% of compensation. For members covered by the Social Security: 2-1/4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

**Contributions by municipalities:** Participating Municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the System not met by member contributions.

**Assumptions:** The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	7/1/2014
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security Wage Base	3.50%
* Includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females). For disabled retirees, the same table is used, adjusted with the male table set forward five years and the female table set forward one year

Town of Redding, Connecticut

Notes to Financial Statements

**Note 12. Employee Retirement Fund and Pension Plans (Continued)**

**The long-term expected rate of return:** the long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan. The annual money weighted rate of return net of investment expenses measured on monthly inputs was 7.32%.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Large cap U.S. equities	16%	5.8%
Developed non- U.S. equities	14%	6.6%
Emerging markets (non- U.S.)	7%	8.3%
Core fixed income	8%	1.3%
Inflation linked bond fund	5%	1.0%
Emerging market bond	8%	3.7%
High yield bonds	14%	3.9%
Real estate	7%	5.1%
Private equity	10%	7.6%
Alternative investments	8%	4.1%
Liquidity fund	3%	0.4%
	<u>100.00%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Town's proportionate share of the net pension liability	\$ 6,937,489	\$ 3,405,997	\$ 440,339

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 12. Employee Retirement Fund and Pension Plans (Continued)**

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources:** At June 30, 2015, the Town reported a liability of \$3,405,997 for its proportionate share of the net pension liability related to its participation in MERS. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on its share of contributions to the MERS for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014, Town's proportion was 6.40%.

For the year ended June 30, 2015, the Town recognized pension expense of \$(261,681). At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 870,809	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,057,230
<b>Total</b>	<b>\$ 870,809</b>	<b>\$ 1,057,230</b>

\$870,809 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016.

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$ 264,307
2017	264,307
2018	264,307
2019	264,307
2020	-
Thereafter	-

**Connecticut State Teachers' Retirement System:** Certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. The Town has no liability associated with the System.

The System is considered 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 at [www.ct.gov](http://www.ct.gov).

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Fund and Pension Plans (Continued)

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,549,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability related to the System.

**Benefits provided:** The benefits provided to participants by the System are as follows:

**Normal Benefit:** A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

**Prorated benefit:** A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

**Minimum benefit:** Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

**Contribution requirements:** The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$732,438 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town's is \$10,103,000.

**Actuarial assumptions:** The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Fund and Pension Plans (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries. The Scale AA projection to 2019 of the RP-2000 mortality rates with two-year setbacks continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience. The post-retirement mortality rates are multiplied by 75% for death in active service. The post-retirement mortality rates are set forward ten years for the period after disability retirement.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	7.3%
Developed Markets ISF	18.0%	7.5%
Emerging Markets ISF	9.0%	8.6%
Core Fixed Income	7.0%	1.7%
Inflation Linked Bonds	3.0%	1.3%
Emerging Market Debt	5.0%	4.8%
High Yield	5.0%	3.7%
Real Estate	7.0%	5.9%
Private Equity	11.0%	10.9%
Alternative Investments	8.0%	0.7%
Liquidity Fund	<u>6.0%</u>	0.4%
Total	<u>100%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 12. Employee Retirement Fund and Pension Plans (Continued)**

**Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate:** The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's share of NPL associated with the Town	\$35,853,758	\$28,095,448	\$21,500,655

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$28,095,448 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$2,107,962 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

**Note 13. Other Post-Employment Benefits Provided**

**Plan description and benefits provided:** In addition to the pension benefits described in Note 12 certain employees retiring under the Town of Redding's Retiree Medical Program are provided post-employment benefits. The level of these benefits provided is as follows:

Police

Eligibility for Medical and Dental Coverage	Retirement on or after age 50 with 18 years of service.
Retiree/Spouse Cost of Medical and Dental Coverage	Town pays a share of cost until the retiree is eligible for Medicare. For retirees who retire after age 50 with 18 years of service, the retiree pays 50% of the cost for the retiree and spouse. For retirees who retire after the age 55 with 20 years of service, the retiree pays the same rate as active employees at the time of retirement (this amount is 11% of the premium beginning July 1, 2009 and 13% beginning July 1, 2010). For ages 65 and above, the retiree pays 100% of the cost.



**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 13. Other Post-Employment Benefits Provided (Continued)**

**Description of actuarial assumptions and methods:** The following is a summary of certain significant actuarial assumptions and other PERS information:

	<u>Retiree Medical Program</u>	
Actuarial valuation date	July 1, 2014	
Actuarial cost method	Project Unit Credit Cost	
Amortization method	Level dollar	
Remaining amortization period	30 years	
Actuarial assumptions:		
Investment rate of return	4.0%/annum	
Medical inflation	8.0%, decreasing .5% per year	
		<u>Retiree Medical Program</u>
Annual required contribution	\$ 249,280	
Interest on net OPEB obligation	93,011	
Adjustment to annual required contribution	<u>(121,441)</u>	
Annual pension cost	220,850	
Contributions made	<u>130,128</u>	
Increase in net OPEB obligation	90,722	
Net OPEB obligation, July 1, 2014	<u>2,066,921</u>	
Net OPEB obligation, June 30, 2015	<u><u>\$ 2,157,643</u></u>	

*Schedule of Employer Contributions*

	Annual Required Contributions (ARC)	Actual Contribution	Percentage Contributed
6/30/13	\$ 357,269	\$ 21,284	6.0%
6/30/14	243,714	11,814	4.8%
6/30/15	249,280	130,128	52.2%

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 13. Other Post-Employment Benefits Provided (Continued)**

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year June 30, 2015 is presented below:

	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2011	\$ 331,569	\$ (10,897)	-3%	\$ 1,206,547
6/30/2012	333,614	(5,729)	-2%	1,545,890
6/30/2013	336,006	21,284	6%	1,860,612
6/30/2014	218,123	11,814	5%	2,066,921
6/30/2015	220,850	130,128	59%	2,157,643

The annual other post-employment 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 annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	\$ -	\$ 2,751,153	\$ 2,751,153	0%	\$ 14,345,264	19.0%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**Note 14. Contingent Liabilities**

There are various lawsuits and claims pending against the Town, the ultimate effect of which, if any, cannot presently be determined; however, the ultimate resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

State and federal grants received by the Town are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although the Town's management believes such disallowance, if any, will be immaterial.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 15. Governmental Accounting Standards Board (GASB) Statements

- ***GASB Statement No. 72, Fair Value Measurement and Application.*** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- ***GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*** completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- ***GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*** addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- ***GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*** addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
  - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
  - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
  - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- ***GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*** The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- ***GASB Statement No. 77, Tax Abatement Disclosures.*** Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

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**Required Supplementary Information - unaudited**



Town of Redding, Connecticut  
Required Supplementary Information - Unaudited  
Schedule of Revenues and Other Financing Sources - Budget and Actual  
General Fund  
For the Year Ended June 30, 2015

RSI-1

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Property Taxes</b>				
Property taxes, current and prior	\$ 44,985,358	\$ 44,985,358	\$ 45,409,093	\$ 423,735
Interest and lien fees	189,010	189,010	289,169	100,159
<b>Total taxes, liens and interest</b>	<b>45,174,368</b>	<b>45,174,368</b>	<b>45,698,262</b>	<b>523,894</b>
<b>Intergovernmental</b>				
Educational assistance grants:				
ECS grant	515,800	515,800	521,362	5,562
Adult education	459	459	493	34
Regional School District No. 9	171,933	171,933	183,400	11,467
<b>Total educational assistance</b>	<b>688,192</b>	<b>688,192</b>	<b>705,255</b>	<b>17,063</b>
Town assistance grants				
In lieu of taxes - State property	148,074	148,074	179,434	31,360
Tax relief circuit breaker	23,510	23,510	22,701	(809)
Disability exemption	281	281	246	(35)
Veterans' exemption	1,273	1,273	1,116	(157)
Municipal video competition	30,000	-	-	-
Telephone access line grant	25,000	25,000	28,725	3,725
Mashantucket Pequot Grant	8,303	8,303	11,694	3,391
Unclassified revenue	-	-	26,334	26,334
<b>Total town assistance grants</b>	<b>236,441</b>	<b>206,441</b>	<b>270,250</b>	<b>63,809</b>
<b>Total intergovernmental</b>	<b>924,633</b>	<b>894,633</b>	<b>975,505</b>	<b>80,872</b>
<b>Other</b>				
AT&T Tower	-	30,000	26,975	(3,025)
BAN premium	-	-	49,534	49,534
Investment income	22,000	22,000	25,464	3,464
<b>Total other</b>	<b>22,000</b>	<b>52,000</b>	<b>101,973</b>	<b>49,973</b>
<b>Charges for Services</b>				
Town Clerk	277,000	255,000	254,703	(297)
Assessor	1,200	1,200	872	(328)
Conservation	5,000	5,000	12,507	7,507
Heritage Center	10,000	10,000	10,595	595
Planning Commission	1,200	1,200	-	(1,200)
Zoning Commission	38,000	38,000	39,708	1,708
Zoning Board of Appeals	1,000	1,000	1,200	200
Building Inspection	175,000	175,000	172,574	(2,426)
Transfer station	172,000	172,000	158,032	(13,968)
Sanitarian	10,000	10,000	16,445	6,445
Parks and Recreation	633,451	633,451	614,660	(18,791)
Fiber optics	13,864	13,864	6,380	(7,484)
Proceeds	-	-	22,402	22,402
Rental of Town property	7,605	7,605	7,606	1
<b>Total charges for services</b>	<b>1,345,320</b>	<b>1,323,320</b>	<b>1,317,684</b>	<b>(5,636)</b>

(Continued)

Town of Redding, Connecticut  
 Required Supplementary Information - Unaudited  
 Schedule of Revenues and Other Financing Sources - Budget and Actual (Continued)  
 General Fund  
 For the Year Ended June 30, 2015

RSI-1

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Total revenues</b>	<u>\$ 47,466,321</u>	<u>\$ 47,444,321</u>	\$ 48,093,424	<u>\$ 649,103</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			2,549,000	
Special education excess cost grant is recorded gross for GAAP			<u>539,693</u>	
<b>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit IV</b>			<u>\$ 51,182,117</u>	

Town of Redding, Connecticut  
Required Supplementary Information - Unaudited  
Schedule of Expenditures and Other Financing Uses - Budget and Actual  
General Fund  
For the Year Ended June 30, 2015

RSI-2

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government					
Town meetings	\$ 1,500	\$ -	\$ 1,500	\$ 269	\$ 1,231
Board of selectmen	164,368	(21,025)	143,343	145,883	(2,540)
Probate court	2,500	-	2,500	2,653	(153)
Registrar's office	38,557	410	38,967	47,079	(8,112)
Controller's office	251,598	6,629	258,227	253,592	4,635
Independent audit	42,500	-	42,500	40,455	2,045
Assessor's office	155,010	4,848	159,858	157,063	2,795
Assessor's other	1,500	-	1,500	-	1,500
Board of assessment appeals	800	-	800	424	376
Tax collector	157,495	3,667	161,162	161,704	(542)
Town treasurer	33,508	320	33,828	34,882	(1,054)
Computer capability	45,000	-	45,000	44,883	117
Management services	28,453	-	28,453	21,399	7,054
Special legal	150,000	143,812	293,812	321,950	(28,138)
Town clerk	142,032	7,936	149,968	147,382	2,586
Annual town report	5,000	-	5,000	4,485	515
Board of ethics	425	-	425	-	425
Conservation	54,176	797	54,973	50,536	4,437
Heritage Center	161,581	3,131	164,712	161,432	3,280
Heritage Center senior bus	38,297	754	39,051	21,921	17,130
Town planning commission	25,700	-	25,700	18,900	6,800
HVCEO	11,092	-	11,092	11,092	-
Zoning commission	76,163	1,972	78,135	71,011	7,124
Zoning board of appeals	1,500	-	1,500	2,001	(501)
Council of small towns	825	-	825	825	-
Land use services	102,044	2,971	105,015	103,579	1,436
Office of tree warden	1,500	-	1,500	1,500	-
Town office building	54,958	469	55,427	41,524	13,903
Old town house	2,600	-	2,600	3,809	(1,209)
Town office building annex	3,000	-	3,000	4,103	(1,103)
Community center	200,676	5,686	206,362	205,159	1,203
Police headquarters/communications center	15,000	-	15,000	20,369	(5,369)
Administrative services	774,500	(13,000)	761,500	741,217	20,283
Memorial Day observance	350	-	350	100	250
Cemeteries	8,000	-	8,000	8,000	-
Insurance	139,000	-	139,000	141,276	(2,276)
Agencies serving residents	5,000	-	5,000	4,813	187
Provision of contingencies	110,000	(109,960)	40	-	40
<b>Total general government</b>	<b>3,006,208</b>	<b>39,417</b>	<b>3,045,625</b>	<b>2,997,270</b>	<b>48,355</b>

(Continued)

Town of Redding, Connecticut  
 Required Supplementary Information - Unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)  
 General Fund  
 For the Year Ended June 30, 2015

RSI-2

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Public Safety</b>					
Police Department - salaries and related expenses	\$ 1,474,575	\$ 27,848	\$ 1,502,423	\$ 1,459,883	\$ 42,540
Police Department - contractual services and expenses	157,500	-	157,500	176,971	(19,471)
Police Department - maintenance of vehicles	31,000	-	31,000	27,152	3,848
Volunteer fire companies	113,000	-	113,000	116,797	(3,797)
Building inspections	193,659	4,485	198,144	197,556	588
Communications Center	333,906	3,971	337,877	332,240	5,637
Dog licenses	60,167	-	60,167	55,464	4,703
<b>Total public safety</b>	<b>2,363,807</b>	<b>36,304</b>	<b>2,400,111</b>	<b>2,366,063</b>	<b>34,048</b>
<b>Highway and Streets</b>					
Wages-regular, overtime and seasonal	919,760	(23,418)	896,342	863,804	32,538
General maintenance and repair	239,800	-	239,800	234,972	4,828
Snow removal and ice control	169,000	98,610	267,610	287,258	(19,648)
Equipment maintenance and repair	89,500	-	89,500	92,238	(2,738)
Town garage buildings	17,000	-	17,000	19,032	(2,032)
<b>Total highway and streets</b>	<b>1,435,060</b>	<b>75,192</b>	<b>1,510,252</b>	<b>1,497,304</b>	<b>12,948</b>
<b>Transfer Station and Recycling</b>					
Salaries	184,334	(16,691)	167,643	156,253	11,390
General maintenance	128,500	-	128,500	95,174	33,326
Equipment maintenance	8,000	-	8,000	6,630	1,370
<b>Total transfers station and recycling</b>	<b>320,834</b>	<b>(16,691)</b>	<b>304,143</b>	<b>258,057</b>	<b>46,086</b>
<b>Health and Social Services</b>					
Sanitarian inspection	96,460	2,285	98,745	91,841	6,904
Social services	21,009	-	21,009	20,998	11
<b>Total health and social services</b>	<b>117,469</b>	<b>2,285</b>	<b>119,754</b>	<b>112,839</b>	<b>6,915</b>
<b>Mark Twain Library</b>					
Operations	457,898	-	457,898	457,898	-
<b>Parks and Recreation</b>					
Field maintenance	77,483	-	77,483	60,868	16,615
Administration	203,802	4,122	207,924	208,393	(469)
Summer camp	184,700	-	184,700	180,527	4,173
Recreation programs	155,700	-	155,700	165,095	(9,395)
Topstone park	106,668	-	106,668	100,710	5,958
Tennis courts	14,000	-	14,000	5,458	8,542
Extended day service	169,840	1,796	171,636	167,790	3,846
<b>Total parks and recreation</b>	<b>912,193</b>	<b>5,918</b>	<b>918,111</b>	<b>888,841</b>	<b>29,270</b>

(Continued)

Town of Redding, Connecticut  
 Required Supplementary Information - Unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)  
 General Fund  
 For the Year Ended June 30, 2015

RSI-2

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Employee Benefits	\$ 3,008,000	\$ (71,000)	\$ 2,937,000	\$ 2,745,402	\$ 191,598
Capital Outlay					
Selectmen's general maintenance	6,000	-	6,000	4,272	1,728
Debt Service					
Debt retirement	1,575,066	87,500	1,662,566	1,662,566	-
Interest payments	588,422	-	588,422	615,151	(26,729)
<b>Total debt service</b>	<b>2,163,488</b>	<b>87,500</b>	<b>2,250,988</b>	<b>2,277,717</b>	<b>(26,729)</b>
Education					
Redding Board of Education:					
General instruction	10,155,244	(2,983)	10,152,261	9,967,577	184,684
Kindergarten	12,575	(4,823)	7,752	7,740	12
Humanities	59,106	(5,300)	53,806	51,502	2,304
Integrated language arts	53,664	(11,756)	41,908	38,222	3,686
Curriculum	82,980	(7,670)	75,310	75,310	-
Industrial technology	12,365	7,016	19,381	18,527	854
Science/math technology	139,764	(13,381)	126,383	147,121	(20,738)
Physical education/health	16,959	(1,034)	15,925	14,601	1,324
Student activity co-curricular	97,686	(1,850)	95,836	84,129	11,707
Special services	30,200	800	31,000	16,557	14,443
Special education	4,473,306	(15,555)	4,457,751	4,458,100	(349)
Guidance	2,889	-	2,889	2,874	15
Health services	210,250	(1,994)	208,256	198,250	10,006
Psychological services	16,450	5,250	21,700	16,249	5,451
Speech services	10,400	(2,200)	8,200	7,256	944
Educational media services	56,470	1,872	58,342	55,857	2,485
Technology plan	444,560	14,015	458,575	534,443	(75,868)
Board of Education	111,700	-	111,700	84,612	27,088
Central administration	550,605	-	550,605	550,605	-
Magnet school	65,936	-	65,936	68,168	(2,232)
School administration	1,316,143	(5,444)	1,310,699	1,293,494	17,205
Operation/maintenance physical plant	2,360,911	46,149	2,407,060	2,307,306	99,754
Student transportation	1,110,839	-	1,110,839	1,046,227	64,612
Food service	5,500	(1,112)	4,388	1,775	2,613
<b>Total Redding Board of Education</b>	<b>21,396,502</b>	<b>-</b>	<b>21,396,502</b>	<b>21,046,502</b>	<b>350,000</b>
Regional School District No. 9	12,278,862	-	12,278,862	12,278,862	-
<b>Total education</b>	<b>33,675,364</b>	<b>-</b>	<b>33,675,364</b>	<b>33,325,364</b>	<b>350,000</b>
<b>Total expenditures</b>	<b>47,466,321</b>	<b>158,925</b>	<b>47,625,246</b>	<b>46,931,027</b>	<b>694,219</b>

(Continued)

Town of Redding, Connecticut  
 Required Supplementary Information - Unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual (Continued)  
 General Fund  
 For the Year Ended June 30, 2015

RSI-2

	Original	Transfers and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Total expenditures and other financing uses</b>	<u>\$ 47,466,321</u>	<u>\$ 158,925</u>	<u>\$ 47,625,246</u>	46,931,027	<u>\$ 694,219</u>
Budgetary expenditures are different than GAAP expenditures because:					
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted				2,549,000	
Special education excess cost grant is recorded gross for GAAP				539,694	
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 financial reporting purposes.				<u>(166,244)</u>	
<b>Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit IV</b>				<u>\$ 49,853,477</u>	

**Required Supplementary Information****Note to the Required Supplementary Information- unaudited**

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**Note 1. Budgets and Budgetary Accounting**

**Budgetary information:** The Town adheres to the following procedures in establishing the budgetary data included in the financial statements of the General Fund, the only fund with a legally adopted annual budget. On or before the first Thursday in May, the Board of Finance submits to a Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally adopted by a vote at the Annual Town Budget Meeting.
- The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve one additional appropriation up to \$20,000 per department per year. Subsequent appropriations and appropriations of more than \$20,000 for any one department per year must be approved by Town Meeting. During the year, there was \$158,925 in additional appropriations from fund balance.

Formal budgetary integration is employed as a management control device during the year.

- The legal level of control (the level at which expenditures may not legally 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 their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Meeting approval.
- Generally, all unencumbered appropriations lapse at year end, except for 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.

Budgetary accounting uses encumbrance accounting. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all budgeted governmental type funds. Encumbrances outstanding at year end are reported in the GAAP financial statements as reservations of fund balances since they do not constitute expenditures or liabilities.

**Required Supplementary Information – unaudited  
Schedule of Funding Progress and Schedule of Employee Contributions - OPEB Plan  
June 30, 2015**

Actuarial Valuation Date July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Under) Funded (AAL) (a-b)	Funded AAL Ratio (a/b)	Covered Payroll (c)	Over/Under Funded AAL as a % of Covered Payroll ((b-a)/c)
7/1/2008	\$ -	\$ 4,309,183	\$ 4,309,183	0%	\$ 13,985,304	31%
7/1/2010	-	3,218,377	3,218,377	0%	16,198,958	20%
7/1/2012	-	1,998,171	1,998,171	0%	17,089,078	12%
7/1/2014	-	2,751,153	2,751,153	0%	14,345,264	19%

\* Other postemployment benefits are not calculated as a percentage of pay and covered payroll was not considered pertinent by the actuary.

***Schedule of Employer Contributions - OPEB***

Year Ended	Annual Required Contribution	Percentage Contributed	Actual Contribution
2009	\$ 431,218	1%	\$ 5,856
2010	438,976	-1%	(5,594)
2011	343,454	-3%	(10,897)
2012	350,209	-2%	(5,729)
2013	357,269	6%	21,284
2014	243,714	5%	11,814
2015	249,280	52%	130,128

**Required Supplementary Information – unaudited  
Schedule of Contributions – MERS Pension Plan  
For the Year Ended June 30, 2015**

Measurement Period Ended June 30,	2014
Actuarially Determined Contribution	\$ 870,369
Contributions in Relation to the Actuarially Determined Contribution	870,369
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>
Covered-employee Payroll	\$ 6,859,281
Contributions as a Percentage of Covered-employee Payroll	12.69%

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability – MERS Pension Plan**  
**For the Year Ended June 30, 2015**

	2015
Town's proportion of the net pension liability	6.40%
Town's proportionate share of the net pension liability	\$ 3,405,997
Town's covered-employee payroll	6,859,281
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.66%
Plan fiduciary net position as a percentage of the total pension liability	90.48%

**Town of Redding, Connecticut**

**RSI-7**

**Required Supplementary Information - unaudited  
Schedule of the Town's Proportionate Share of the Net Pension Liability  
Teachers' Retirement Plan**

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	28,095,448
Town's covered-employee payroll	10,103,000
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

Changes in benefit terms

None

Changes of assumptions

During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.

Actuarial cost method

Entry age

Amortization method

Level percent of salary, closed

Remaining amortization period

22.4 years

Asset valuation method

4-year smoothed market

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**Supplemental Combining and Individual  
Fund Financial Statements and Other Schedules**



**General Fund**

## **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.

**Balance Sheet**  
**General Fund**  
**June 30, 2015**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 10,862,854
Uncollected Property Taxes, Net of Allowance for Uncollectible Amounts	3,470,716
Accounts Receivable	132,066
Due From Other Funds	723,752
Other	56,462
Inventory	3,813
Advances to Other Funds	1,465,747
<b>Total assets</b>	<u>16,715,410</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>	
Liabilities	
Accounts and other payables	1,483,307
Due to other governments	14,895
Due to Regional School District No. 9	969,407
Due to other funds	664,806
<b>Total liabilities</b>	<u>3,132,415</u>
Deferred Inflows of Resources	
Unavailable revenue	<u>5,094,273</u>
Fund Balances	
Nonspendable	1,526,022
Committed	208,822
Assigned	159,412
Unassigned	6,594,466
<b>Total fund balance</b>	<u>8,488,722</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 16,715,410</u>

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**Nonmajor Governmental Funds**

## Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Town Aid Road	State Grant	Maintain Roads
Police Funds	State Funds	Police Projects
Dog Fund	Fees	Fees to State and program costs
Federal Education Grants	Federal grants	School related programs
Railroad Parking Permits/Lot Fund	Parking Permits	Maintain RR grounds
Recycling	Recycle Revenue	Support recycling effort
Sewer Assessments	Taxpayer	Connection to Property
Parks and Recreation Concerts	Private Donations	Concert on Green Performances
Parks and Recreation Basketball	Private Donations	Basketball
Senior Center Escrow	Private Donations	Senior Center Programs
FEMA Grant	Federal Grants	Storm reimbursement
Miscellaneous Grants	Federal Grants	Road Maintenance
Parade Path	Private Donations	Maintain Parade Path
Social Services	Private Donations	Social Service Programs
GIS	Portion Zoning Permit Fees	Maintain GIS System
Gazebo	Private Donations	Maintain Gazebo
Miscellaneous Funds	State grants	All other projects
Brownfield Municipal Grant	State grant	Soil Remediation

### Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay.

Fund	Funding Source	Function
Communication Tower	BANS/Bonds	Communication Tower Improvements
Georgetown STEAP	State grant	Streetscape Improvement
Athletic Fields	State Grant	Athletic Field Improvements
STEAP Georgetown Intersection	80% Fed 10% State 10% Town	Intersection Improvements
School Bonded Projects	BANS/Bonds	School Improvements
Reserve Fund for CNRE	Town Budget	Projects

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Town of Redding, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2015

	Special Revenue Funds			
	Town Aid Road	Police Funds	Dog Fund	Federal Education Grants
<b>Assets</b>				
Cash	\$ 107,383	\$ 65,419	\$ 15,804	\$ 73,035
Sewer Assessments	-	-	-	-
Accounts Receivable	-	-	-	4,200
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>107,383</b>	<b>65,419</b>	<b>15,804</b>	<b>77,235</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	-	-	194	28,109
Due to other funds	-	-	-	-
Bond anticipation notes	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>194</b>	<b>28,109</b>
Deferred Inflows of resources:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	107,383	14,740	-	49,126
Committed	-	50,679	15,610	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>107,383</b>	<b>65,419</b>	<b>15,610</b>	<b>49,126</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 107,383</b>	<b>\$ 65,419</b>	<b>\$ 15,804</b>	<b>\$ 77,235</b>

Special Revenue Funds						
Parking Permits/Lot Fund	Recycling	Sewer Assessments	Parks and Recreation Concerts	Parks and Recreation Basketball	Senior Center Escrow	Miscellaneous Grants
\$ 3,880	\$ 19,269	\$ 12,955	\$ 2,638	\$ 13,869	\$ -	\$ 23,180
-	-	5,506	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,880</u>	<u>19,269</u>	<u>18,461</u>	<u>2,638</u>	<u>13,869</u>	<u>-</u>	<u>23,180</u>
651	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	5,506	-	-	-	-
-	-	-	-	-	-	-
3,229	19,269	12,955	2,638	13,869	-	23,180
-	-	-	-	-	-	-
<u>3,229</u>	<u>19,269</u>	<u>12,955</u>	<u>2,638</u>	<u>13,869</u>	<u>-</u>	<u>23,180</u>
<u>\$ 3,880</u>	<u>\$ 19,269</u>	<u>\$ 18,461</u>	<u>\$ 2,638</u>	<u>\$ 13,869</u>	<u>\$ -</u>	<u>\$ 23,180</u>

(Continued)

Town of Redding, Connecticut

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2015

	Special Revenue Funds					Total
	Parade Path	Social Services	GIS	Gazebo	Miscellaneous Funds	
<b>Assets</b>						
Cash	\$ 10,916	\$ 9,708	\$ 50,349	\$ -	\$ 58,453	\$ 466,858
Sewer Assessments	-	-	-	-	-	5,506
Accounts Receivable	-	-	-	-	-	4,200
Due From Other Funds	-	-	-	-	-	-
<b>Total assets</b>	<b>10,916</b>	<b>9,708</b>	<b>50,349</b>	<b>-</b>	<b>58,453</b>	<b>476,564</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>						
Liabilities:						
Accounts payable	450	-	-	-	-	29,404
Due to other funds	-	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	-
<b>Total liabilities</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,404</b>
Deferred inflows:						
Unavailable revenue	-	-	-	-	-	5,506
Fund balances:						
Restricted	-	-	-	-	-	171,249
Committed	10,466	9,708	50,349	-	58,453	270,405
Unassigned	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>10,466</b>	<b>9,708</b>	<b>50,349</b>	<b>-</b>	<b>58,453</b>	<b>441,654</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 10,916</b>	<b>\$ 9,708</b>	<b>\$ 50,349</b>	<b>\$ -</b>	<b>\$ 58,453</b>	<b>\$ 476,564</b>

Capital Projects Funds							Total
Georgetown STEAP	Communication Tower	Athletic Fields	STEAP Georgetown Intersection	School Bonded Projects	Reserve Fund for CNRE	Total	Nonmajor Governmental Funds
\$ -	\$ 422,200	\$ 4	\$ -	\$ -	\$ 757,175	\$ 1,179,379	\$ 1,646,237
-	-	-	-	-	-	-	5,506
-	-	-	770,000	-	-	770,000	774,200
16,687	-	-	-	-	245,000	261,687	261,687
<u>16,687</u>	<u>422,200</u>	<u>4</u>	<u>770,000</u>	<u>-</u>	<u>1,002,175</u>	<u>2,211,066</u>	<u>2,687,630</u>
-	-	-	-	-	-	-	29,404
-	-	5,200	704,863	13,689	-	723,752	723,752
-	423,000	-	-	534,000	-	957,000	957,000
-	423,000	5,200	704,863	547,689	-	1,680,752	1,710,156
-	-	-	770,000	-	-	770,000	775,506
16,687	-	-	-	-	-	16,687	187,936
-	-	-	-	-	1,002,175	1,002,175	1,272,580
-	(800)	(5,196)	(704,863)	(547,689)	-	(1,258,548)	(1,258,548)
16,687	(800)	(5,196)	(704,863)	(547,689)	1,002,175	(239,686)	201,968
<u>\$ 16,687</u>	<u>\$ 422,200</u>	<u>\$ 4</u>	<u>\$ 770,000</u>	<u>\$ -</u>	<u>\$ 1,002,175</u>	<u>\$ 2,211,066</u>	<u>\$ 2,687,630</u>

Town of Redding, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2015

	Special Revenue Funds			
	Town Aid Road	Police Funds	Dog Fund	Federal Education Grants
<b>Revenues</b>				
Intergovernmental	\$ 268,879	\$ 12,948	\$ -	\$ 320,152
Investment income	-	5	-	-
Charges for services	-	46,290	10,562	-
Miscellaneous	-	51,657	-	-
<b>Total revenues</b>	<b>268,879</b>	<b>110,900</b>	<b>10,562</b>	<b>320,152</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	9,458	-
Highways and streets	-	-	-	-
Health and social services	-	-	-	-
Education	-	-	-	309,436
Parks and recreation	-	-	-	-
Capital outlay	294,037	28,779	-	-
<b>Total expenditures</b>	<b>294,037</b>	<b>28,779</b>	<b>9,458</b>	<b>309,436</b>
<b>Revenues over (under) expenditures</b>	<b>(25,158)</b>	<b>82,121</b>	<b>1,104</b>	<b>10,716</b>
<b>Other Financing Sources</b>				
Proceeds from capital leases	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances (Deficits), Beginning of Year	132,541	(16,702)	14,506	38,410
Fund Balances (Deficits), End of Year	\$ 107,383	\$ 65,419	\$ 15,610	\$ 49,126

Special Revenue Funds						
Parking Permits/Lot Fund	Recycling	Sewer Assessments	Parks and Recreation Concerts	Parks and Recreation Basketball	Senior Center Escrow	Miscellaneous Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	29	573	-	-	-	-
6,772	2,585	2,432	1,645	3,240	-	-
-	-	-	-	-	-	6,622
6,777	2,614	3,005	1,645	3,240	-	6,622
28,362	-	13,726	-	-	-	-
-	-	-	-	-	-	-
-	1,207	-	-	-	-	-
-	-	-	-	-	-	99
-	-	-	-	-	-	-
-	-	-	1,799	820	2,339	-
-	-	-	-	-	-	-
28,362	1,207	13,726	1,799	820	2,339	99
(21,585)	1,407	(10,721)	(154)	2,420	(2,339)	6,523
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,814	17,862	23,676	2,792	11,449	2,339	16,657
\$ 3,229	\$ 19,269	\$ 12,955	\$ 2,638	\$ 13,869	\$ -	\$ 23,180

(Continued)

Town of Redding, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)

Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue Funds					Total
	Parade Path	Social Services	GIS	Gazebo	Miscellaneous Funds	
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 601,979
Investment income	2	-	-	-	-	614
Charges for services	7,599	5,175	8,403	-	70,191	164,894
Miscellaneous	-	-	-	-	-	58,279
<b>Total revenues</b>	<b>7,601</b>	<b>5,175</b>	<b>8,403</b>	<b>-</b>	<b>70,191</b>	<b>825,766</b>
<b>Expenditures</b>						
Current:						
General government	-	8,000	7,980	784	15,196	74,048
Public safety	-	-	-	-	-	9,458
Highways and streets	-	-	-	-	-	1,207
Health and social services	-	-	-	-	-	99
Education	-	-	-	-	-	309,436
Parks and recreation	5,104	-	-	-	-	10,062
Capital outlay	-	-	-	-	-	322,816
<b>Total expenditures</b>	<b>5,104</b>	<b>8,000</b>	<b>7,980</b>	<b>784</b>	<b>15,196</b>	<b>727,126</b>
<b>Revenues over (under) expenditures</b>	<b>2,497</b>	<b>(2,825)</b>	<b>423</b>	<b>(784)</b>	<b>54,995</b>	<b>98,640</b>
<b>Other Financing Sources</b>						
Proceeds from capital leases	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances (Deficits), Beginning of Year	7,969	12,533	49,926	784	3,458	343,014
Fund Balances (Deficits), End of Year	\$ 10,466	\$ 9,708	\$ 50,349	\$ -	\$ 58,453	\$ 441,654

Capital Projects Funds								Total Nonmajor Governmental Funds
Georgetown STEAP	Communication Tower	Athletic Fields	STEAP Georgetown Intersection	School Bonded Projects	Reserve Fund for CNRE	Total		
\$ 85,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,933	\$ 687,912	
-	-	-	-	-	1,627	1,627	2,241	
-	-	-	-	-	-	-	164,894	
-	-	-	-	-	-	-	58,279	
85,933	-	-	-	-	1,627	87,560	913,326	
-	-	-	-	-	-	-	74,048	
-	-	-	-	-	-	-	9,458	
-	-	-	-	-	-	-	1,207	
-	-	-	-	-	-	-	99	
-	-	-	-	-	-	-	309,436	
-	-	5,200	-	-	-	5,200	15,262	
69,246	800	-	-	-	462,448	532,494	855,310	
69,246	800	5,200	-	-	462,448	537,694	1,264,820	
16,687	(800)	(5,200)	-	-	(460,821)	(450,134)	(351,494)	
-	-	-	-	-	393,927	393,927	393,927	
-	-	-	-	-	393,927	393,927	393,927	
-	-	4	(704,863)	(547,689)	1,069,069	(183,479)	159,535	
\$ 16,687	\$ (800)	\$ (5,196)	\$ (704,863)	\$ (547,689)	\$ 1,002,175	\$ (239,686)	\$ 201,968	

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**Fiduciary Funds**

## **Fiduciary Funds**

### **Agency Funds:**

*Student activity fund:* This fund is used to account for the monies generated by student activities in the Redding Public School System.

**Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Fiscal Year Ended June 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Assets</b>				
Redding Elementary School	\$ 27,348	\$ 50,975	\$ 44,042	\$ 34,281
John Read Middle School	81,353	143,922	129,713	95,562
<b>Total assets</b>	<b>\$ 108,701</b>	<b>\$ 194,897</b>	<b>\$ 173,755</b>	<b>\$ 129,843</b>
<b>Liabilities</b>				
Redding Elementary School	\$ 27,348	\$ 50,975	\$ 44,042	\$ 34,281
John Read Middle School	81,353	143,922	129,713	95,562
<b>Total liabilities</b>	<b>\$ 108,701</b>	<b>\$ 194,897</b>	<b>\$ 173,755</b>	<b>\$ 129,843</b>

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**Other Schedules**



**Report of Tax Collector  
For the Year Ended June 30, 2015**

Grand List Year	Uncollected Taxes/Levy July 1, 2014	Current Year Levy	Lawful Corrections		Refunds	Transfers to Suspense	Bounced Checks	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2015
			Additions	Deletions					Taxes	Liens and Interest	Total	
2013	\$ -	\$ 45,597,963	\$ 96,043	\$ 128,821	\$ 107,933	\$ -	\$ 47,272	\$ 45,720,390	\$ 45,147,782	\$ 98,023	\$ 45,245,805	\$ 572,608
2012	649,184	-	5,239	22,487	12,338	-	-	644,274	247,721	93,295	341,016	396,553
2011	538,886	-	1,697	11,236	430	42,098	-	487,679	145,589	49,838	195,427	342,090
2010	380,181	-	-	-	-	-	-	380,181	66,054	35,658	101,712	314,127
2009	339,420	-	-	-	-	-	-	339,420	39,402	25,575	64,977	300,018
2008	283,630	-	-	-	-	-	-	283,630	2,159	1,959	4,118	281,471
2007	142,221	-	-	-	-	-	-	142,221	2,180	2,247	4,427	140,041
2006	6,102	-	-	-	-	-	-	6,102	-	-	-	6,102
2005	5,310	-	-	-	-	-	-	5,310	-	-	-	5,310
2004	5,272	-	-	-	-	-	-	5,272	-	-	-	5,272
2003	193	-	-	-	-	-	-	193	-	-	-	193
2002	-	-	-	-	-	-	-	-	-	-	-	-
2001	306	-	-	-	-	-	-	306	-	-	-	306
2000	2,852	-	-	-	-	-	-	2,852	-	-	-	2,852
1999	547	-	-	-	-	-	-	547	-	-	-	547
<b>Total</b>	<b>\$ 2,354,104</b>	<b>\$ 45,597,963</b>	<b>\$ 102,979</b>	<b>\$ 162,544</b>	<b>\$ 120,701</b>	<b>\$ 42,098</b>	<b>\$ 47,272</b>	<b>\$ 48,018,377</b>	<b>45,650,887</b>	<b>306,595</b>	<b>45,957,482</b>	<b>\$ 2,367,490</b>
Suspense									14,002	14,874	28,876	
<b>Total</b>									<b>\$ 45,664,889</b>	<b>\$ 321,469</b>	<b>45,986,358</b>	
Refunds adjustment												
Property taxes receivable considered available (60-day collections):												
After June 30, 2014 (collections July and August 2014)											(170,944)	
After June 30, 2015 (collections July and August 2015)											91,080	
<b>Total property tax revenue</b>											<b>\$ 45,906,494</b>	

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**Statistical Section**

## ***Statistical Section- unaudited***

This part of the Town of Redding, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**TABLE 1**  
Town of Redding, Connecticut  
Net Position by Component  
Last 10 Years  
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 30,966,996	\$ 37,246,394	\$ 34,773,827	\$ 35,631,967	\$ 32,091,707	\$ 32,800,707	\$ 31,194,831	\$ 31,767,568	\$ 33,274,547	\$ 19,676,685
Restricted	-	-	-	2,100	2,100	2,100	2,100	2,100	2,100	3,251
Unrestricted	16,784,958	10,220,417	10,949,394	8,610,909	10,650,817	4,843,714	4,825,262	3,337,320	2,548,571	6,885,957
	47,751,954	47,466,811	45,723,221	44,244,976	42,744,624	37,646,521	36,022,193	35,106,988	35,825,218	26,565,893
<b>Business-Type Activities</b>										
Net investment in capital assets	8,420,654	8,600,245	8,371,800	8,571,683	8,744,029	2,263,303	2,369,777	2,476,251	2,582,725	2,689,199
Unrestricted	(1,526,012)	(1,337,548)	(450,816)	(321,475)	(146,611)	8,461	126,071	181,366	96,343	64,890
	6,894,642	7,262,697	7,920,984	8,250,208	8,597,418	2,271,764	2,495,848	2,657,617	2,679,068	2,754,089
<b>Total Town</b>										
Net investment in capital assets	39,387,650	45,846,639	43,145,627	44,203,650	40,835,736	35,064,010	33,564,608	34,243,819	35,857,272	22,365,884
Restricted	-	-	-	2,100	2,100	2,100	2,100	2,100	2,100	3,251
Unrestricted	15,258,946	8,882,869	10,498,578	8,289,434	10,504,206	4,852,175	4,951,333	3,518,686	2,644,914	6,950,847
	\$ 54,646,596	\$ 54,729,508	\$ 53,644,205	\$ 52,495,184	\$ 51,342,042	\$ 39,918,285	\$ 38,518,041	\$ 37,764,605	\$ 38,504,286	\$ 29,319,982

**Town of Redding, Connecticut**  
**Changes in Net Position**  
**Last 10 Years**  
**(Unaudited)**

	Fiscal Year Ended				
	2015	2014	2013	2012	2011
<b>Program Revenues:</b>					
Governmental Activities					
Charges for services:					
General government	\$ 358,776	\$ 376,178	\$ 604,900	\$ 265,720	\$ 459,768
Public Safety	56,852	44,227	37,774	25,278	51,226
Highway and street	172,574	246,619	3,992	259,087	161,872
Transfer station and recycling	160,617	168,716	164,580	186,202	174,927
Health and Welfare	21,620	18,315	11,573	12,525	12,240
Library	-	-	-	-	-
Education	-	-	183,736	189,607	207,683
Park and Recreation	619,545	581,964	538,906	637,133	674,122
	<u>1,389,984</u>	<u>1,436,019</u>	<u>1,545,461</u>	<u>1,575,552</u>	<u>1,741,838</u>
Operating grants and contributions	4,720,743	4,136,754	3,496,101	3,962,260	3,069,533
Capital grants and contributions	85,933	790,408	1,522,374	433,162	2,375,220
<b>Total governmental activities revenues</b>	<u>6,196,660</u>	<u>6,363,181</u>	<u>6,563,936</u>	<u>5,970,974</u>	<u>7,186,591</u>
Business-type activities:					
Charges for services	402,752	358,717	407,068	415,802	403,788
<b>Total business-type activities revenues</b>	<u>402,752</u>	<u>358,717</u>	<u>407,068</u>	<u>415,802</u>	<u>403,788</u>
<b>Total primary government program revenue</b>	<u>6,599,412</u>	<u>6,721,898</u>	<u>6,971,004</u>	<u>6,386,776</u>	<u>7,590,379</u>
<b>Expenses</b>					
Governmental activities:					
General government	4,011,987	4,705,089	4,055,095	3,235,479	3,387,764
Public safety	3,228,429	3,354,838	3,842,256	3,400,036	3,083,444
Highway and streets	1,592,510	2,440,040	3,225,294	2,776,797	3,024,161
Transfer station and recycling	373,408	413,983	633,954	426,824	420,676
Health and social services	159,177	163,226	169,588	134,397	147,437
Library	613,563	578,440	559,548	520,739	513,022
Parks and recreation	1,212,541	1,249,000	1,240,965	1,229,759	1,262,007
Education	36,531,377	37,271,718	36,781,143	35,846,468	34,452,536
Interest expense	554,372	283,301	658,446	702,794	709,172
<b>Total governmental activities expenses</b>	<u>48,277,364</u>	<u>50,459,635</u>	<u>51,166,289</u>	<u>48,273,293</u>	<u>47,000,219</u>
Business-type activities:					
Georgetown sewer	770,814	1,017,197	736,410	763,117	665,451
<b>Total business-type activities expenses</b>	<u>770,814</u>	<u>1,017,197</u>	<u>736,410</u>	<u>763,117</u>	<u>665,451</u>
<b>Total primary government expenses</b>	<u>49,048,178</u>	<u>51,476,832</u>	<u>51,902,699</u>	<u>49,036,410</u>	<u>47,665,670</u>

TABLE 2

Fiscal Year Ended				
2010	2009	2008	2007	2006
\$ 349,312	\$ 327,028	\$ 411,670	\$ 794,421	\$ 803,968
35,373	116,775	51,286	44,036	449,446
164,664	257,770	258,077	20,650	31,917
168,850	230,881	178,334	145,410	150,445
14,785	10,905	11,525	-	17,475
-	-	-	-	-
171,601	190,911	210,491	-	-
711,028	671,264	631,473	597,761	636,935
1,615,613	1,805,534	1,752,856	1,602,278	2,090,186
3,003,654	3,839,318	7,758,433	2,894,041	1,962,498
75,746	80,203	95,682	19,091	388,801
4,695,013	5,725,055	9,606,971	4,515,410	4,441,485
427,038	500,314	514,568	249,808	213,928
427,038	500,314	514,568	249,808	213,928
5,122,051	6,225,369	10,121,539	4,765,218	4,655,413
3,355,338	3,136,079	3,003,150	4,912,092	2,773,393
3,294,031	3,393,531	2,397,305	1,827,254	2,364,044
3,075,738	2,886,756	2,519,697	4,708,751	5,180,336
399,680	397,409	405,945	314,508	358,460
132,919	152,151	149,935	117,985	296,790
471,883	451,458	426,826	306,065	271,259
1,279,394	1,098,551	1,037,852	824,191	1,301,057
33,235,635	33,500,937	36,280,994	29,573,333	27,087,906
748,724	740,536	901,341	805,220	759,285
45,993,342	45,757,408	47,123,045	43,389,399	40,392,530
651,340	664,086	539,213	325,355	308,673
651,340	664,086	539,213	325,355	308,673
46,644,682	46,421,494	47,662,258	43,714,754	40,701,203

(Continued)

**Town of Redding, Connecticut**  
**Changes in Net Position (Continued)**  
**Last 10 Years**  
**(Unaudited)**

	Fiscal Year Ended				
	2015	2014	2013	2012	2011
Net (expense) revenue:					
Governmental activities	(42,080,704)	(44,096,454)	(44,602,353)	(42,302,319)	(39,813,628)
Business-type activities	(368,062)	(658,480)	(329,342)	(347,315)	(261,663)
<b>Total primary government net expense</b>	<b>(42,448,766)</b>	<b>(44,754,934)</b>	<b>(44,931,695)</b>	<b>(42,649,634)</b>	<b>(40,075,291)</b>
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	46,019,078	46,215,357	45,609,619	44,457,954	44,118,692
Grants and contributions not restricted to specific purposes	38,028	43,246	414,294	411,826	283,135
Investment income	28,052	27,443	23,757	73,560	89,793
Gain on sale of capital assets	-	-	-	-	420,111
Miscellaneous	134,788	66,514	32,927	-	-
<b>Total governmental activities</b>	<b>46,219,946</b>	<b>46,352,560</b>	<b>46,080,597</b>	<b>44,943,340</b>	<b>44,911,731</b>
Business-type activities:					
Unrestricted investment earnings	7	193	118	105	117
Donated capital assets	-	-	-	-	6,587,200
Transfers	-	-	-	-	-
<b>Total business-type activities</b>	<b>7</b>	<b>193</b>	<b>118</b>	<b>105</b>	<b>6,587,317</b>
<b>Total primary government</b>	<b>46,219,953</b>	<b>46,352,753</b>	<b>46,080,715</b>	<b>44,943,445</b>	<b>51,499,048</b>
Changes in net position:					
Governmental activities	4,139,242	2,256,106	1,478,244	2,641,021	5,098,103
Business-type activities	(368,055)	(658,287)	(329,224)	(347,210)	6,325,654
<b>Total primary government</b>	<b>\$ 3,771,187</b>	<b>\$ 1,597,819</b>	<b>\$ 1,149,020</b>	<b>\$ 2,293,811</b>	<b>\$ 11,423,757</b>

**TABLE 2**

Fiscal Year Ended				
2010	2009	2008	2007	2006
(41,298,329)	(40,032,353)	(37,516,074)	(38,873,989)	(35,951,045)
(224,302)	(163,772)	(24,645)	(75,547)	(94,745)
(41,522,631)	(40,196,125)	(37,540,719)	(38,949,536)	(36,045,790)
42,120,967	40,507,798	35,736,243	33,687,097	33,138,146
286,709	252,104	346,682	270,721	194,823
-	-	-	-	-
153,349	187,656	371,688	547,942	603,103
-	-	343,231	-	-
361,632	-	-	-	-
42,922,657	40,947,558	36,797,844	34,505,760	33,936,072
218	2,003	3,194	526	-
-	-	-	-	-
-	-	-	-	-
218	2,003	3,194	526	-
42,922,875	40,949,561	36,801,038	34,506,286	33,936,072
1,624,328	915,205	(718,230)	(4,368,229)	(2,014,973)
(224,084)	(161,769)	(21,451)	(75,021)	(94,745)
\$ 1,400,244	\$ 753,436	\$ (739,681)	\$ (4,443,250)	\$ (2,109,718)

TABLE 3

Town of Redding, Connecticut  
Fund Balances, Governmental Funds  
Last 10 Years  
(Unaudited)

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable										
Prepays and other	1,522,209	1,272,748								
Inventory	3,813	-	1,720	1,661	-	-	-	-	-	-
Restricted for	-	-	-	-	-	-	-	-	-	-
Committed to	208,822	208,822	208,822	-	-	-	-	-	-	-
Assigned to										
General government	-	-	153,124	73,685	8,222	-	-	-	-	-
Public safety	-	-	11,095	-	30,994	-	-	-	-	-
Highway and streets	-	-	5,050	-	28,930	-	-	-	-	-
Health and social services	-	-	-	-	4,000	-	-	-	-	-
Education	159,412	91,466	-	-	-	-	-	-	-	-
Parks and recreation	-	-	5,970	-	-	-	-	-	-	-
Capital projects	-	-	5,280	-	-	-	-	-	-	-
Unassigned	6,594,466	5,587,046	6,549,618	6,439,022	6,132,572	3,494,069	1,942,938	398,651	1,551,971	3,894,568
<b>Total general fund balances</b>	<b>8,488,722</b>	<b>7,160,082</b>	<b>6,940,679</b>	<b>6,514,368</b>	<b>6,204,718</b>	<b>3,494,069</b>	<b>1,942,938</b>	<b>398,651</b>	<b>1,551,971</b>	<b>3,894,568</b>
All Other Governmental Funds										
Nonspendable										
Permanent funds	-	-	-	-	2,100	-	-	-	-	-
Restricted for										
Grants	187,936	170,951	237,901	89,901	196,877	-	-	-	-	-
Committed to										
General government	124,986	102,658	52,208	109,272	167,532	-	-	-	-	-
Public safety	66,289	14,506	12,426	22,006	131,855	-	-	-	-	-
Highway and streets	19,269	17,862	86,113	34,323	615,948	-	-	-	-	-
Health and social services	-	31,529	-	-	13,376	-	-	-	-	-
Education	32,888	4	-	10,626	2,281,049	-	-	-	-	-
Parks and recreation	26,973	22,210	6,057	4,946	7,328	-	-	-	-	-
Capital projects	1,002,175	1,069,069	1,221,893	1,371,785	846,486	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(6,403,338)	(5,249,301)	(2,274,309)	(842,021)	(31,896)	(4,600,061)	(3,334,685)	(2,750,192)	(1,491,187)	1,463,763
<b>Total all other govt funds balances</b>	<b>(4,942,822)</b>	<b>(3,820,512)</b>	<b>(657,711)</b>	<b>800,838</b>	<b>4,230,655</b>	<b>(4,600,061)</b>	<b>(3,334,685)</b>	<b>(2,750,192)</b>	<b>(1,491,187)</b>	<b>1,463,763</b>
<b>Total fund balances</b>	<b>\$ 3,545,900</b>	<b>\$ 3,339,570</b>	<b>\$ 6,282,968</b>	<b>\$ 7,315,206</b>	<b>\$ 10,435,373</b>	<b>\$ (1,105,992)</b>	<b>\$ (1,391,747)</b>	<b>\$ (2,351,541)</b>	<b>\$ 60,784</b>	<b>\$ 5,358,331</b>

TABLE 4

Town of Redding, Connecticut  
Changes in Fund Balances, Governmental Funds  
Last 10 Years  
(Unaudited)

	Fiscal Year Ended									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Property taxes	\$ 45,698,262	\$ 45,676,124	\$ 45,701,489	\$ 43,547,989	\$ 43,297,765	\$ 41,615,116	\$ 40,772,789	\$ 36,129,273	\$ 33,704,103	\$ 33,122,822
Intergovernmental	4,752,111	4,187,573	5,598,773	4,906,946	6,076,308	3,930,091	4,356,719	8,411,288	3,163,103	800,776
Investment income	28,052	27,443	23,757	73,560	89,793	45,956	187,656	371,688	547,909	533,332
Charges for services	1,482,577	1,448,854	1,365,108	1,465,969	1,393,418	1,463,784	1,620,440	1,542,365	1,595,857	2,014,501
Other	134,788	66,514	47,276	9,884	-	-	-	-	20,750	-
<b>Total revenues</b>	<b>52,095,790</b>	<b>51,406,508</b>	<b>52,736,403</b>	<b>50,004,348</b>	<b>50,857,284</b>	<b>47,054,947</b>	<b>46,937,604</b>	<b>46,454,614</b>	<b>39,031,722</b>	<b>36,471,431</b>
<b>Expenditures</b>										
Current:										
General government	3,074,285	3,323,685	2,815,720	2,400,642	2,397,733	2,337,993	2,190,435	2,153,944	2,332,981	2,021,249
Public Safety	2,375,522	2,422,748	2,277,369	2,556,360	2,136,012	2,484,792	2,575,277	1,887,524	1,794,538	1,651,583
Highway and Streets	1,498,512	1,497,120	1,370,592	1,872,501	1,588,140	1,741,321	1,417,923	1,611,116	1,402,548	1,180,966
Transfer Station and Recycling	258,057	293,302	309,323	330,170	321,376	313,413	314,620	326,298	307,876	285,717
Health and welfare	112,938	115,931	126,788	103,157	110,949	102,913	118,468	110,838	117,228	103,234
Library	457,898	433,000	423,000	402,250	395,000	378,000	361,312	332,800	306,065	271,259
Parks and Recreation	904,104	920,143	948,449	958,269	968,994	912,767	875,736	845,604	821,369	778,962
Employee Benefits	2,745,402	2,843,901	2,557,585	2,418,832	2,365,880	2,054,303	1,959,482	1,880,517	1,892,881	1,758,413
Education	36,558,889	36,823,250	36,439,462	35,470,497	33,993,948	33,237,176	32,927,334	36,154,071	29,036,565	25,810,800
Capital Outlay	2,190,217	2,049,173	3,595,008	5,747,363	4,266,470	1,225,467	1,265,889	1,828,535	4,311,686	430,544
Debt Service	2,107,563	3,441,502	2,265,134	2,264,829	1,906,514	1,981,047	1,971,334	2,085,619	2,005,532	1,654,989
<b>Total expenditures</b>	<b>52,283,387</b>	<b>54,163,755</b>	<b>53,128,430</b>	<b>54,524,870</b>	<b>50,451,016</b>	<b>46,769,192</b>	<b>45,977,810</b>	<b>49,216,866</b>	<b>44,329,269</b>	<b>35,947,716</b>
<b>Excess (deficiency) of revenues Over Expenditures</b>	<b>(187,597)</b>	<b>(2,757,247)</b>	<b>(392,027)</b>	<b>(4,520,522)</b>	<b>406,268</b>	<b>285,755</b>	<b>959,794</b>	<b>(2,762,252)</b>	<b>(5,297,547)</b>	<b>523,715</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Capital Leases	393,927	291,816	410,948	1,393,337	269,675	-	-	-	-	-
BAN Premium	-	34,549	-	-	-	-	-	-	-	-
Proceeds from bond sale	-	-	66,426	-	10,315,000	-	-	-	-	-
Sale of capital assets	-	-	23,084	5,861	551,579	-	-	349,927	-	-
Transfers in	87,500	104,856	104,856	547,856	226,416	-	151,175	254,800	160,000	-
Transfers out	(87,500)	(104,856)	(104,856)	(547,856)	(226,416)	-	(151,175)	(254,800)	(160,000)	(803,630)
<b>Net Other Financing Sources (Uses)</b>	<b>393,927</b>	<b>326,365</b>	<b>500,458</b>	<b>1,399,198</b>	<b>11,136,254</b>	<b>-</b>	<b>-</b>	<b>349,927</b>	<b>-</b>	<b>(803,630)</b>
<b>Net change in fund balances</b>	<b>206,330</b>	<b>(2,430,882)</b>	<b>108,431</b>	<b>(3,121,324)</b>	<b>11,542,522</b>	<b>285,755</b>	<b>959,794</b>	<b>(2,412,325)</b>	<b>(5,297,547)</b>	<b>(279,915)</b>
<b>Fund Balance as Restated - Beginning of Year</b>	<b>3,339,570</b>	<b>5,770,452</b>	<b>6,174,537</b>	<b>10,436,530</b>	<b>(1,105,992)</b>	<b>(1,391,747)</b>	<b>(2,351,541)</b>	<b>60,784</b>	<b>5,358,331</b>	<b>4,174,483</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,545,900</b>	<b>\$ 3,339,570</b>	<b>\$ 6,282,968</b>	<b>\$ 7,315,206</b>	<b>\$ 10,436,530</b>	<b>\$ (1,105,992)</b>	<b>\$ (1,391,747)</b>	<b>\$ (2,351,541)</b>	<b>\$ 60,784</b>	<b>\$ 3,894,568</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>

**TABLE 5**

Town of Redding, Connecticut  
Assessed and Estimated Actual Value of Taxable Property  
Last 10 Years  
(Unaudited)

Year Ended June 30	Real Estate		Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
	(1) Assessed Value	(2) Estimated Value	(3) Net Assessed Value	(4) Net Actual Value	Net Assessed Value	Estimated Actual Value		
2015	1,469,940,798	2,099,915,426	161,708,448	231,013,069	1,631,649,246	2,330,928,495	70.00%	28.91
2014	1,467,057,238	2,095,796,054	160,031,086	228,615,837	1,627,088,324	2,324,411,891	70.00%	28.95
2013	1,833,807,098	2,619,724,426	161,761,817	231,088,310	1,995,568,915	2,850,812,736	70.00%	23.28
2012	1,833,698,548	2,619,569,354	156,543,350	223,633,357	1,990,241,898	2,843,202,711	70.00%	22.79
2011	1,840,340,582	2,629,057,974	152,994,171	218,563,101	1,993,334,753	2,847,621,075	70.00%	22.22
2010	1,828,228,980	2,611,755,686	152,956,540	218,509,343	1,981,185,520	2,830,265,029	70.00%	21.79
2009	1,832,179,130	2,617,398,757	178,981,315	255,687,593	2,011,160,445	2,873,086,350	70.00%	21.00
2008	1,441,964,851	2,059,949,787	122,987,564	175,696,520	1,564,952,415	2,235,646,307	70.00%	22.74
2007	1,401,938,060	2,002,768,657	113,593,466	162,276,380	1,515,531,526	2,165,045,037	70.00%	22.74
2006	1,362,203,370	1,946,004,814	106,850,087	152,642,981	1,469,053,457	2,098,647,795	70.00%	22.74

Source: Town of Redding, Assessor's Office

Town of Redding, Connecticut  
2015  
Principal Taxpayers

**TABLE 6**

Taxpayer	2015			2006		
	Assessment (1)	Rank	% of Net Net Taxable Grand List	Assessment	Rank	% of Net Net Taxable Grand List
Redding Life Care, LLC	\$ 82,691,968	1	5.08%	\$ 45,648,930	1	3.11%
CONN Light & Power	56,132,217	2	3.45%	13,904,715	3	0.95%
Redding Country Club Inc.	8,765,000	3	0.54%	4,844,530	7	0.33%
Prusak Robert & Jamie	6,052,700	4	0.37%	6,644,750	5	0.45%
Aquarion Water Company of CT	3,819,820	5	0.23%	4,928,490	6	0.34%
Georgetown Land Development	3,528,100	6	0.22%	24,429,429	2	1.66%
123 Mountain Road Associates LLC	3,425,200	7	0.21%	-		-
Fine Jerrold N	3,291,260	8	0.20%	4,339,030	9	0.30%
EAN Holdings LLC	3,276,670	9	0.20%	-		-
Angeloni Luciano & Debra	2,894,780	10	0.18%	-		-
Dudley Elisabeth C	-		-	3,912,745	10	0.27%
Cablevision	-		-	8,618,750	4	0.59%
RP Trust The	-		-	4,749,150	8	0.32%
	<u>\$ 173,877,715</u>		<u>10.68%</u>	<u>\$ 122,020,519</u>		<u>8.31%</u>

Source: Town Assessor Department

(1) The net taxable grand list as of October 1, 2013 and 2004 totaled \$1,628,497,125 and \$1,469,053,457, respectively.

Property Tax Rates, Levies and Collections  
Last Ten Years  
(Unaudited)

Year Ended June 30,	Total Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	TOTAL COLLECTIONS TO DATE	
		Net Current Tax Collections	% of Current Levy Collected		Total Collections	% of Levy Collected
2015	\$ 45,720,390	\$ 45,147,782	98.7%	\$ 517,107	\$ 45,664,889	99.9%
2014	45,791,419	45,142,235	98.6%	374,751	45,516,986	99.4%
2013	45,072,306	44,324,390	98.3%	918,019	45,242,409	100.4%
2012	44,044,397	43,119,722	97.9%	424,354	43,544,076	98.9%
2011	44,117,180	42,930,490	97.3%	248,557	43,179,047	97.9%
2010	42,068,864	41,453,864	98.5%	110,324	41,564,188	98.8%
2009	40,826,214	40,345,062	98.8%	393,411	40,738,473	99.8%
2008	35,780,495	35,548,779	99.4%	443,937	35,992,716	100.6%
2007	33,561,920	33,245,174	99.1%	190,124	33,435,298	99.6%
2006	32,824,519	32,555,387	99.2%	363,869	32,919,256	100.3%

2002 Revaluation  
2007 Revaluation  
2012 Revaluation

Ratios of Outstanding Debt by Type  
Last Ten Years (Unaudited)

Year Ended June 30,	General Bonded Debt Outstanding					% of Personal Income	Debt Per Capita
	General Obligation Bonds		Capital Leases	Clean Water Notes	Total		
	General Purpose	Schools					
2015	\$ 9,685,539	\$ 4,030,000	\$ 1,174,204	\$ 42,493	\$ 14,932,236	2.3%	1,632
2014	10,818,462	4,443,000	1,194,873	92,559	16,548,894	2.6%	1,809
2013	11,725,426	4,856,000	1,488,884	141,635	18,211,945	2.9%	1,991
2012	12,746,200	5,268,800	1,363,428	189,739	19,568,167	3.1%	2,139
2011	13,832,950	5,682,050	211,061	236,892	19,962,953	3.2%	2,204
2010	7,856,500	2,538,500	-	428,119	10,823,119	1.8%	1,210
2009	8,624,250	2,990,750	-	496,629	12,111,629	2.2%	1,378
2008	9,392,000	3,443,000	-	563,784	13,398,784	2.4%	1,523
2007	10,159,750	3,895,250	-	629,610	14,684,610	2.8%	1,696
2006	10,902,500	4,347,500	-	694,134	15,944,134	3.1%	1,838

Ratio of Long-Term Debt to Net Assessed Value and Long-Term Debt per Capita  
Last Ten Years (Unaudited)

Grand List Year	Year Ended June 30,	Population	Net Assessed Value	General Obligation Bonded Debt/Notes	Ratio of Bonded Debt/Notes to Net Assessed Value	Debt Per Capita
2013	2015	9,148	\$ 1,628,497,125	\$ 13,758,032	0.84%	\$ 1,504
2012	2014	9,148	1,627,088,324	15,354,021	0.94%	1,678
2011	2013	9,148	1,995,568,915	16,723,061	0.84%	1,828
2010	2012	9,148	1,990,241,898	18,204,739	0.91%	1,990
2009	2011	9,058	1,993,334,753	19,751,892	0.99%	2,181
2008	2010	8,945	1,981,185,520	10,823,119	0.55%	1,210
2007	2009	8,790	2,011,160,445	12,111,629	0.60%	1,378
2006	2008	8,798	1,564,952,415	13,398,784	0.86%	1,523
2005	2007	8,659	1,515,531,526	14,684,610	0.97%	1,696
2004	2006	8,675	1,469,053,457	15,944,134	1.09%	1,838

**TABLE 10**

Town of Redding, Connecticut

Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2015  
 (Unaudited)

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Overlapping debt			
Regional School District #9	<u>\$ 7,555,065</u>	100%	<u>\$ 7,555,065</u>
Town direct debt	14,932,236		<u>14,932,236</u>
<b>Total</b>			<u><u>\$ 22,487,301</u></u>

Sources: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Redding, Connecticut. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Redding, Connecticut

**TABLE 11**

Schedule of Debt Limitation  
 Connecticut General Statutes, Section 7-374 b  
 For the Year Ended June 30, 2015

Total Tax Collections (including interest and lien fees) for current year:	
Town of Redding	\$ 45,664,887
Fire District	1,409,019
Reimbursement for tax relief	246
	<hr/>
Base for Debt Limitation Computation	<u>\$ 47,074,152</u>

Debt Limitation	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 105,916,842				
4 1/2 times base		\$ 211,833,684			
3 3/4 times base			\$ 176,528,070		
3 1/4 times base				\$ 152,990,994	
3 times base					\$ 141,222,456
	<hr/>				
<b>Total debt limitation</b>	105,916,842	211,833,684	176,528,070	152,990,994	141,222,456
	<hr/>				
Indebtedness					
Bonds Payable	9,560,000	4,030,000	42,493	-	-
Bond Anticipation Notes					
Fire District Bonds	50,000	-	-	-	-
Georgetown Special District	999,867	-	-	-	-
Redding's Portion of Regional School District No. 9 bonds net of school building grants	-	7,555,065	-	-	-
Bond Anticipation notes	10,574,000	-	-	-	-
	<hr/>				
<b>Net indebtedness</b>	21,183,867	11,585,065	42,493	-	-
	<hr/>				
<b>Debt limit in excess of outstanding and Authorized debt</b>	<u>\$ 84,732,975</u>	<u>\$ 200,248,619</u>	<u>\$ 176,485,577</u>	<u>\$ 152,990,994</u>	<u>\$ 141,222,456</u>

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 329,519,064

## Town of Redding, Connecticut

TABLE 12

Legal Debt Margin Information  
Last Ten Years  
(Unaudited)

Year Ended June 30,	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable
2015	\$ 329,519,064	\$ 32,811,425	\$ 296,707,639	9.96%
2014	330,662,262	24,885,948	305,776,314	7.53%
2013	329,738,836	27,169,573	302,569,263	8.24%
2012	315,333,865	29,173,585	286,160,280	9.25%
2011	315,120,344	32,013,777	283,106,567	10.16%
2010	305,718,406	33,550,592	272,167,814	10.97%
2009	298,478,929	31,493,744	266,985,185	10.55%
2008	263,507,454	50,670,255	212,837,199	19.23%
2007	244,455,085	47,932,515	196,522,570	19.61%
2006	240,280,537	31,821,291	208,459,246	13.24%

Town of Redding, Connecticut

TABLE 13

Demographic and Economic Statistics  
Last 10 Years  
(Unaudited)

	(1)		(2)	(1)	(1)	(3)	(1)
Year Ended June 30	Population	Personal Income	Per Capital Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2015	9148	\$ 635,959,812	\$ 69,519	48	68% Bachelor Degree or more	1,447	4.50%
2014	9148	635,959,812	69,519	48	68% Bachelor Degree or more	1,569	5.40%
2013	9148	635,959,812	69,519	48	68% Bachelor Degree or more	1,677	5.40%
2012	9148	635,959,812	69,519	48	68% Bachelor Degree or more	1,712	6.00%
2011	9058	627,203,094	69,243	47	66% Bachelor Degree or more	1,747	5.80%
2010	8945	586,738,330	65,594	46.4	65% Bachelor Degree or more	1,776	6.00%
2009	8790	562,225,980	63,962	43	65% Bachelor Degree or more	1,831	5.80%
2008	8798	550,842,780	62,610	42	61% Bachelor Degree or more	1,842	3.70%
2007	8659	530,433,022	61,258	42	61% Bachelor Degree or more	1,842	2.70%
2006	8675	519,684,550	59,906	41	61% Bachelor Degree or more	1,826	2.80%

- (1) Connecticut Economic Resource Center
- (2) Connecticut Department of Labor, Research Office
- (3) Town of Redding, Board of Education
- (4) X = Information Unavailable

Town of Redding, Connecticut

TABLE 14

Principal Employers  
Current and Nine Years Ago  
(Unaudited)

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Redding Life Care, LLC	314	1	3.42%	247	1	2.87%
Town of Redding	258	2	2.81%	242	2	2.82%
Joel Barlow High School	148	3	1.61%	133	3	1.55%
Redding Elementary School	120	4	1.31%	112	4	1.30%
John Read Middle School	106	5	1.16%	91	5	1.06%
Redding Country Club	92	6	1.00%	90	6	1.05%

Source: Town and Board of Education Human Resource Departments

Town of Redding, Connecticut

TABLE 15

Full-Time Equivalent Town Government Employees By Function/Program  
Last 10 Years  
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Administrative and General Government</b>										
Board of Selectman	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Town Clerk	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.25
Registrar of Voters	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Town Planning and Land Use	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Zoning and Wetlands Enforcement	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Probate Court	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00
<b>Finance</b>										
Finance	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	2.25
Assessor	2.25	2.25	2.25	2.25	2.25	2.00	2.00	2.00	2.00	2.00
Tax Collector	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>Public Safety</b>										
Police	18.00	17.00	17.00	17.00	17.00	16.00	16.00	16.00	16.00	16.00
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
Communications/Dispatch	5.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00	5.00	6.00
<b>Public Works</b>										
Public Works	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75
Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.25	4.25	4.25
Facilities Maintenance	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
<b>Health, Social, Human Services</b>										
Health	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Social and Human Services	4.00	4.00	4.00	4.50	4.50	4.50	4.50	4.00	4.00	3.00
Recycling Center	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Recreation</b>										
Parks and Recreation	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
<b>Grand total</b>	<b>85.25</b>	<b>83.75</b>	<b>83.75</b>	<b>84.25</b>	<b>83.75</b>	<b>84.50</b>	<b>84.50</b>	<b>85.00</b>	<b>84.50</b>	<b>83.50</b>

Source: Town Human Resource Departments

Town of Redding, Connecticut

**TABLE 16**

Full-Time Equivalent Employees By Function/Program  
Last 10 Years  
(Unaudited)

Function / Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Town										
Administrative and General Government	10.50	10.50	10.50	10.50	10.50	12.50	12.50	12.25	12.25	12.25
Finance	8.00	8.00	8.00	8.00	8.00	7.75	7.75	7.75	7.75	6.75
Public Safety	24.50	25.50	25.50	23.50	23.00	22.00	22.00	22.00	22.50	23.50
Public Works	19.25	18.75	18.75	18.75	18.75	18.75	18.75	20.00	19.00	19.00
Health, Social, Human Services	9.50	9.50	9.50	10.00	10.00	10.00	10.00	9.50	9.50	8.50
Recreation	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
<b>Total town</b>	<b>85.25</b>	<b>85.75</b>	<b>92.85</b>	<b>91.35</b>	<b>90.85</b>	<b>91.70</b>	<b>91.70</b>	<b>92.20</b>	<b>91.60</b>	<b>90.60</b>

Source: Town and Board of Education Human Resource Departments

Town of Redding, Connecticut

TABLE 17

Operating Indicators By Function / Program  
Last 10 Years  
(Unaudited)

Function / Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Fire										
Fire and EMS responses	458	590	549	431	557	463	406	384	798	527
Police										
Criminal Incidents	543	721	664	792	736	588	574	619	535	581
Traffic violations	1,515	3,029	3,097	2,976	2,763	3,202	3,126	2,817	2,298	1,925
Motor vehicle accidents	195	241	256	203	282	265	239	289	367	327
Building Safety										
Building inspections	2,444	2,892	2,917	3,086	2,404	3,073	2,871	3,246	4,576	3,255
Total building permits	653	822	860	874	520	595	498	568	655	821
Total value all permits	\$ 12,543,740	\$ 19,219,414	\$ 10,095,400	\$ 13,791,399	\$ 8,273,691	\$ 10,086,646	\$ 14,477,104	\$ 16,655,031	\$ 17,150,840	\$ 72,693,252
Public Works										
Street resurfacing	18	8	9	11	4	4	6	-	10	NA
Recycling Center / Transfer Station										
Permits issued	1,195	1,042	1,149	1,112	1,104	1,148	1,157	1,176	1,126	1,200
Refuse collected (tons per year)	176	171	179	194	187	178	178	205	214	205
Park and Recreation										
No. of recreation programs	11	11	10	10	10	10	9	9	9	9
Library										
Circulation	129,254	130,739	128,807	125,428	122,983	124,893	122,000	110,000	108,378	97,000
Education										
School enrollment										
High School	1,050	1,050	1,012	1,008	974	959	957	962	970	992
Middle School	470	513	553	559	582	595	589	575	531	536
Elementary School	420	488	578	581	661	670	714	734	754	741

Source: Various Town Departments  
NA = Not Available

Town of Redding, Connecticut

TABLE 18

Capital Asset Statistics By Function / Program  
Last 10 Years  
(Unaudited)

Function / Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public Safety</b>										
Fire and ambulance stations	4	4	4	4	4	4	4	4	4	4
Fire Trucks	15	15	15	15	15	15	15	15	15	15
Ambulances	4	4	4	4	4	4	4	4	4	4
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	10	10	10	10	10	10	10	10	10	10
<b>Public Works</b>										
Highway department										
Miles of streets										
Paved	86.88	86.88	86.88	86.88	86.88	86.88	86.88	86.88	86.88	86.88
Unpaved	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19
Traffic lights	3	1	1	1	0	0	0	0	0	0
Dump trucks	15	15	15	15	14	13	12	12	12	10
Other public works vehicles/heavy equipment	14	14	14	14	14	12	12	12	12	12
<b>Health and Welfare</b>										
Senior van	1	1	1	1	1	1	1	1	1	1
<b>Library</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Education</b>										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	1	1	1	1	1	1	1	1	1	1

Source: Town capital asset records and various Town Departments