

TOWN OF REDDING, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2016



# The Town of Redding, Connecticut

Comprehensive Annual Financial Report

For

The Fiscal Year Ended June 30, 2016

*Prepared By:*

Town of Redding  
Finance Department

Stephen Gniadek  
Finance Director



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## **Introductory Section**



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

December 15, 2016

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, 2016. 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, 2016, 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, 2016, 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, State mandated "Single Audit" designed to meet the special needs of State grant 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 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 9,267 at 2014.

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 14.98%.

## **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 689 Building Permits issued in fiscal year 2016, at a value of \$ 20.0 million, compared to 653 issued at a value of \$ 12.5 million in fiscal year 2015.

The unemployment rate for fiscal year 2016 in Redding was 4.2 % which compares favorably with the State rate of 5.5 %. Median Household Income is \$ 131,006

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 98.6 % 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.

In FY 2014-15, the Town approved a four year road reconstruction plan totaling \$ 6.8 million. There is a balance of \$3.2 million to be spent over the remaining two years of the plan. The current 5 year capital cost projection is for a total of \$ 11.0 million, with a Town portion of \$ 5.0 million and schools at \$ 6.0 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, 2015. This was the second consecutive 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 black ink, appearing to read "S. Gniadek". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

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, 2015**

Executive Director/CEO

TOWN OF REDDING, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS  
As of JUNE 30, 2016

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**Board of Selectmen  
Julia Pemberton  
First Selectman**

Leon Karvelis

Michael Thompson

**Board of Finance  
William Alvarez  
Chairman**

Margaret O'Donnell  
Joseph Dolan

Ward Mazzucco  
Kimberly Yonkers

Susan Clark

**Finance Director  
Stephen Gniadek**

Building Official – Shaun Donnelly  
Chief of Police – Douglas Fuchs  
Public Works Director – Jeff Hanson  
Social Services Director – Angelica Fontanez  
Park and Rec Director – Robert Blick

Planning/Land Use – Jo-An Brooks  
Tax Collector - Patricia Moio  
Tax Assessor – John Ford  
Town Clerk – Michele Grande  
Treasurer – Janice Meehan  
Zoning Official – Aimee Pardee

**Board of Education  
Sara Sobel  
Chairman**

Gwen Denny

Edward Miller

Allyson Florkowski  
Melinda Irwin

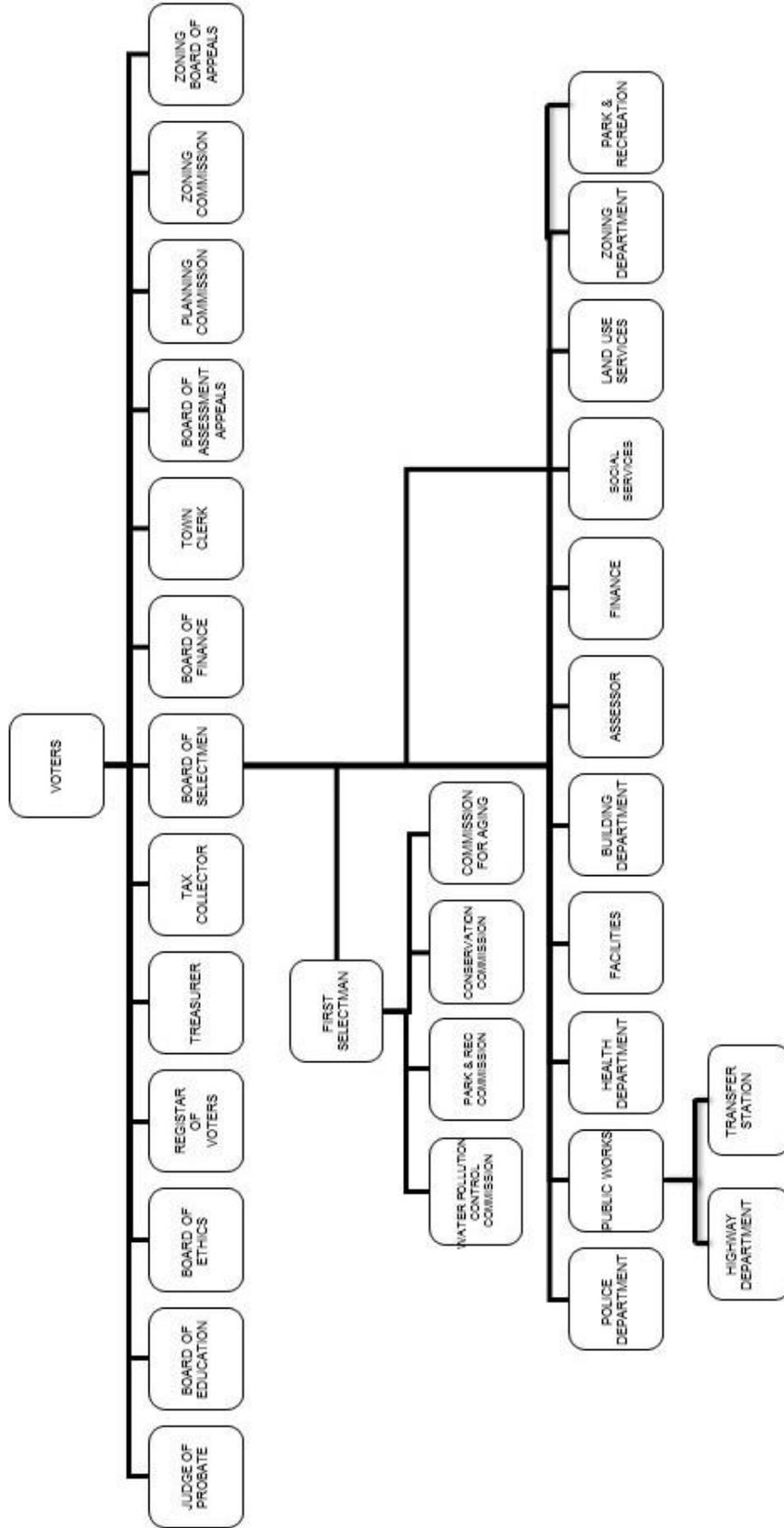
Jess Gaspar  
Michael Hoffman

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, 2016, 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters****Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of employer contributions and the schedule of funding progress – OPEB, the pension related schedules, 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 fund 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 15, 2016, 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 15, 2016

## Town of Redding, Connecticut

### Management's Discussion and Analysis - unaudited For the Year Ended June 30, 2016

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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, 2016.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the Town's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$49,775,076 (net position). Of this amount, \$5,684,357 (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 \$2,023,122 due to increased investment in road reconstruction and school facility improvement along with expense savings.
- Total General Fund fund balance at June 30, 2016 is \$9,306,152 which is \$817,430 or 9.6% 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 \$7,139,238 and represents 14.98% of the next year budgeted expenditures. The Nonspendable Fund Balance totals \$1,742,005 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 \$ 200,000, for debt reduction, and the Assigned Fund Balance of \$224,909 for encumbrances.
- Actual expenditures came in 1.27% or \$607,702 under budget due to responsible spending within Town departments.
- Actual revenues were 100% of budget.
- The Town issued \$12,644,000 in authorized bond anticipation notes (BANS) for road repair and construction, bridge rehabilitation, and school building renovations. The coupon rate of 2.0% is reduced by the premium, resulting in a net interest cost of .5891%.

#### **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 of resources, liabilities and deferred inflows of resources, 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, and pension related schedules.

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. The Town's net position is \$56,335,006 at the close of the most recent fiscal year.

|                                  | <b>Summary Statement of Net Position</b> |                      |                             |                     |                   |                      |
|----------------------------------|--|----------------------|-----------------------------|---------------------|-------------------|----------------------|
|                                  | Governmental<br>Activities               |                      | Business-Type<br>Activities |                     | Total             |                      |
|                                  | June 30,<br>2016                         | June 30,<br>2015     | June 30,<br>2016            | June 30,<br>2015    | June 30,<br>2016  | June 30,<br>2015     |
| Current and Other Assets         | \$ 23,944,067                            | \$ 23,671,607        | \$ 123,391                  | \$ 33,492           | \$ 24,067,458     | \$ 23,705,099        |
| Capital Assets                   | 65,269,418                               | 60,683,219           | 8,241,063                   | 8,420,654           | 73,510,481        | 69,103,873           |
| <b>Total assets</b>              | <b>89,213,485</b>                        | <b>84,354,826</b>    | <b>8,364,454</b>            | <b>8,454,146</b>    | <b>97,577,939</b> | <b>92,808,972</b>    |
| Deferred outflows of resources   | 774,189                                  | 946,528              | -                           | -                   | 774,189           | 946,528              |
| Long-Term Debt Outstanding       | 20,867,611                               | 20,768,709           | -                           | -                   | 20,867,611        | 20,768,709           |
| Other Liabilities                | 16,774,439                               | 14,008,814           | 1,804,524                   | 1,559,504           | 18,578,963        | 15,568,318           |
| <b>Total liabilities</b>         | <b>37,642,050</b>                        | <b>34,777,523</b>    | <b>1,804,524</b>            | <b>1,559,504</b>    | <b>39,446,574</b> | <b>36,337,027</b>    |
| Deferred inflows of resources    | 2,570,548                                | 2,771,877            | -                           | -                   | 2,570,548         | 2,771,877            |
| Net Position                     |  |                      |                             |                     |                   |                      |
| Net investment in capital assets | 44,090,719                               | 41,886,817           | 8,421,063                   | 8,420,654           | 52,511,782        | 50,307,471           |
| Unrestricted                     | 5,684,357                                | 5,865,138            | (1,861,133)                 | (1,526,012)         | 3,823,224         | 4,339,126            |
| <b>Total net position</b>        | <b>\$ 49,775,076</b>                     | <b>\$ 47,751,954</b> | <b>\$ 6,559,930</b>         | <b>\$ 6,894,642</b> | <b>56,335,006</b> | <b>\$ 54,646,596</b> |

By far, the largest portion of the Town's net position (93%) 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.

Certain amounts in the above as of June 30, 2015 were reclassified, with no effect on 2015 net position, to be consistent with the classifications adopted for the year ended June 30, 2016.

**Governmental Activities.** Governmental activities increased the Town's net position by \$2,023,122 mainly due to better than expected revenues from property taxes, expenses being lower than anticipated, and capital additions to infrastructure and facilities.

**Revenues.** Governmental activities revenues totaled \$51,933,894 for the fiscal year. Property taxes are the largest revenue source for the Town and represent 89% of governmental revenues. Operating grants and contributions are the Town's second largest revenue and account for 8% of governmental revenues.

**Expenses.** Governmental expenses totaled \$50,015,464 for the fiscal year. Of the expenses, \$36,813,034 or 74% is related to education. Public safety expenses amounted \$3,329,417 or 7%. General government expenses amounted to \$4,689,605 or 9% and highway and streets expenses were \$2,165,108 or 4%.

**Summary Statement of Activities**

|  | Governmental<br>Activities |                      | Business-Type<br>Activities |                     | Total                |                      |
|--|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
|  | 2016                       | 2015                 | 2016                        | 2015                | 2016                 | 2015                 |
| <b>Revenues</b>  |                            |                      |                             |                     |                      |                      |
| Program revenues:  |                            |                      |                             |                     |                      |                      |
| Charges for services   | \$ 1,466,426               | \$ 1,389,984         | \$ 402,799                  | \$ 402,752          | \$ 1,869,225         | \$ 1,792,736         |
| Operating grants and contributions                           | 4,249,637                  | 4,720,743            | -                           | -                   | 4,249,637            | 4,720,743            |
| Capital grants and contributions                             | 18,328                     | 85,933               | -                           | -                   | 18,328               | 85,933               |
| General revenues   |                            |                      |                             |                     |                      |                      |
| Property taxes   | 46,079,769                 | 46,019,078           | -                           | -                   | 46,079,769           | 46,019,078           |
| Grants and contributions not restricted to specific purposes | 115,748                    | 38,028               | -                           | -                   | 115,748              | 38,028               |
| Investment income  | 54,708                     | 28,052               | -                           | 7                   | 54,708               | 28,059               |
| Miscellaneous  | 53,970                     | 134,788              | -                           | -                   | 53,970               | 134,788              |
| <b>Total revenues</b>  | <b>52,038,586</b>          | <b>52,416,606</b>    | <b>402,799</b>              | <b>402,759</b>      | <b>52,441,385</b>    | <b>52,819,365</b>    |
| <b>Program Expenses</b>                                      |                            |                      |                             |                     |                      |                      |
| General government   | 4,689,605                  | 4,011,987            | -                           | -                   | 4,689,605            | 4,011,987            |
| Public safety  | 3,329,417                  | 3,228,429            | -                           | -                   | 3,329,417            | 3,228,429            |
| Highway and streets  | 2,165,108                  | 1,592,510            | -                           | -                   | 2,165,108            | 1,592,510            |
| Transfer station and recycling                               | 364,100                    | 373,408              | -                           | -                   | 364,100              | 373,408              |
| Health and social services                                   | 164,654                    | 159,177              | -                           | -                   | 164,654              | 159,177              |
| Library  | 628,876                    | 613,563              | -                           | -                   | 628,876              | 613,563              |
| Parks and recreation   | 1,301,883                  | 1,212,541            | -                           | -                   | 1,301,883            | 1,212,541            |
| Education  | 36,813,034                 | 36,531,377           | -                           | -                   | 36,813,034           | 36,531,377           |
| Interest expense   | 558,787                    | 554,372              | -                           | -                   | 558,787              | 554,372              |
| Sewer department   | -                          | -                    | 737,511                     | 770,814             | 737,511              | 770,814              |
| <b>Total program expenses</b>                                | <b>50,015,464</b>          | <b>48,277,364</b>    | <b>737,511</b>              | <b>770,814</b>      | <b>50,752,975</b>    | <b>49,048,178</b>    |
| <b>Changes in net position</b>                               | <b>2,023,122</b>           | <b>4,139,242</b>     | <b>(334,712)</b>            | <b>(368,055)</b>    | <b>1,688,410</b>     | <b>3,771,187</b>     |
| Net Position, Beginning                                      | 47,751,954                 | 43,612,712           | 6,894,642                   | 7,262,697           | 54,646,596           | 50,875,409           |
| Net Position, Ending   | <b>\$ 49,775,076</b>       | <b>\$ 47,751,954</b> | <b>\$ 6,559,930</b>         | <b>\$ 6,894,642</b> | <b>\$ 56,335,006</b> | <b>\$ 54,646,596</b> |

**Business-Type Activities.** Business-type activities decreased the Town's net position by \$334,712. General revenues do not support the Town's business-type activities; thus, revenues come from charges for services.

The Georgetown sewer expenses were \$737,511, which was a 4% 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, 2015         | \$ 6,594,466               |
| Actual revenue greater than budgeted          | 733                        |
| Actual expenditures less than budgeted        | 607,702                    |
| Encumbrances and other Fund Category changes  | <u>(63,663)</u>            |
| <b>Unassigned fund balance, June 30, 2016</b> | <b><u>\$ 7,139,238</u></b> |

General Fund actual expenditures came in 1.27% under budget due to responsible spending within Town departments. Additionally, actual revenues were \$733 higher than budgeted primarily due to property tax collections partially offset by reduced state aid.

**General Fund Budgetary Highlights**

Actual revenue was at 100% of budget. Property tax collections both current and prior, along with associated interest, all exceeded the budgeted amounts.

Actual expenditures were 1.27% favorable to budget primarily due to controlling departmental spending, favorable insurance savings, and the transfer of a year-end Board of Education surplus.

**Road reconstruction fund:** The fund balance has decreased by approximately \$1,850,000 which resulted from expenditures related to the road improvement projects.

**Capital Projects- Schools:** The fund balance decreased by approximately \$2,580,000 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, 2016 amounts to \$73,510,481 (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> |                      |                             |                     |                       |                      |
|--------------------------|---|----------------------|-----------------------------|---------------------|-----------------------|----------------------|
|                          | Governmental<br>Activities                  |                      | Business-Type<br>Activities |                     | Primary<br>Government |                      |
|                          | 2016  | 2015                 | 2016                        | 2015                | 2016                  | 2015                 |
| Land                     | \$ 19,203,822                               | \$ 19,203,822        | \$ 15,342                   | \$ 15,342           | \$ 19,219,164         | \$ 19,219,164        |
| Construction in Progress | 2,492,638                                   | 428,949              | -                           | -                   | 2,492,638             | 428,949              |
| Buildings                | 14,787,607                                  | 15,002,786           | -                           | -                   | 14,787,607            | 15,002,786           |
| Sewer Plant              | -   | -                    | 7,824,069                   | 7,907,279           | 7,824,069             | 7,907,279            |
| Sewer Collection System  | -   | -                    | 401,652                     | 498,033             | 401,652               | 498,033              |
| Machinery and Equipment  | 2,614,742                                   | 2,613,820            | -                           | -                   | 2,614,742             | 2,613,820            |
| Infrastructure           | 23,513,765                                  | 20,905,184           | -                           | -                   | 23,513,765            | 20,905,184           |
| Vehicles                 | 2,152,112                                   | 2,298,745            | -                           | -                   | 2,152,112             | 2,298,745            |
| Furniture and Fixtures   | 504,732                                     | 229,913              | -                           | -                   | 504,732               | 229,913              |
|                          | <u>\$ 65,269,418</u>                        | <u>\$ 60,683,219</u> | <u>\$ 8,241,063</u>         | <u>\$ 8,420,654</u> | <u>\$ 73,510,481</u>  | <u>\$ 69,103,873</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 \$12,642,223. The entire amount is backed by the full faith and credit of the Town.

**Outstanding Debt  
General Obligation Bonds and Notes**

|  | Governmental Activities |                      |
|--|-------------------------|----------------------|
|  | 2016                    | 2015                 |
| General Obligation Bonds - Town Improvements   | \$ 9,014,223            | \$ 9,685,539         |
| General Obligation Bonds - School Improvements | 3,628,000               | 4,030,000            |
| Clean Water Fund Note                          | -                       | 42,493               |
|  | <u>\$ 12,642,223</u>    | <u>\$ 13,758,032</u> |

The Town maintained its “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 \$329,083,720 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, 2016, which matures through 2026, amounted to \$12,290,000. The Town’s share of the debt was \$6,489,120.

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 \$12,644,000, 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 4.2%, down from last year reported of 4.5%. The rate compares favorably with the state’s average rate of 5.5%.

State aid to education has been reduced by \$424,000 for FY2016-17.

These factors, along with declining school enrollment forecasts and its’ corresponding budget and continued expense management were considered in the preparation of the budget for 2016-17, that resulted in a decrease of .30% 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, 2016**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|---|----------------------------|-----------------------------|----------------------|
| <b>Assets</b>                               |                            |                             |                      |
| Cash and cash equivalents                   | \$ 17,900,174              | \$ 123,391                  | \$ 18,023,565        |
| Receivables, net (Note 4)                   | 4,301,888                  | -                           | 4,301,888            |
| Other                                       | 66,260                     | -                           | 66,260               |
| Internal balances                           | 1,675,745                  | (1,675,745)                 | -                    |
| Capital assets, not being depreciated       | 21,696,460                 | 15,342                      | 21,711,802           |
| Capital assets being depreciated, net       | 43,572,958                 | 8,225,721                   | 51,798,679           |
| <b>Total assets</b>                         | <b>89,213,485</b>          | <b>6,688,709</b>            | <b>95,902,194</b>    |
| <b>Deferred Outflows of Resources</b>       |                            |                             |                      |
| Deferred pension expense                    | 338,805                    | -                           | 338,805              |
| Deferred charge on refunding                | 435,384                    | -                           | 435,384              |
| <b>Total deferred outflows of resources</b> | <b>774,189</b>             | <b>-</b>                    | <b>774,189</b>       |
| <b>Liabilities</b>                          |                            |                             |                      |
| Accounts payable and accrued expenses       | 3,374,031                  | 128,779                     | 3,502,810            |
| Due to other governments                    | 2,419                      | -                           | 2,419                |
| Due to Regional School District No.9        | 733,989                    | -                           | 733,989              |
| Bond anticipation notes                     | 12,644,000                 | -                           | 12,644,000           |
| Unearned revenue                            | 20,000                     | -                           | 20,000               |
| Long-term liabilities:                      |                            |                             |                      |
| Noncurrent liabilities due within one year  | 2,359,983                  | -                           | 2,359,983            |
| Due in more than one year                   | 18,507,628                 | -                           | 18,507,628           |
| <b>Total liabilities</b>                    | <b>37,642,050</b>          | <b>128,779</b>              | <b>37,770,829</b>    |
| <b>Deferred Inflows of Resources</b>        |                            |                             |                      |
| Advance property tax collections            | 2,570,548                  | -                           | 2,570,548            |
| <b>Total deferred inflows of resources</b>  | <b>2,570,548</b>           | <b>-</b>                    | <b>2,570,548</b>     |
| <b>Net Position</b>                         |                            |                             |                      |
| Net investment in capital assets            | 44,090,719                 | 8,421,063                   | 52,511,782           |
| Unrestricted (deficit)                      | 5,684,357                  | (1,861,133)                 | 3,823,224            |
| <b>Total net position</b>                   | <b>\$ 49,775,076</b>       | <b>\$ 6,559,930</b>         | <b>\$ 56,335,006</b> |

See notes to financial statements.

Statement of Activities  
For the Year Ended June 30, 2016

| Functions/Programs   | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                      |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
|  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                |
| Governmental activities:                                     |                      |                      |                                    |                                  |   |                          |                      |
| General government   | \$ 4,689,605         | \$ 466,523           | \$ 154,909                         | \$ -                             | \$ (4,068,173)                                    | \$ -                     | \$ (4,068,173)       |
| Public Safety  | 3,329,417            | 23,120               | 8,668                              | -                                | (3,297,629)                                       | -                        | (3,297,629)          |
| Highway and street   | 2,165,108            | 217,342              | 269,265                            | -                                | (1,678,501)                                       | -                        | (1,678,501)          |
| Transfer station and recycling                               | 364,100              | 151,867              | -                                  | -                                | (212,233)   | -                        | (212,233)            |
| Health and Welfare   | 164,654              | 23,256               | -                                  | -                                | (141,398)   | -                        | (141,398)            |
| Library  | 628,876              | -                    | -                                  | -                                | (628,876)   | -                        | (628,876)            |
| Education  | 36,813,034           | -                    | 3,816,795                          | 18,328                           | (32,977,911)                                      | -                        | (32,977,911)         |
| Park and Recreation  | 1,301,883            | 584,318              | -                                  | -                                | (717,565)   | -                        | (717,565)            |
| Interest and fiscal charges                                  | 558,787              | -                    | -                                  | -                                | (558,787)   | -                        | (558,787)            |
| <b>Total governmental activities</b>                         | <b>50,015,464</b>    | <b>1,466,426</b>     | <b>4,249,637</b>                   | <b>18,328</b>                    | <b>(44,281,073)</b>                               | <b>-</b>                 | <b>(44,281,073)</b>  |
| Business-type activities:                                    |                      |                      |                                    |                                  |   |                          |                      |
| Georgetown sewer   | 737,511              | 402,799              | -                                  | -                                | -   | (334,712)                | (334,712)            |
|  | <b>\$ 50,752,975</b> | <b>\$ 1,869,225</b>  | <b>\$ 4,249,637</b>                | <b>\$ 18,328</b>                 |   |                          |                      |
| General revenues:  |                      |                      |                                    |                                  |   |                          |                      |
| Property taxes   |                      |                      |                                    |                                  | 46,079,769  | -                        | 46,079,769           |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |                                  | 115,748   | -                        | 115,748              |
| Investment income  |                      |                      |                                    |                                  | 54,708  | -                        | 54,708               |
| Miscellaneous  |                      |                      |                                    |                                  | 53,970  | -                        | 53,970               |
| <b>Total general revenues</b>                                |                      |                      |                                    |                                  | <b>46,304,195</b>                                 | <b>-</b>                 | <b>46,304,195</b>    |
| Change in net position                                       |                      |                      |                                    |                                  | 2,023,122   | (334,712)                | 1,688,410            |
| Net position - beginning                                     |                      |                      |                                    |                                  | 47,751,954  | 6,894,642                | 54,646,596           |
| Net position - ending  |                      |                      |                                    |                                  | <b>\$ 49,775,076</b>                              | <b>\$ 6,559,930</b>      | <b>\$ 56,335,006</b> |

See notes to financial statements.

**Balance Sheet - Governmental Funds  
June 30, 2016**

|  | General              | Road<br>Reconstruction | Capital<br>Projects-<br>Schools | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|------------------------|---------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>  |                      |                        |                                 |                                   |                                |
| Cash and cash equivalents  | \$ 12,244,513        | \$ 2,705,774           | \$ 835,449                      | \$ 1,547,523                      | \$ 17,333,259                  |
| Receivables:   |                      |                        |                                 |                                   |                                |
| Property taxes   | 4,140,044            | -                      | -                               | -                                 | 4,140,044                      |
| Sewer assessments  | -                    | -                      | -                               | 5,506                             | 5,506                          |
| Intergovernmental  | -                    | -                      | -                               | 26,000                            | 26,000                         |
| Other  | 130,338              | -                      | -                               | -                                 | 130,338                        |
| Due from other funds   | 227,484              | -                      | -                               | 13,392                            | 240,876                        |
| Prepays  | 63,711               | -                      | -                               | -                                 | 63,711                         |
| Inventory  | 2,549                | -                      | -                               | -                                 | 2,549                          |
| Advance to other funds   | 1,675,745            | -                      | -                               | -                                 | 1,675,745                      |
| <b>Total assets</b>  | <b>\$ 18,484,384</b> | <b>\$ 2,705,774</b>    | <b>\$ 835,449</b>               | <b>\$ 1,592,421</b>               | <b>\$ 23,618,028</b>           |
| <b>Liabilities, Deferred Inflows<br/>of Resources and Fund Balances<br/>(Deficits)</b>       |                      |                        |                                 |                                   |                                |
| Liabilities:   |                      |                        |                                 |                                   |                                |
| Accounts payable   | \$ 1,548,499         | \$ 517,868             | \$ 884,578                      | \$ 91,333                         | \$ 3,042,278                   |
| Due to other governments   | 2,419                | -                      | -                               | -                                 | 2,419                          |
| Due to Regional School District No.9   | 733,989              | -                      | -                               | -                                 | 733,989                        |
| Due to other funds   | 311,781              | -                      | -                               | 227,482                           | 539,263                        |
| Unearned revenue   | -                    | -                      | -                               | 20,000                            | 20,000                         |
| Bond anticipation notes payables   | -                    | 8,672,049              | 3,041,651                       | 930,300                           | 12,644,000                     |
| <b>Total liabilities</b>   | <b>2,596,688</b>     | <b>9,189,917</b>       | <b>3,926,229</b>                | <b>1,269,115</b>                  | <b>16,981,949</b>              |
| Deferred inflows of resources:   |                      |                        |                                 |                                   |                                |
| Advance tax collections  | 2,570,548            | -                      | -                               | -                                 | 2,570,548                      |
| Unavailable resources-other  | 4,010,996            | -                      | -                               | 29,506                            | 4,040,502                      |
|  | <b>6,581,544</b>     | <b>-</b>               | <b>-</b>                        | <b>29,506</b>                     | <b>6,611,050</b>               |
| Fund balances (deficits):  |                      |                        |                                 |                                   |                                |
| Nonspendable   | 1,742,005            | -                      | -                               | -                                 | 1,742,005                      |
| Restricted   | -                    | -                      | -                               | 200,526                           | 200,526                        |
| Committed  | 200,000              | -                      | -                               | 1,206,024                         | 1,406,024                      |
| Assigned   | 224,909              | -                      | -                               | -                                 | 224,909                        |
| Unassigned   | 7,139,238            | (6,484,143)            | (3,090,780)                     | (1,112,750)                       | (3,548,435)                    |
| <b>Total fund balances (deficits)</b>  | <b>9,306,152</b>     | <b>(6,484,143)</b>     | <b>(3,090,780)</b>              | <b>293,800</b>                    | <b>25,029</b>                  |
| <b>Total liabilities, deferred<br/>inflows of resources and<br/>fund balances (deficits)</b> | <b>\$ 18,484,384</b> | <b>\$ 2,705,774</b>    | <b>\$ 835,449</b>               | <b>\$ 1,592,421</b>               | <b>\$ 23,618,028</b>           |

See notes to financial statements.

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
June 30, 2016**

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)  | \$ 25,029            |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:                    |                      |
| Governmental capital assets  | 80,681,545           |
| Less accumulated depreciation  | <u>(15,412,127)</u>  |
| <b>Net capital assets</b>  | <u>65,269,418</u>    |
| Assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds:              |                      |
| Property tax and sewer assessment interest and lien accrual  | 1,585,457            |
| Property tax and sewer assessment receivable   | 2,431,045            |
| Intergovernmental  | 24,000               |
| 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            | 669,138              |
| Net deferred outflows/inflows of resources relating to pension   | 338,805              |
| 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  | (12,642,223)         |
| Deferred amounts on refunding  | 435,384              |
| Compensated absences   | (235,253)            |
| Accrued interest payable   | (135,589)            |
| Capital leases   | (1,018,962)          |
| MERS net pension liability   | (4,469,285)          |
| Net OPEB obligation  | (2,335,138)          |
| Claims and judgements  | (143,000)            |
| Landfill closure and post-closure care   | <u>(23,750)</u>      |
| Net position of governmental activities (Exhibit I)  | <u>\$ 49,775,076</u> |

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds  
For the Year Ended June 30, 2016**

|   | General           | Road<br>Reconstruction<br>Fund | Capital<br>Projects-<br>Schools | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                |                   |                                |                                 |                                |                                |
| Property taxes                                  | \$ 45,448,399     | \$ -                           | \$ -                            | \$ -                           | \$ 45,448,399                  |
| Intergovernmental                               | 3,786,491         | -                              | 13,128                          | 1,225,176                      | 5,024,795                      |
| Investment income                               | 48,588            | -                              | 72                              | 6,048                          | 54,708                         |
| Charges for services                            | 1,386,980         | -                              | -                               | 79,672                         | 1,466,652                      |
| Other   | 39,298            | -                              | -                               | 14,672                         | 53,970                         |
| <b>Total revenues</b>                           | <b>50,709,756</b> | <b>-</b>                       | <b>13,200</b>                   | <b>1,325,568</b>               | <b>52,048,524</b>              |
| <b>Expenditures:</b>                            |                   |                                |                                 |                                |                                |
| <b>Current:</b>                                 |                   |                                |                                 |                                |                                |
| General government                              | 2,950,741         | -                              | -                               | 80,525                         | 3,031,266                      |
| Public safety                                   | 2,421,456         | -                              | -                               | 16,257                         | 2,437,713                      |
| Highway and street                              | 1,391,319         | -                              | -                               | 4,224                          | 1,395,543                      |
| Transfer station and recycling                  | 251,371           | -                              | -                               | -                              | 251,371                        |
| Health and welfare                              | 117,480           | -                              | -                               | 1,031                          | 118,511                        |
| Library   | 489,950           | -                              | -                               | -                              | 489,950                        |
| Parks and recreation                            | 955,653           | -                              | -                               | 25,512                         | 981,165                        |
| Employee benefits                               | 2,716,527         | -                              | -                               | -                              | 2,716,527                      |
| Education                                       | 36,254,652        | -                              | -                               | 266,625                        | 36,521,277                     |
| Debt service                                    | 2,149,046         | -                              | -                               | -                              | 2,149,046                      |
| Capital outlay                                  | 242,252           | 2,026,019                      | 2,626,614                       | 926,262                        | 5,821,147                      |
| <b>Total expenditures</b>                       | <b>49,940,447</b> | <b>2,026,019</b>               | <b>2,626,614</b>                | <b>1,320,436</b>               | <b>55,913,516</b>              |
| <b>Revenues over (under)<br/>expenditures</b>   | <b>769,309</b>    | <b>(2,026,019)</b>             | <b>(2,613,414)</b>              | <b>5,132</b>                   | <b>(3,864,992)</b>             |
| <b>Other financing sources (uses):</b>          |                   |                                |                                 |                                |                                |
| Payment to escrow                               | (7,091,096)       | -                              | -                               | -                              | (7,091,096)                    |
| Bond proceeds                                   | 6,745,000         | -                              | -                               | -                              | 6,745,000                      |
| Bond premium                                    | 447,965           | -                              | -                               | -                              | 447,965                        |
| Transfer in                                     | -                 | 175,650                        | 33,650                          | 86,700                         | 296,000                        |
| Transfer out                                    | (296,000)         | -                              | -                               | -                              | (296,000)                      |
| Issuance of capital lease                       | 242,252           | -                              | -                               | -                              | 242,252                        |
| <b>Total other financing<br/>sources (uses)</b> | <b>48,121</b>     | <b>175,650</b>                 | <b>33,650</b>                   | <b>86,700</b>                  | <b>344,121</b>                 |
| <b>Change in fund<br/>balances (deficits)</b>   | <b>817,430</b>    | <b>(1,850,369)</b>             | <b>(2,579,764)</b>              | <b>91,832</b>                  | <b>(3,520,871)</b>             |
| Fund balances (deficits), beginning of year     | 8,488,722         | (4,633,774)                    | (511,016)                       | 201,968                        | 3,545,900                      |
| Fund balances (deficits), end of year           | \$ 9,306,152      | \$ (6,484,143)                 | \$ (3,090,780)                  | \$ 293,800                     | \$ 25,029                      |

**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, 2016**

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) | \$ (3,520,871) |
|---|----------------|

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             | 5,806,843        |
| Depreciation expense       | (1,150,339)      |
| Loss on disposal of assets | (70,305)         |
|                            | <u>4,586,199</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

|                  |
|------------------|
| (114,630)        |
| <u>(114,630)</u> |

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          | (416,684)        |
| Deferred amounts on refunding | 359,665          |
| Bond proceeds                 | (6,745,000)      |
| Bond principal repayments     | 8,235,000        |
| Issuance of capital leases    | (242,252)        |
| Capital lease payments        | 418,163          |
| Notes payable                 | 42,493           |
|                               | <u>1,651,385</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 MERS pension expense   | (538,062)        |
| Net OPEB expense           | (177,495)        |
| Claims and judgements      | (143,000)        |
| Landfill post-closure care | 4,000            |
| Compensated absences       | (10,839)         |
| Accrued interest payable   | 12,916           |
|                            | <u>(852,480)</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.

|                |
|----------------|
| 273,519        |
| <u>273,519</u> |

Change in net position of governmental activities (Exhibit II)

|                     |
|---------------------|
| \$ 2,023,122        |
| <u>\$ 2,023,122</u> |

See notes to financial statements.

**Statement of Net Position - Proprietary Funds  
June 30, 2016**

|                                  | Business-Type<br>Activities<br>Enterprise<br>Fund | Governmental<br>Activities<br>Internal<br>Service<br>Fund |
|----------------------------------|---|---|
|                                  | Georgetown<br>Sewer                               | Internal<br>Service<br>Fund                               |
| <b>Assets</b>                    |   |   |
| Current assets:                  |   |   |
| Cash and cash equivalents        | \$ 123,391  | \$ 566,915  |
| Due from other funds             | -   | 298,387   |
| <b>Total current assets</b>      | <u>123,391</u>                                    | <u>865,302</u>  |
| Noncurrent assets:               |   |   |
| Capital assets, net:             |   |   |
| Land                             | 15,342  | -   |
| Sewer plant                      | 7,824,070   | -   |
| Sewer collection system          | 401,651   | -   |
| <b>Total capital assets, net</b> | <u>8,241,063</u>                                  | <u>-</u>  |
| <b>Total assets</b>              | <u>8,364,454</u>                                  | <u>865,302</u>  |
| <b>Liabilities</b>               |   |   |
| Current liabilities:             |   |   |
| Accounts payable                 | 128,779   | -   |
| Claims payable                   | -   | 196,164   |
| <b>Total current liabilities</b> | <u>128,779</u>                                    | <u>196,164</u>  |
| Noncurrent liabilities:          |   |   |
| Advance from other funds         | 1,675,745   | -   |
| <b>Total liabilities</b>         | <u>1,804,524</u>                                  | <u>196,164</u>  |
| <b>Net Position</b>              |   |   |
| Investment in capital assets     | 8,241,063   | -   |
| Unrestricted (deficit)           | (1,681,133)                                       | 669,138   |
| <b>Total net position</b>        | <u>\$ 6,559,930</u>                               | <u>\$ 669,138</u>   |

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds**  
**For the Year Ended June 30, 2016**

|                                 | Business-Type<br>Activities |                             |
|---------------------------------|-----------------------------|-----------------------------|
|                                 | Enterprise<br>Fund          | Governmental<br>Activities  |
|                                 | Georgetown<br>Sewer         | Internal<br>Service<br>Fund |
| Operating revenues:             |                             |                             |
| Charges for services            | \$ 402,799                  | \$ 2,951,910                |
| <b>Total operating revenues</b> | <b>402,799</b>              | <b>2,951,910</b>            |
| Operating expenses:             |                             |                             |
| Claims incurred                 | -                           | 2,398,481                   |
| Administration                  | 23,439                      | 282,706                     |
| Contracted services             | 336,887                     | -                           |
| Outside services                | 10,241                      | -                           |
| Materials disposal              | 11,775                      | -                           |
| Materials and supplies          | 97,187                      | -                           |
| Utilities                       | 78,391                      | -                           |
| Depreciation                    | 179,591                     | -                           |
| <b>Total operating expenses</b> | <b>737,511</b>              | <b>2,681,187</b>            |
| <b>Operating (loss) Income</b>  | <b>(334,712)</b>            | <b>270,723</b>              |
| Nonoperating revenues:          |                             |                             |
| Investment income               | -                           | 2,796                       |
| <b>Change in net position</b>   | <b>(334,712)</b>            | <b>273,519</b>              |
| Net position, beginning         | 6,894,642                   | 395,619                     |
| Net position, ending            | \$ 6,559,930                | \$ 669,138                  |

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2016**

|   | Business-Type<br>Activities |                             |
|---|-----------------------------|-----------------------------|
|   | Enterprise<br>Fund          | Governmental<br>Activities  |
|   | Georgetown<br>Sewer         | Internal<br>Service<br>Fund |
| Cash flows from operating activities:   |                             |                             |
| Receipts from customers and others  | \$ 402,799                  | \$ -                        |
| Payments to suppliers   | (522,900)                   | -                           |
| Claim payments  | -                           | (2,371,524)                 |
| Charges for services  | -                           | 3,039,042                   |
| Administrative payments   | -                           | (282,706)                   |
| <b>Net cash (used in) provided by operating activities</b>                                    | <b>(120,101)</b>            | <b>384,812</b>              |
| Cash flows from noncapital financing activities:  |                             |                             |
| Advances from other funds   | 210,000                     | -                           |
| Cash flows from investing activities:   |                             |                             |
| Income from investments   | -                           | 2,796                       |
| <b>Net increase in cash and cash equivalents</b>  | <b>89,899</b>               | <b>387,608</b>              |
| Cash and cash equivalents, beginning of year  | 33,492                      | 179,307                     |
| Cash and cash equivalents, ending   | <b>\$ 123,391</b>           | <b>\$ 566,915</b>           |
| Reconciliation of operating (loss) income to net cash<br>provided by operating activities:    |                             |                             |
| Operating (loss) income   | \$ (334,712)                | \$ 270,723                  |
| Adjustments to reconcile operating (loss) income to net<br>cash used in operating activities: |                             |                             |
| Depreciation expense  | 179,591                     | -                           |
| (Increase) decrease in:   |                             |                             |
| Due from other funds  | -                           | 87,132                      |
| Increase in:  |                             |                             |
| Accounts and claims payable   | 35,020                      | 26,957                      |
| <b>Net cash (used in) provided by operating activities</b>                                    | <b>\$ (120,101)</b>         | <b>\$ 384,812</b>           |

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2016

|                                    | Agency<br>Funds   |
|------------------------------------|-------------------|
| <hr/>                              |                   |
| <b>Assets</b>                      |                   |
| Cash and cash equivalents          | <u>\$ 150,116</u> |
| <b>Liabilities</b>                 |                   |
| Due to others                      | <u>\$ 150,116</u> |
| 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. 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 implementation of this statement had no impact on the Town's financial statements

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 Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 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 Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. 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. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. The implementation of this statement had no impact on the Town's financial statements. The Town's investment in external investment pools continue to be reported at amortized cost.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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.

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.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

- 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 use charges.

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.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

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.

The balance of the pooled fixed income investments were invested in a pool. The investments in the pool adheres to GASB Statement No. 79, "Certain External Investment Pools and Pool Participants" which accounts for the asset investment. 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 in certificates of deposit with maturities of one year or less. All CD's are fully insured by the FDIC and are recorded at amortized cost.

**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.

**Investments:** Fair value is defined by GASB Statement No. 72, *Fair Value Measurement and Application*. The Town categorizes its fair value measurements within the fair value GAAP hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment income, including changes in the fair value of investments, is reported as revenue in accompanying statements of revenues, expenses and changes in net position. The Town investments in 2016 qualified to be reported as cash equivalents and are reported at amortized cost.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

**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 acquisition 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.

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

| Assets      | Years |
|-------------|-------|
| Buildings   | 100   |
| Roads       | 40    |
| Bridges     | 25    |
| Sewer plant | 30    |
| Sewer lines | 40    |
| Vehicles    | 10-25 |
| Equipment   | 5-40  |

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

**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. The investments of the Plan are measured at fair value.

**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. 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.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

**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.

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. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. 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:

## Town of Redding, Connecticut

### Notes to Financial Statements

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

**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.

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. Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

**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. The Finance Directors for the Town and Board of Education are authorized to assign amounts for a specific purpose.

**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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

**Deficit fund balance:** The following funds had fund balance deficits at June 30, 2016:

|                               |              |
|-------------------------------|--------------|
| Major fund:                   |              |
| Road Reconstruction Fund      | \$ 6,484,143 |
| Capital projects schools      | 3,090,780    |
| Nonmajor governmental funds:  |              |
| Georgetown STEAP Intersection | 227,482      |
| Communication Tower           | 377,968      |
| School Bonded Projects        | 507,300      |

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

**Capital projects authorization:** The following is a summary of major Capital Projects at June 30, 2016:

| Capital Project Fund          | Authorization | Current Year Expenditures | Cumulative Expenditures | Commitment Balance June 30, 2016 |
|-------------------------------|---------------|---------------------------|-------------------------|----------------------------------|
| Road Reconstruction Fund      | \$ 6,753,000  | \$ 2,026,019              | \$ 2,936,741            | \$ 3,816,259                     |
| Georgetown STEAP              | 1,227,953     | 3,295                     | 1,214,560               | 13,393                           |
| Georgetown STEAP Intersection | 3,641,000     | 187,927                   | 3,230,567               | 410,433                          |
| Town Buildings                | 426,000       | -                         | 417,109                 | 8,891                            |
| Stepney Rd Bridge             | 739,000       | 186,910                   | 244,196                 | 494,804                          |
| School projects               | 1,950,071     | 1,729,075                 | 1,945,481               | 4,590                            |
| Cell tower                    | 423,000       | 377,168                   | 377,968                 | 45,032                           |
| School HVAC                   | 5,450,000     | 697,500                   | -                       | 5,450,000                        |

#### 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.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

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.

The cash portfolio adheres to GASB Statement No. 79, Certain Investment Pools and Pool Participants, which amends Statement No. 31 and establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost.

#### 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 \$9,639,000 of the Town's bank balance of approximately \$14,872,000 was uninsured and uncollateralized at June 30, 2016.

**Cash equivalents:** At June 30, 2016, the Town's cash equivalents amounted to \$18,173,681, which includes \$3,436,538 of certificates of deposit recorded at amortized cost. The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

|   | Standard<br>and Poor's |
|---|------------------------|
| State Short-Term Investment Fund (STIF) | AAA/m                  |

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 4. Receivables**

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

|                                   | General      | Nonmajor<br>and Other<br>Funds | Enterprise<br>Fund | Total        |
|-----------------------------------|--------------|--------------------------------|--------------------|--------------|
| Receivables:                      |              |                                |                    |              |
| Taxes                             | \$ 2,669,587 | \$ -                           | \$ -               | \$ 2,669,587 |
| Interest on property taxes        | 1,585,457    | -                              | -                  | 1,585,457    |
| Accounts                          | 130,338      | -                              | 1,987,894          | 2,118,232    |
| Sewer assessments                 | -            | 5,506                          | -                  | 5,506        |
| Intergovernmental                 | -            | 26,000                         | -                  | 26,000       |
| Gross receivables                 | 4,385,382    | 31,506                         | 1,987,894          | 6,404,782    |
| Less allowance for uncollectibles | 115,000      | -                              | 1,987,894          | 2,102,894    |
| Net total receivables             | \$ 4,270,382 | \$ 31,506                      | \$ -               | \$ 4,301,888 |

**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 revenue reported in the governmental funds were as follows:

|  | Unavailable<br>Revenues | Unearned<br>Revenues |
|--|-------------------------|----------------------|
| Property taxes collected in advance                          | \$ 2,570,548            | \$ -                 |
| Delinquent property taxes receivable and interest receivable | 4,010,996               | -                    |
| Special assessments not yet due                              | 5,506                   | -                    |
| Grants   | 24,000                  | 20,000               |
|  | \$ 6,611,050            | \$ 20,000            |

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

|  | Balance<br>July 1, 2015 | Increases | Decreases   | Balance<br>June 30, 2016 |
|--|-------------------------|-----------|-------------|--------------------------|
| Governmental activities                      |                         |           |             |                          |
| Capital assets, not being depreciated        |                         |           |             |                          |
| Land   | \$ 19,203,822           | \$ -      | \$ -        | \$ 19,203,822            |
| Construction in progress                     | 428,949                 | 5,207,894 | (3,144,205) | 2,492,638                |
| Total capital assets, not being depreciated  | 19,632,771              | 5,207,894 | (3,144,205) | 21,696,460               |
| Capital assets, being depreciated            |                         |           |             |                          |
| Buildings                                    | 19,391,118              | -         | -           | 19,391,118               |
| Machinery and equipment                      | 3,280,410               | 189,052   | (90,000)    | 3,379,462                |
| Vehicles                                     | 3,677,814               | 113,499   | (144,276)   | 3,647,037                |
| Furniture and fixtures                       | 350,992                 | 296,399   | -           | 647,391                  |
| Infrastructure                               | 28,775,873              | 3,144,204 | -           | 31,920,077               |
| Total capital assets, being depreciated      | 55,476,207              | 3,743,154 | (234,276)   | 58,985,085               |
| Less accumulated depreciation for            |                         |           |             |                          |
| Buildings                                    | 4,388,332               | 215,179   | -           | 4,603,511                |
| Machinery and equipment                      | 666,590                 | 141,505   | (43,375)    | 764,720                  |
| Vehicles                                     | 1,379,069               | 236,452   | (120,596)   | 1,494,925                |
| Furniture and fixtures                       | 121,079                 | 21,580    | -           | 142,659                  |
| Infrastructure                               | 7,870,689               | 535,623   | -           | 8,406,312                |
| Total accumulated depreciation               | 14,425,759              | 1,150,339 | (163,971)   | 15,412,127               |
| Total capital assets, being depreciated, net | 41,050,448              | 2,592,815 | (70,305)    | 43,572,958               |
| Governmental activities capital assets, net  | \$ 60,683,219           | 7,800,709 | (3,214,510) | \$ 65,269,418            |

**Town of Redding, Connecticut**

**Notes to Financial Statements**

**Note 6. Capital Assets (Continued)**

|  | Balance<br>June 30, 2015 | Increases    | Decreases | Balance<br>June 30, 2016 |
|--|--------------------------|--------------|-----------|--------------------------|
| 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                    |
| Total capital assets, being depreciated      | 10,358,610               | -            | -         | 10,358,610               |
| Less accumulated depreciation for:           |                          |              |           |                          |
| Sewer plant                                  | 1,338,240                | 83,210       | -         | 1,421,450                |
| Sewer collection system                      | 608,508                  | 96,381       | -         | 704,889                  |
| Machinery and equipment                      | 6,550                    | -            | -         | 6,550                    |
| Total accumulated depreciation               | 1,953,298                | 179,591      | -         | 2,132,889                |
| Total capital assets, being depreciated, net | 8,405,312                | (179,591)    | -         | 8,225,721                |
| Business-type activities capital assets, net | \$ 8,420,654             | \$ (179,591) | \$ -      | \$ 8,241,063             |

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General government                                   | \$ 247,876          |
| Public safety  | 103,410             |
| Highways and streets                                 | 568,647             |
| Transfer station and recycling                       | 15,138              |
| Health and social services                           | 4,502               |
| Parks and recreation                                 | 8,126               |
| Education  | 202,640             |
| Total depreciation expense – governmental activities | <u>\$ 1,150,339</u> |
| Business-type activities:                            |                     |
| Sewer  | <u>\$ 179,591</u>   |

**Town of Redding, Connecticut**

**Notes to Financial Statements**

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**Note 7. Interfund Accounts**

At June 30, 2016, the amounts due to and from other funds were as follows:

|                            | Due From<br>Other Funds | Due to<br>Other Funds |
|----------------------------|-------------------------|-----------------------|
| General fund               | \$ 227,484              | \$ 311,781            |
| Internal service fund      | 298,387                 | -                     |
| Nonmajor governmental fund | 13,392                  | 227,482               |
|                            | <u>\$ 539,263</u>       | <u>\$ 539,263</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<br>Other Funds | Advances from<br>Other Funds |
|------------------|----------------------------|------------------------------|
| General fund     | \$ 1,675,745               | \$ -                         |
| Georgetown sewer | -                          | 1,675,745                    |
|                  | <u>\$ 1,675,745</u>        | <u>\$ 1,675,745</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, 2016 were as follows:

|                                       | Transfer from<br>Other Funds | Transfer to<br>Other Funds |
|---------------------------------------|------------------------------|----------------------------|
| General fund                          | \$ -                         | \$ 296,000                 |
| Road reconstruction                   | 175,650                      | -                          |
| Capital projects - schools            | 33,650                       | -                          |
| School bonded projects                | 26,700                       | -                          |
| Reserve fund for capital nonrecurring | 60,000                       | -                          |
|                                       | <u>\$ 296,000</u>            | <u>\$ 296,000</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 March 16, 2016, the Town issued \$12,644,000 in bond anticipation notes for school projects and bridge and road improvements. The notes mature on March 15, 2017 and carry a coupon rate of 2.0%. The net interest cost, after the premium, is 58.9 basis points (.5891%). Short-term obligation activity for the year ended June 30, 2016 is as follows:

| Description             | Date of Issue | Date of Maturity | Interest Rate | Balance, July 1, 2015 | Additions  | Deductions    | Balance, June 30, 2016 |
|-------------------------|---------------|------------------|---------------|-----------------------|------------|---------------|------------------------|
| Bond anticipation notes | 6/17/2015     | 3/17/2016        | 1%            | \$ 10,574,000         | \$ -       | \$ 10,574,000 | \$ -                   |
| Bond anticipation notes | 3/16/2016     | 3/15/2017        | 2%            | -                     | 12,644,000 | -             | 12,644,000             |

#### 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, 2015 | Additions    | Deductions   | Balance Outstanding June 30, 2016 | Current Portion |
|--|-----------------|---------------|------------------|-------------------|----------------------|--------------|--------------|-----------------------------------|-----------------|
| Bond notes:                            |                 |               |                  |                   |                      |              |              |                                   |                 |
| General purpose:                       |                 |               |                  |                   |                      |              |              |                                   |                 |
| Improvement bond                       | \$ 8,345,000    | 10/15/99      | 10/15/19         | 4.75-6.5          | \$ 2,085,000         | \$ -         | \$ 417,000   | \$ 1,668,000                      | \$ 417,000      |
| Improvement bond                       | 6,729,950       | 07/15/10      | 07/15/30         | 2.0-4.0           | 5,390,000            | -            | 4,720,000    | 670,000                           | 335,000         |
| Refunding bond                         | 2,680,000       | 19/12/12      | 08/01/20         | 2.0-3.0           | 2,085,000            | -            | 360,000      | 1,725,000                         | 355,000         |
| Refunding bond                         | 4,409,000       | 02/17/16      | 07/15/30         | 550-4.0           | -                    | 4,409,000    | -            | 4,409,000                         | 33,000          |
| Premium on refunding                   |                 |               |                  |                   | 125,539              | 447,965      | 31,281       | 542,223                           | -               |
| Total general purpose                  |                 |               |                  |                   | 9,685,539            | 4,856,965    | 5,528,281    | 9,014,223                         | 1,140,000       |
| Schools:                               |                 |               |                  |                   |                      |              |              |                                   |                 |
| Improvement bond                       | 4,755,000       | 10/15/99      | 10/15/19         | 4.75-6.5          | 1,165,000            | -            | 233,000      | 932,000                           | 233,000         |
| Improvement bond                       | 3,585,050       | 07/15/10      | 07/15/31         | 2.0-4.0           | 2,865,000            | -            | 2,505,000    | 360,000                           | 180,000         |
| Refunding bond                         | 2,336,000       | 02/17/16      | 07/15/30         | 550-4.0           | -                    | 2,336,000    | -            | 2,336,000                         | 17,000          |
| Total schools                          |                 |               |                  |                   | 4,030,000            | 2,336,000    | 2,738,000    | 3,628,000                         | 430,000         |
| Sewer:                                 |                 |               |                  |                   |                      |              |              |                                   |                 |
| Clean water note                       | 246,648         | 06/01/11      | 04/01/16         | 2                 | 42,493               | -            | 42,493       | -                                 | -               |
| Total bond/notes                       |                 |               |                  |                   | 13,758,032           | 7,192,965    | 8,308,774    | 12,642,223                        | 1,570,000       |
| Claims and judgements                  |                 |               |                  |                   | -                    | 143,000      | -            | 143,000                           | -               |
| Compensated absences                   |                 |               |                  |                   | 224,414              | 302,701      | 291,862      | 235,253                           | 65,871          |
| Capital leases                         |                 |               |                  |                   | 1,194,873            | 242,252      | 418,163      | 1,018,962                         | 720,612         |
| MERS pension liability                 |                 |               |                  |                   | 3,405,997            | 1,263,185    | 199,897      | 4,469,285                         | -               |
| Net OPEB obligation                    |                 |               |                  |                   | 2,157,643            | 266,251      | 88,756       | 2,335,138                         | -               |
| Landfill closure and post-closure care |                 |               |                  |                   | 27,750               | -            | 4,000        | 23,750                            | 3,500           |
| Total general long-term liabilities    |                 |               |                  |                   | \$ 20,768,709        | \$ 9,410,354 | \$ 9,311,452 | \$ 20,867,611                     | \$ 2,359,983    |

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### 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         | Bonds        |
| 2017                 | \$ 1,570,000  | \$ 341,904   |
| 2018                 | 1,255,000     | 307,200      |
| 2019                 | 1,530,000     | 253,750      |
| 2020                 | 1,525,000     | 197,044      |
| 2021                 | 870,000       | 159,912      |
| 2022-2026            | 2,700,000     | 529,263      |
| 2027-2031            | 2,650,000     | 161,694      |
|                      | \$ 12,100,000 | \$ 1,950,767 |

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, 2016, which matures through 2026, amounted to \$12,290,000. The Town's share of the debt was \$6,489,120.

**2016 General Obligation Refunding Bond- In-Substance Defeasance:** On March 2, 2016, the Town issued \$6,745,000 of general obligation refunding bonds with an average interest rate of 4%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the Town dated 2010 (the "Refunded Bonds"). Net proceeds of \$7,091,096 (after payment of expenses of \$101,810), was placed in an irrevocable trust under an Escrow Agreement dated March 2, 2016 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption prices of the Refunded Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$306,805, and a cash savings of \$318,562 between the old debt payments and the new debt payments.

At June 30, 2016, there was \$7,091,096 in escrow. The balance of the defeased bonds was approximately \$6,710,000 at June 30, 2016. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

**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, 2016, \$8,385,000 of the defeased debt is outstanding.

**Town of Redding, Connecticut**

**Notes to Financial Statements**

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

**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 \$2,332,000 with accumulated depreciation as of June 30, 2016 of approximately \$549,000. 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, 2016:

|   |  |                     |
|---|--|---------------------|
| Year ending June 30:                          |  |                     |
| 2017  |  | \$ 733,869          |
| 2018  |  | 214,131             |
| 2019  |  | 52,926              |
| 2020  |  | 39,285              |
|   |  | <u>1,040,211</u>    |
| Less amount representing interest             |  | 21,249              |
| Present value of future minimum lease payment |  | <u>\$ 1,018,962</u> |

**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<br>Indebtedness | Balance       |
|-----------------|----------------|---------------------|---------------|
| General purpose | \$ 105,776,910 | \$ 26,356,384       | \$ 79,420,526 |
| Schools         | 211,553,820    | 10,117,120          | 201,436,700   |
| Sewers          | 176,294,850    | -                   | 176,294,850   |
| Urban renewal   | 152,788,870    | -                   | 152,788,870   |
| Pension deficit | 141,035,880    | -                   | 141,035,880   |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$329,083,720.

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, 2016 is \$23,750.

**Claims and judgments:** Various litigation is pending against the Town. For certain cases, where it is probably that a liability has been incurred and the amount of the loss can be reasonable estimated, a loss contingency has been accrued for in the government-wide statement of net position for approximately \$143,000. Management believes ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

## Town of Redding, Connecticut

### Notes to Financial Statements

#### Note 10. Fund Balance

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

|                                | General<br>Fund     | Road<br>Reconstruction<br>Fund | Capital<br>Projects-<br>Schools | Nonmajor<br>Governmental<br>Funds | Total            |
|--------------------------------|---------------------|--------------------------------|---------------------------------|-----------------------------------|------------------|
| Fund balances:                 |                     |                                |                                 |                                   |                  |
| Nonspendable:                  |                     |                                |                                 |                                   |                  |
| Advance to other funds         | \$ 1,675,745        | \$ -                           | \$ -                            | \$ -                              | \$ 1,675,745     |
| Prepays                        | 63,711              | -                              | -                               | -                                 | 63,711           |
| Inventory                      | 2,549               | -                              | -                               | -                                 | 2,549            |
|                                | <u>1,742,005</u>    | <u>-</u>                       | <u>-</u>                        | <u>-</u>                          | <u>1,742,005</u> |
| Restricted for:                |                     |                                |                                 |                                   |                  |
| Grants                         | -                   | -                              | -                               | 200,526                           | 200,526          |
| Committed to:                  |                     |                                |                                 |                                   |                  |
| General government             | 200,000             | -                              | -                               | 79,798                            | 279,798          |
| Public Safety                  | -                   | -                              | -                               | 62,770                            | 62,770           |
| Highway and streets            | -                   | -                              | -                               | 17,950                            | 17,950           |
| Education                      | -                   | -                              | -                               | 4                                 | 4                |
| Health and social services     | -                   | -                              | -                               | 36,376                            | 36,376           |
| Parks and Recreation           | -                   | -                              | -                               | 15,252                            | 15,252           |
| Capital projects               | -                   | -                              | -                               | 993,874                           | 993,874          |
|                                | <u>200,000</u>      | <u>-</u>                       | <u>-</u>                        | <u>1,206,024</u>                  | <u>1,406,024</u> |
| Assigned to:                   |                     |                                |                                 |                                   |                  |
| General government             | -                   | -                              | -                               | -                                 | -                |
| Public Safety                  | -                   | -                              | -                               | -                                 | -                |
| Highway and streets            | -                   | -                              | -                               | -                                 | -                |
| Education                      | 224,909             | -                              | -                               | -                                 | 224,909          |
| Parks and Recreation           | -                   | -                              | -                               | -                                 | -                |
| Capital projects               | -                   | -                              | -                               | -                                 | -                |
|                                | <u>224,909</u>      | <u>-</u>                       | <u>-</u>                        | <u>-</u>                          | <u>224,909</u>   |
| Unassigned                     | 7,139,238           | (6,484,143)                    | (3,090,780)                     | (1,112,750)                       | (3,548,435)      |
| Total fund balances (deficits) | <u>\$ 9,306,152</u> | <u>\$ (6,484,143)</u>          | <u>\$ (3,090,780)</u>           | <u>\$ 293,800</u>                 | <u>\$ 25,029</u> |

Encumbrances at June 30, 2016 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 |
|-----------|-----------------------|--|-----------------|------------------------|
| 2014-2015 | \$ 297,095            | \$ 2,203,112                                 | \$ 2,331,000    | \$ 169,207             |
| 2015-2016 | 169,207               | 2,408,016                                    | 2,381,059       | 196,164                |

**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 Annuity and Non-Annuity (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%.

| Asset Class                  | Target Allocation | Long-Term Expected Rate of Return |
|------------------------------|-------------------|-----------------------------------|
| 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%                              |
|                              | 100.00%           |                                   |

**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%<br>Decrease<br>7.00% | Current<br>Discount Rate<br>8.00% | 1%<br>Increase<br>9.00% |
|---|-------------------------|-----------------------------------|-------------------------|
| Town's proportionate share of the net pension liability | \$ 8,134,045            | \$ 4,469,285                      | \$ 1,379,371            |
|   | \$ 8,134,045            | \$ 4,469,285                      | \$ 1,379,371            |

## Town of Redding, Connecticut

### Notes to Financial Statements

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#### 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, 2016, the Town reported a liability of \$4,469,285 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, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2014. The Town's proportion of the net pension liability was based on its share of contributions to the MERS relative to the total contributions of all participating employers for that fiscal year. At June 30, 2015, Town's proportion was 6.40%.

For the year ended June 30, 2016, the Town recognized pension expense of \$1,066,676. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> |
|---|---|
| Net difference between projected and actual earnings<br>on pension plan investments | <u>\$ 338,805</u>                         |
| Total   | <u><u>\$ 338,805</u></u>                  |

\$1,131,728 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017.

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: |           |
| 2017                | \$ 18,625 |
| 2018                | 18,625    |
| 2019                | 18,625    |
| 2020                | 282,930   |
| 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 2015/2016 school year, \$738,265 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 \$10,670,000.

**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,<br>net of pension investment expense,<br>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 Rate of Return |
|-----------------------------|-------------------|-----------------------------------|
| Large cap U.S. equities     | 21%               | 5.8%                              |
| Developed non-U.S. equities | 18%               | 6.6%                              |
| Emerging Markets (non-U.S.) | 9%                | 8.3%                              |
| Core fixed income           | 7%                | 1.3%                              |
| Inflation Linked Bonds      | 3%                | 1.0%                              |
| Emerging markets bond       | 5%                | 3.7%                              |
| High Yield bonds            | 5%                | 3.9%                              |
| Real Estate                 | 7%                | 5.1%                              |
| Private equity              | 11%               | 7.6%                              |
| Alternative investments     | 8%                | 4.1%                              |
| Cash                        | 6%                | 0.4%                              |
| Total                       | 100.00%           |                                   |

**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%<br>Decrease<br>7.50% | Current<br>Discount Rate<br>8.50% | 1%<br>Increase<br>9.50% |
|---|-------------------------|-----------------------------------|-------------------------|
| State's share of NPL associated with the Town | \$ 38,332,419           | \$ 30,396,474                     | \$ 23,650,862           |

**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 \$30,396,474 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, 2016, the Town recognized \$2,435,523 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<br/>Medical<br/>Program</u> |
|--|--|
| Annual required contribution               | \$ 299,947                             |
| Interest on net OPEB obligation            | 86,306                                 |
| Adjustment to annual required contribution | (120,002)                              |
| Annual pension cost                        | 266,251                                |
| Contributions made                         | 88,756                                 |
| Increase in net OPEB obligation            | 177,495                                |
| Net OPEB obligation, July 1, 2015          | 2,157,643                              |
| Net OPEB obligation, June 30, 2016         | <u>\$ 2,335,138</u>                    |

*Schedule of Employer Contributions*

|         | Annual<br>Required<br>Contributions<br>(ARC) | Actual<br>Contribution | Percentage<br>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%                     |
| 6/30/16 | 299,947                                      | 88,756                 | 29.6%                     |

**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, 2016 is presented below:

|           | Annual<br>OPEB Cost<br>(AOC) | Actual<br>Contribution | Percentage<br>of AOC<br>Contributed | Net OPEB<br>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              |
| 6/30/2016 | 266,251                      | 88,756                 | 33%                                 | 2,335,138              |

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<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(b) | Underfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br>((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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- 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.

- 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.

## Town of Redding, Connecticut

### Notes to Financial Statements

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

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. Earlier application is encouraged.

- GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- GASB Statement No. 81, Irrevocable Split-Interest Agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

**Town of Redding, Connecticut**

**Notes to Financial Statements**

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

- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

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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, 2016

RSI-1

|  | Budgeted Amounts  |                   | Actual            | Variance With   |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Original          | Final             | Budgetary Basis   | Final Budget    |
| <b>Property taxes:</b>                 |                   |                   |                   |                 |
| Property taxes, current and prior      | \$ 44,950,865     | \$ 44,950,865     | \$ 45,252,748     | \$ 301,883      |
| Interest and lien fees                 | 186,412           | 186,412           | 195,651           | 9,239           |
| <b>Total taxes, liens and interest</b> | <b>45,137,277</b> | <b>45,137,277</b> | <b>45,448,399</b> | <b>311,122</b>  |
| <b>Intergovernmental:</b>              |                   |                   |                   |                 |
| Educational assistance grants:         |                   |                   |                   |                 |
| ECS grant                              | 515,800           | 515,800           | 449,468           | (66,332)        |
| Adult education                        | 459               | 459               | 538               | 79              |
| Regional School District No. 9         | 171,933           | 171,933           | 153,033           | (18,900)        |
| <b>Total educational assistance</b>    | <b>688,192</b>    | <b>688,192</b>    | <b>603,039</b>    | <b>(85,153)</b> |
| Town assistance grants:                |                   |                   |                   |                 |
| In lieu of taxes - State property      | 168,081           | 168,081           | 93,294            | (74,787)        |
| Tax relief circuit breaker             | 22,700            | 22,700            | 30,853            | 8,153           |
| Disability exemption                   | 246               | 246               | 292               | 46              |
| Veterans' exemption                    | 1,116             | 1,116             | 1,388             | 272             |
| Telephone access line grant            | 25,000            | 25,000            | 28,856            | 3,856           |
| Mashantucket Pequot Grant              | 11,103            | 11,103            | 11,645            | 542             |
| Unclassified revenue                   | -                 | -                 | 53,360            | 53,360          |
| Grants                                 | -                 | -                 | 50,743            | 50,743          |
| <b>Total town assistance grants</b>    | <b>228,246</b>    | <b>228,246</b>    | <b>270,431</b>    | <b>42,185</b>   |
| <b>Total intergovernmental</b>         | <b>916,438</b>    | <b>916,438</b>    | <b>873,470</b>    | <b>(42,968)</b> |
| <b>Other:</b>                          |                   |                   |                   |                 |
| AT&T Tower                             | 26,568            | 26,568            | 33,103            | 6,535           |
| BAN premium                            | -                 | -                 | 6,195             | 6,195           |
| Investment income                      | 22,500            | 22,500            | 48,588            | 26,088          |
| <b>Total other</b>                     | <b>49,068</b>     | <b>49,068</b>     | <b>87,886</b>     | <b>38,818</b>   |
| <b>Charges for services:</b>           |                   |                   |                   |                 |
| Town Clerk                             | 266,000           | 266,000           | 315,244           | 49,244          |
| Assessor                               | 1,200             | 1,200             | 622               | (578)           |
| Conservation                           | 5,000             | 5,000             | 5,270             | 270             |
| Heritage Center                        | 10,000            | 10,000            | 12,300            | 2,300           |
| Planning Commission                    | 1,200             | 1,200             | 10                | (1,190)         |
| Zoning Commission                      | 70,000            | 70,000            | 56,620            | (13,380)        |
| Zoning Board of Appeals                | 1,000             | 1,000             | 1,100             | 100             |
| Building Inspection                    | 175,000           | 175,000           | 217,342           | 42,342          |
| Transfer station                       | 172,000           | 172,000           | 148,962           | (23,038)        |
| Sanitarian                             | 12,000            | 12,000            | 12,445            | 445             |
| Parks and Recreation                   | 3,700             | 3,700             | 2,660             | (1,040)         |
| Fiber optics                           | 13,864            | 13,864            | 3,025             | (10,839)        |
| Proceeds                               | -                 | -                 | 29,678            | 29,678          |
| Rental of Town property                | 7,605             | 7,605             | 7,606             | 1               |

(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, 2016

RSI-1

|                                   | Budgeted Amounts     |                      | Actual<br>Budgetary<br>Basis | Variance With<br>Final Budget |
|-----------------------------------|----------------------|----------------------|------------------------------|-------------------------------|
|                                   | Original             | Final                |                              |                               |
| Charges for services (continued): |                      |                      |                              |                               |
| Summer Camp                       | \$ 210,000           | \$ 210,000           | \$ 212,952                   | \$ 2,952                      |
| Rec Program                       | 156,000              | 156,000              | 150,291                      | (5,709)                       |
| Topstone Park                     | 36,500               | 36,500               | 43,402                       | 6,902                         |
| Tennis Courts                     | 12,000               | 12,000               | 4,676                        | (7,324)                       |
| Extended Day                      | 200,000              | 200,000              | 162,775                      | (37,225)                      |
| Appropriation of Fund Balance     | 340,150              | 340,150              | -                            | (340,150)                     |
| <b>Total charges for services</b> | <u>1,693,219</u>     | <u>1,693,219</u>     | <u>1,386,980</u>             | <u>(306,239)</u>              |
| <br>                              |                      |                      |                              |                               |
| <b>Total revenues</b>             | <u>\$ 47,796,002</u> | <u>\$ 47,796,002</u> | 47,796,735                   | <u>\$ 733</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

2,497,000

Special education excess cost grant is recorded gross for GAAP

416,021

The Town does not budget for capital leases issuances in the general fund.

These amounts are recorded as revenue and expenditures for GAAP financial statement purposes.

242,252

Effect of refunding

7,192,965

**Total revenues and other financing sources as reported  
 on the statement of revenues, expenditures and changes in  
 fund balances - governmental funds - Exhibit IV**

\$ 58,144,973

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, 2016

RSI-2

|   | Original         | Transfers and<br>Additional<br>Appropriations | Final<br>Budget  | Actual           | Variance With<br>Final Budget |
|---|------------------|---|------------------|------------------|-------------------------------|
| General Government:                       |                  |   |                  |                  |                               |
| Town meetings                             | \$ 1,300         | \$ -  | \$ 1,300         | \$ 473           | \$ 827                        |
| Board of selectmen                        | 170,443          | 3,948   | \$ 174,391       | 166,132          | 8,259                         |
| Probate court                             | 2,300            | -   | 2,300            | 2,472            | (172)                         |
| Registrar's office                        | 40,967           | 806   | 41,773           | 48,064           | (6,291)                       |
| Controller's office                       | 260,227          | 11,221  | 271,448          | 260,724          | 10,724                        |
| Independent audit                         | 42,000           | -   | 42,000           | 38,708           | 3,292                         |
| Assessor's office                         | 158,512          | 8,365   | 166,877          | 159,298          | 7,579                         |
| Assessor's other                          | 1,000            | -   | 1,000            | -                | 1,000                         |
| Board of assessment appeals               | 800              | -   | 800              | 540              | 260                           |
| Tax collector                             | 161,702          | 6,693   | 168,395          | 159,854          | 8,541                         |
| Town treasurer                            | 23,828           | 336   | 24,164           | 30,408           | (6,244)                       |
| Computer capability                       | 49,000           | -   | 49,000           | 47,004           | 1,996                         |
| Management services                       | 28,508           | -   | 28,508           | 22,378           | 6,130                         |
| Special legal                             | 200,000          | -   | 200,000          | 213,940          | (13,940)                      |
| Town clerk                                | 147,941          | 3,408   | 151,349          | 155,530          | (4,181)                       |
| Annual town report                        | 4,500            | -   | 4,500            | 4,355            | 145                           |
| Board of ethics                           | 425              | -   | 425              | -                | 425                           |
| Conservation                              | 57,973           | 904   | 58,877           | 43,723           | 15,154                        |
| Heritage Center                           | 170,443          | 3,209   | 173,652          | 169,813          | 3,839                         |
| Heritage Center senior bus                | 36,350           | 773   | 37,123           | 35,573           | 1,550                         |
| Town planning commission                  | 36,570           | -   | 36,570           | 17,527           | 19,043                        |
| HVCEO                                     | 11,092           | -   | 11,092           | 11,092           | -                             |
| Zoning commission                         | 78,085           | 2,020   | 80,105           | 70,890           | 9,215                         |
| Zoning board of appeals                   | 1,600            | -   | 1,600            | 1,185            | 415                           |
| Council of small towns                    | 825              | -   | 825              | 850              | (25)                          |
| Land use services                         | 105,042          | 2,525   | 107,567          | 104,402          | 3,165                         |
| Office of tree warden                     | 1,500            | -   | 1,500            | 1,500            | -                             |
| Town office building                      | 46,500           | 481   | 46,981           | 47,650           | (669)                         |
| Old town house                            | 7,520            | -   | 7,520            | 8,399            | (879)                         |
| Town office building annex                | 3,000            | -   | 3,000            | 2,647            | 353                           |
| Community center                          | 208,504          | 7,468   | 215,972          | 213,843          | 2,129                         |
| Police headquarters/communications center | 17,000           | -   | 17,000           | 19,438           | (2,438)                       |
| Administrative services                   | 755,099          | -   | 755,099          | 713,665          | 41,434                        |
| Cemeteries                                | 9,000            | -   | 9,000            | 9,925            | (925)                         |
| Insurance                                 | 157,300          | -   | 157,300          | 154,988          | 2,312                         |
| Agencies serving residents                | 10,000           | -   | 10,000           | 6,120            | 3,880                         |
| Provision of contingencies                | 90,000           | (89,910)                                      | 90               | -                | 90                            |
| <b>Total general government</b>           | <b>3,096,856</b> | <b>(37,753)</b>                               | <b>3,059,103</b> | <b>2,943,110</b> | <b>115,993</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, 2016

RSI-2

|   | Original         | Transfers and<br>Additional<br>Appropriations | Final<br>Budget  | Actual           | Variance With<br>Final Budget |
|---|------------------|---|------------------|------------------|-------------------------------|
| <b>Public Safety:</b>                                 |                  |   |                  |                  |                               |
| Police Department - salaries and related expenses     | \$ 1,557,428     | \$ 8,719                                      | \$ 1,566,147     | \$ 1,513,762     | \$ 52,385                     |
| Police Department - contractual services and expenses | 156,000          | -   | 156,000          | 158,916          | (2,916)                       |
| Police Department - maintenance of vehicles           | 32,000           | -   | 32,000           | 25,984           | 6,016                         |
| Volunteer fire companies                              | 116,000          | -   | 116,000          | 121,922          | (5,922)                       |
| Building inspections                                  | 199,589          | 6,847   | 206,436          | 205,333          | 1,103                         |
| Communications Center                                 | 326,315          | 1,570   | 327,885          | 338,835          | (10,950)                      |
| Dog Licenses  | 54,038           | -   | 54,038           | 56,704           | (2,666)                       |
| <b>Total public safety</b>                            | <b>2,441,370</b> | <b>17,136</b>                                 | <b>2,458,506</b> | <b>2,421,456</b> | <b>37,050</b>                 |
| <b>Highway and Streets:</b>                           |                  |   |                  |                  |                               |
| Wages-regular, overtime and seasonal                  | 857,648          | 7,879   | 865,527          | 834,139          | 31,388                        |
| General maintenance and repair                        | 237,300          | -   | 237,300          | 225,551          | 11,749                        |
| Snow removal and ice control                          | 219,000          | -   | 219,000          | 216,630          | 2,370                         |
| Equipment maintenance and repair                      | 88,000           | -   | 88,000           | 93,516           | (5,516)                       |
| Town garage buildings                                 | 17,000           | -   | 17,000           | 21,483           | (4,483)                       |
| <b>Total highway and streets</b>                      | <b>1,418,948</b> | <b>7,879</b>                                  | <b>1,426,827</b> | <b>1,391,319</b> | <b>35,508</b>                 |
| <b>Transfer Station and Recycling:</b>                |                  |   |                  |                  |                               |
| Salaries  | 150,857          | 4,356   | 155,213          | 150,371          | 4,842                         |
| General maintenance                                   | 123,800          | -   | 123,800          | 93,882           | 29,918                        |
| Equipment maintenance                                 | 8,000            | -   | 8,000            | 7,117            | 883                           |
| <b>Total transfers station and recycling</b>          | <b>282,657</b>   | <b>4,356</b>                                  | <b>287,013</b>   | <b>251,370</b>   | <b>35,643</b>                 |
| <b>Health and Social Services:</b>                    |                  |   |                  |                  |                               |
| Sanitarian inspection                                 | 99,295           | 2,317   | 101,612          | 96,419           | 5,193                         |
| Social services                                       | 21,024           | -   | 21,024           | 21,061           | (37)                          |
| <b>Total health and social services</b>               | <b>120,319</b>   | <b>2,317</b>                                  | <b>122,636</b>   | <b>117,480</b>   | <b>5,156</b>                  |
| <b>Mark Twain Library:</b>                            |                  |   |                  |                  |                               |
| Operations  | 489,950          | -   | 489,950          | 489,950          | -                             |
| <b>Parks and Recreation:</b>                          |                  |   |                  |                  |                               |
| Field maintenance                                     | 74,700           | -   | 74,700           | 68,878           | 5,822                         |
| Administration  | 206,974          | 4,234   | 211,208          | 217,868          | (6,660)                       |
| Summer camp   | 186,700          | -   | 186,700          | 198,958          | (12,258)                      |
| Recreation programs                                   | 161,700          | -   | 161,700          | 178,921          | (17,221)                      |
| Topstone park   | 124,668          | -   | 124,668          | 118,103          | 6,565                         |
| Tennis courts   | 24,000           | -   | 24,000           | 16,521           | 7,479                         |
| Extended day service                                  | 171,336          | 1,831   | 173,167          | 156,404          | 16,763                        |
| <b>Total parks and recreation</b>                     | <b>950,078</b>   | <b>6,065</b>                                  | <b>956,143</b>   | <b>955,653</b>   | <b>490</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, 2016

RSI-2

|   | Original          | Transfers and<br>Additional<br>Appropriations | Final<br>Budget   | Actual            | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|---|-------------------|-------------------|---|
| Employee Benefits                       | \$ 3,040,400      | \$ -  | \$ 3,040,400      | \$ 2,718,470      | \$ 321,930  |
| Capital Outlay:                         |                   |   |                   |                   |   |
| Selectmen's general maintenance         | 6,000             | -   | 6,000             | 5,994             | 6   |
| Debt Service:                           |                   |   |                   |                   |   |
| Debt retirement                         | 1,781,543         | -   | 1,781,543         | 1,803,493         | (21,950)  |
| Interest payments                       | 472,297           | -   | 472,297           | 479,684           | (7,387)   |
| Transfers                               | 60,000            | -   | 60,000            | 60,000            | -   |
| <b>Total debt service</b>               | <b>2,313,840</b>  | <b>-</b>                                      | <b>2,313,840</b>  | <b>2,343,177</b>  | <b>(29,337)</b>   |
| Education:                              |                   |   |                   |                   |   |
| Redding Board of Education:             |                   |   |                   |                   |   |
| General instruction                     | 9,861,203         | (53,354)                                      | 9,807,849         | 9,961,484         | (153,635)   |
| Kindergarten                            | 11,125            | (1,000)                                       | 10,125            | 7,838             | 2,287   |
| Humanities                              | 67,782            | (760)   | 67,022            | 52,685            | 14,337  |
| Integrated language arts                | 34,657            | (358)   | 34,299            | 32,228            | 2,071   |
| Curriculum                              | 69,472            | 600   | 70,072            | 70,364            | (292)   |
| Industrial technology                   | 11,057            | -   | 11,057            | 11,008            | 49  |
| Science/math technology                 | 52,755            | (1,338)                                       | 51,417            | 46,360            | 5,057   |
| Physical education/health               | 16,970            | 532   | 17,502            | 16,216            | 1,286   |
| Student activity co-curricular          | 103,559           | (2,000)                                       | 101,559           | 87,244            | 14,315  |
| Special services                        | 30,100            | -   | 30,100            | 14,989            | 15,111  |
| Special education                       | 4,858,792         | 28,761  | 4,887,553         | 4,908,232         | (20,679)  |
| Guidance                                | 2,959             | 385   | 3,344             | 3,052             | 292   |
| Health services                         | 215,239           | 2,633   | 217,872           | 199,685           | 18,187  |
| Psychological services                  | 17,650            | -   | 17,650            | 13,622            | 4,028   |
| Speech services                         | 10,400            | -   | 10,400            | 4,627             | 5,773   |
| Educational media services              | 61,220            | (5,514)                                       | 55,706            | 50,315            | 5,391   |
| Technology plan                         | 476,936           | 10,554  | 487,490           | 528,711           | (41,221)  |
| Board of Education                      | 117,129           | -   | 117,129           | 69,783            | 47,346  |
| Central administration                  | 538,302           | (307)   | 537,995           | 537,995           | -   |
| Magnet school                           | 61,852            | -   | 61,852            | 65,001            | (3,149)   |
| School administration                   | 1,304,630         | 8,450   | 1,313,080         | 1,255,556         | 57,524  |
| Operation/maintenance physical plant    | 2,285,787         | 43,674  | 2,329,461         | 2,236,310         | 93,151  |
| Student transportation                  | 1,084,924         | (30,678)                                      | 1,054,246         | 1,036,167         | 18,079  |
| Food service                            | 5,500             | (280)   | 5,220             | 5,265             | (45)  |
| <b>Total Redding Board of Education</b> | <b>21,300,000</b> | <b>-</b>                                      | <b>21,300,000</b> | <b>21,214,737</b> | <b>85,263</b>   |
| Regional School District No. 9          | 12,335,584        | -   | 12,335,584        | 12,335,584        | -   |
| <b>Total education</b>                  | <b>33,635,584</b> | <b>-</b>                                      | <b>33,635,584</b> | <b>33,550,321</b> | <b>85,263</b>   |
| <b>Total expenditures</b>               | <b>47,796,002</b> | <b>-</b>                                      | <b>47,796,002</b> | <b>47,188,300</b> | <b>607,702</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, 2016

RSI-2

|   | Original             | Transfers and<br>Additional<br>Appropriations | Final<br>Budget      | Actual               | Variance With<br>Final Budget |
|---|----------------------|---|----------------------|----------------------|-------------------------------|
| <b>Total expenditures and<br/>other financing uses</b>  | <u>\$ 47,796,002</u> | <u>\$ -</u>                                   | <u>\$ 47,796,002</u> | \$ 47,188,300        | <u>\$ 607,702</u>             |
| Budgetary expenditures are different than GAAP expenditures because:  |                      |   |                      |                      |                               |
| State of Connecticut on-behalf payments to the Connecticut State<br>Teachers' Retirement System for Town teachers are not budgeted  |                      |   |                      | 2,497,000            |                               |
| Special education excess cost grant is recorded gross for GAAP  |                      |   |                      | 416,021              |                               |
| The Town does not budget for capital leases issuances in the general fund.<br>These amounts are recorded as revenue and expenditures for GAAP financial statement<br>purposes.                            |                      |   |                      | 242,252              |                               |
| Effect of refunding, net  |                      |   |                      | 7,192,965            |                               |
| Encumbrances for purchases and commitments ordered but not received are reported<br>in the year the order is placed for budgetary purposes, but in the year incurred<br>for financial reporting purposes. |                      |   |                      | <u>(208,995)</u>     |                               |
| <b>Total expenditures and other financing uses as reported on the<br/>statement of revenues, expenditures and changes in fund<br/>balances - governmental funds - Exhibit IV</b>                          |                      |   |                      | <u>\$ 57,327,543</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 were no 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  
Last Eight Fiscal Years**

| <i>Schedule of Funding Progress - OPEB</i> |  |  |                                     |                              |                           |   |
|--|--|--|-------------------------------------|------------------------------|---------------------------|---|
| Actuarial<br>Valuation<br>Date<br>July 1   | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>(b) | (Under)<br>Funded<br>(AAL)<br>(a-b) | Funded AAL<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Over/Under<br>Funded AAL<br>as a % of<br>Covered Payroll<br>((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%   |
| 7/1/2016                                   | -                                      | 3,085,169                                      | 3,085,169                           | 0%                           | 13,950,789                | 22%   |

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

| <i>Schedule of Employer Contributions - OPEB</i> |                                    |                           |                        |
|--|------------------------------------|---------------------------|------------------------|
| Year<br>Ended                                    | Annual<br>Required<br>Contribution | Percentage<br>Contributed | Actual<br>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                |
| 2016   | 299,947                            | 30%                       | 88,756                 |

Town of Redding, Connecticut

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**Required Supplementary Information – unaudited  
Schedule of Contributions – MERS Pension Plan  
Last Two Fiscal Years**

| Measurement Period Ended June 30,                                    | 2016         | 2015         |
|--|--------------|--------------|
| Actuarially Determined Contribution                                  | \$ 1,131,728 | \$ 870,369   |
| Contributions in Relation to the Actuarially Determined Contribution | 1,131,728    | 870,369      |
| <b>Contribution deficiency (excess)</b>                              | <b>\$ -</b>  | <b>\$ -</b>  |
| Covered-employee Payroll   | \$ 6,859,281 | \$ 6,859,281 |
| Contributions as a Percentage of Covered-employee Payroll            | 16.50%       | 12.69%       |

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability – MERS Pension Plan**  
**Last Two Fiscal Years**

|  | 2016         | 2015         |
|--|--------------|--------------|
| Town's proportion of the net pension liability   | 6.40%        | 6.40%        |
| Town's proportionate share of the net pension liability  | \$ 4,469,285 | \$ 3,405,997 |
| Town's covered-employee payroll  | 6,859,281    | 6,859,281    |
| Town's proportionate share of the net pension liability<br>as a percentage of its covered-employee payroll | 65.16%       | 49.66%       |
| Plan fiduciary net position as a percentage of the total<br>pension liability                              | 92.72%       | 90.48%       |

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

|   | 2016       | 2015       |
|---|------------|------------|
| Town's proportion of the net pension liability  | 0.00%      | 0.00%      |
| Town's proportionate share of the net pension liability   | \$ -       | \$ -       |
| State's proportionate share of the net pension liability associated with the Town                       | 30,396,474 | 28,095,448 |
| Town's covered-employee payroll   | 11,298,533 | 10,103,000 |
| Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 0.00%      | 0.00%      |
| Plan fiduciary net position as a percentage of the total pension liability                              | 59.50%     | 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, 2016**

---

**Assets**

|  |                          |
|--|--------------------------|
| Cash and cash equivalents  | \$ 12,244,513            |
| Uncollected property taxes, net of allowance for uncollectible amounts | 4,140,044                |
| Accounts receivable  | 130,338                  |
| Due from other funds   | 227,484                  |
| Other  | 63,711                   |
| Inventory  | 2,549                    |
| Advances to other funds  | 1,675,745                |
| <b>Total assets</b>  | <u><u>18,484,384</u></u> |

**Liabilities, Deferred Inflows of Resources and Fund Balances**

Liabilities:

|                                       |                         |
|---------------------------------------|-------------------------|
| Accounts and other payables           | 1,548,499               |
| Due to other governments              | 2,419                   |
| Due to Regional School District No. 9 | 733,989                 |
| Due to other funds                    | 311,781                 |
| <b>Total liabilities</b>              | <u><u>2,596,688</u></u> |

Deferred inflows of resources:

|                     |                  |
|---------------------|------------------|
| Unavailable revenue | <u>6,581,544</u> |
|---------------------|------------------|

Fund balances:

|                           |                         |
|---------------------------|-------------------------|
| Nonspendable              | 1,742,005               |
| Committed                 | 200,000                 |
| Assigned                  | 224,909                 |
| Unassigned                | 7,139,238               |
| <b>Total fund balance</b> | <u><u>9,306,152</u></u> |

|  |                             |
|--|-----------------------------|
| <b>Total liabilities, deferred inflows of resources and fund balance</b> | <u><u>\$ 18,484,384</u></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                      |
| 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             |
| Miscellaneous Funds               | State grants               | All other projects              |

### 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 Streetscape        | 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, 2016

|  | Special Revenue Funds |                  |                 |                                |
|--|-----------------------|------------------|-----------------|--------------------------------|
|  | Town Aid<br>Road      | Police<br>Funds  | Dog<br>Fund     | Federal<br>Education<br>Grants |
| <b>Assets</b>  |                       |                  |                 |                                |
| Cash   | \$ 127,898            | \$ 54,128        | \$ 9,929        | \$ 57,236                      |
| Sewer Assessments  | -                     | -                | -               | -                              |
| Accounts Receivable  | -                     | -                | -               | 2,000                          |
| Due from Other Funds   | -                     | -                | -               | -                              |
| <b>Total assets</b>  | <b>127,898</b>        | <b>54,128</b>    | <b>9,929</b>    | <b>59,236</b>                  |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>                          |                       |                  |                 |                                |
| Liabilities:   |                       |                  |                 |                                |
| Accounts payable   | -                     | 1,036            | 251             | -                              |
| Due to other funds   | -                     | -                | -               | -                              |
| Bond anticipation notes  | -                     | -                | -               | -                              |
| Unearned revenue   | -                     | -                | -               | -                              |
| <b>Total liabilities</b>   | <b>-</b>              | <b>1,036</b>     | <b>251</b>      | <b>-</b>                       |
| Deferred Inflows of resources:   |                       |                  |                 |                                |
| Unavailable revenue  | -                     | -                | -               | -                              |
| Fund balances:   |                       |                  |                 |                                |
| Restricted   | 127,898               | -                | -               | 59,236                         |
| Committed  | -                     | 53,092           | 9,678           | -                              |
| Unassigned   | -                     | -                | -               | -                              |
| <b>Total fund balances (deficits)</b>  | <b>127,898</b>        | <b>53,092</b>    | <b>9,678</b>    | <b>59,236</b>                  |
| <b>Total liabilities,<br/>deferred inflows of resources<br/>and fund balances (deficits)</b> | <b>\$ 127,898</b>     | <b>\$ 54,128</b> | <b>\$ 9,929</b> | <b>\$ 59,236</b>               |

| Special Revenue Funds          |                  |                      |                                     |                                       |                         |  |
|--------------------------------|------------------|----------------------|-------------------------------------|---------------------------------------|-------------------------|--|
| Parking<br>Permits/Lot<br>Fund | Recycling        | Sewer<br>Assessments | Parks and<br>Recreation<br>Concerts | Parks and<br>Recreation<br>Basketball | Miscellaneous<br>Grants |  |
| \$ 12,726                      | \$ 18,344        | \$ 6,523             | \$ 4,130                            | \$ 820                                | \$ 42,149               |  |
| -                              | -                | 5,506                | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| <u>12,726</u>                  | <u>18,344</u>    | <u>12,029</u>        | <u>4,130</u>                        | <u>820</u>                            | <u>42,149</u>           |  |
| 649                            | 394              | -                    | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | 20,000                  |  |
| <u>649</u>                     | <u>394</u>       | <u>-</u>             | <u>-</u>                            | <u>-</u>                              | <u>20,000</u>           |  |
| -                              | -                | 5,506                | -                                   | -                                     | -                       |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| 12,077                         | 17,950           | 6,523                | 4,130                               | 820                                   | 22,149                  |  |
| -                              | -                | -                    | -                                   | -                                     | -                       |  |
| <u>12,077</u>                  | <u>17,950</u>    | <u>6,523</u>         | <u>4,130</u>                        | <u>820</u>                            | <u>22,149</u>           |  |
| <u>\$ 12,726</u>               | <u>\$ 18,344</u> | <u>\$ 12,029</u>     | <u>\$ 4,130</u>                     | <u>\$ 820</u>                         | <u>\$ 42,149</u>        |  |

(Continued)

Town of Redding, Connecticut

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2016

|  | Special Revenue Funds |                  |                  |                     |                   |
|--|-----------------------|------------------|------------------|---------------------|-------------------|
|  | Parade Path           | Social Services  | GIS              | Miscellaneous Funds | Total             |
| <b>Assets</b>  |                       |                  |                  |                     |                   |
| Cash   | \$ 10,421             | \$ 14,227        | \$ 46,449        | \$ 17,748           | \$ 422,728        |
| Sewer Assessments  | -                     | -                | -                | -                   | 5,506             |
| Accounts Receivable  | -                     | -                | -                | -                   | 2,000             |
| Due From Other Funds   | -                     | -                | -                | -                   | -                 |
| <b>Total assets</b>  | <b>10,421</b>         | <b>14,227</b>    | <b>46,449</b>    | <b>17,748</b>       | <b>430,234</b>    |
| <b>Liabilities, Deferred Inflows and Fund Balances</b>                               |                       |                  |                  |                     |                   |
| Liabilities:   |                       |                  |                  |                     |                   |
| Accounts payable   | 119                   | -                | 2,999            | -                   | 5,448             |
| Due to other funds   | -                     | -                | -                | -                   | -                 |
| Bond anticipation notes  | -                     | -                | -                | -                   | -                 |
| Unearned revenue   | -                     | -                | -                | -                   | 20,000            |
| <b>Total liabilities</b>   | <b>119</b>            | <b>-</b>         | <b>2,999</b>     | <b>-</b>            | <b>25,448</b>     |
| Deferred inflows:  |                       |                  |                  |                     |                   |
| Unavailable revenue  | -                     | -                | -                | -                   | 5,506             |
| Fund balances:   |                       |                  |                  |                     |                   |
| Restricted   | -                     | -                | -                | -                   | 187,134           |
| Committed  | 10,302                | 14,227           | 43,450           | 17,748              | 212,146           |
| Unassigned   | -                     | -                | -                | -                   | -                 |
| <b>Total fund balances (deficits)</b>  | <b>10,302</b>         | <b>14,227</b>    | <b>43,450</b>    | <b>17,748</b>       | <b>399,280</b>    |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 10,421</b>      | <b>\$ 14,227</b> | <b>\$ 46,449</b> | <b>\$ 17,748</b>    | <b>\$ 430,234</b> |

| Capital Projects Funds |                     |                 |                         |                        |                       |                     | Total Nonmajor Governmental Funds |
|------------------------|---------------------|-----------------|-------------------------|------------------------|-----------------------|---------------------|-----------------------------------|
| Georgetown Streetscape | Communication Tower | Athletic Fields | Georgetown Intersection | School Bonded Projects | Reserve Fund for CNRE | Total               |                                   |
| \$ -                   | \$ 130,917          | \$ 4            | \$ -                    | \$ -                   | \$ 993,874            | \$ 1,124,795        | \$ 1,547,523                      |
| -                      | -                   | -               | -                       | -                      | -                     | -                   | 5,506                             |
| -                      | -                   | -               | 24,000                  | -                      | -                     | 24,000              | 26,000                            |
| 13,392                 | -                   | -               | -                       | -                      | -                     | 13,392              | 13,392                            |
| <u>13,392</u>          | <u>130,917</u>      | <u>4</u>        | <u>24,000</u>           | <u>-</u>               | <u>993,874</u>        | <u>1,162,187</u>    | <u>1,592,421</u>                  |
| -                      | 85,885              | -               | -                       | -                      | -                     | 85,885              | 91,333                            |
| -                      | -                   | -               | 227,482                 | -                      | -                     | 227,482             | 227,482                           |
| -                      | 423,000             | -               | -                       | 507,300                | -                     | 930,300             | 930,300                           |
| -                      | -                   | -               | -                       | -                      | -                     | -                   | 20,000                            |
| -                      | <u>508,885</u>      | -               | <u>227,482</u>          | <u>507,300</u>         | -                     | <u>1,243,667</u>    | <u>1,269,115</u>                  |
| -                      | -                   | -               | 24,000                  | -                      | -                     | 24,000              | 29,506                            |
| 13,392                 | -                   | -               | -                       | -                      | -                     | 13,392              | 200,526                           |
| -                      | -                   | 4               | -                       | -                      | 993,874               | 993,878             | 1,206,024                         |
| -                      | (377,968)           | -               | (227,482)               | (507,300)              | -                     | (1,112,750)         | (1,112,750)                       |
| <u>13,392</u>          | <u>(377,968)</u>    | <u>4</u>        | <u>(227,482)</u>        | <u>(507,300)</u>       | <u>993,874</u>        | <u>(105,480)</u>    | <u>293,800</u>                    |
| <u>\$ 13,392</u>       | <u>\$ 130,917</u>   | <u>\$ 4</u>     | <u>\$ 24,000</u>        | <u>\$ -</u>            | <u>\$ 993,874</u>     | <u>\$ 1,162,187</u> | <u>\$ 1,592,421</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, 2016

|  | Special Revenue Funds |                 |                |                                |
|--|-----------------------|-----------------|----------------|--------------------------------|
|  | Town Aid<br>Road      | Police<br>Funds | Dog<br>Fund    | Federal<br>Education<br>Grants |
| Revenues:                                      |                       |                 |                |                                |
| Intergovernmental                              | \$ 269,265            | \$ 8,668        | \$ -           | \$ 276,735                     |
| Investment income                              | -                     | -               | -              | -                              |
| Charges for services                           | -                     | 12,795          | 10,325         | -                              |
| Miscellaneous                                  | -                     | 983             | -              | -                              |
| <b>Total revenues</b>                          | <b>269,265</b>        | <b>22,446</b>   | <b>10,325</b>  | <b>276,735</b>                 |
| Expenditures:                                  |                       |                 |                |                                |
| Current:                                       |                       |                 |                |                                |
| General government                             | -                     | -               | -              | -                              |
| Public safety                                  | -                     | -               | 16,257         | -                              |
| Highways and streets                           | -                     | -               | -              | -                              |
| Health and social services                     | -                     | -               | -              | -                              |
| Education                                      | -                     | -               | -              | 266,625                        |
| Parks and recreation                           | -                     | -               | -              | -                              |
| Capital outlay                                 | 248,750               | 34,773          | -              | -                              |
| <b>Total expenditures</b>                      | <b>248,750</b>        | <b>34,773</b>   | <b>16,257</b>  | <b>266,625</b>                 |
| <b>Revenues over (under)<br/>expenditures</b>  | <b>20,515</b>         | <b>(12,327)</b> | <b>(5,932)</b> | <b>10,110</b>                  |
| Other financing sources:                       |                       |                 |                |                                |
| Transfers in                                   | -                     | -               | -              | -                              |
| <b>Total other financing sources</b>           | <b>-</b>              | <b>-</b>        | <b>-</b>       | <b>-</b>                       |
| Fund balances (deficits), beginning of<br>year | 107,383               | 65,419          | 15,610         | 49,126                         |
| Fund balances (deficits), end of year          | \$ 127,898            | \$ 53,092       | \$ 9,678       | \$ 59,236                      |

| Special Revenue Funds    |           |                   |                               |                                 |                      |
|--------------------------|-----------|-------------------|-------------------------------|---------------------------------|----------------------|
| Parking Permits/Lot Fund | Recycling | Sewer Assessments | Parks and Recreation Concerts | Parks and Recreation Basketball | Miscellaneous Grants |
| \$ -                     | \$ -      | \$ -              | \$ -                          | \$ -                            | \$ -                 |
| -                        | -         | -                 | -                             | -                               | -                    |
| 28,820                   | 2,905     | -                 | 6,742                         | 820                             | -                    |
| -                        | -         | -                 | -                             | -                               | -                    |
| 28,820                   | 2,905     | -                 | 6,742                         | 820                             | -                    |
| 19,972                   | -         | 6,432             | -                             | -                               | -                    |
| -                        | -         | -                 | -                             | -                               | -                    |
| -                        | 4,224     | -                 | -                             | -                               | -                    |
| -                        | -         | -                 | -                             | -                               | 1,031                |
| -                        | -         | -                 | 5,250                         | 13,869                          | -                    |
| -                        | -         | -                 | -                             | -                               | -                    |
| 19,972                   | 4,224     | 6,432             | 5,250                         | 13,869                          | 1,031                |
| 8,848                    | (1,319)   | (6,432)           | 1,492                         | (13,049)                        | (1,031)              |
| -                        | -         | -                 | -                             | -                               | -                    |
| -                        | -         | -                 | -                             | -                               | -                    |
| 3,229                    | 19,269    | 12,955            | 2,638                         | 13,869                          | 23,180               |
| \$ 12,077                | \$ 17,950 | \$ 6,523          | \$ 4,130                      | \$ 820                          | \$ 22,149            |

(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, 2016

|   | Special Revenue Funds |                 |                |                     |                 |
|---|-----------------------|-----------------|----------------|---------------------|-----------------|
|   | Parade Path           | Social Services | GIS            | Miscellaneous Funds | Total           |
| Revenues:                                   |                       |                 |                |                     |                 |
| Intergovernmental                           | \$ -                  | \$ -            | \$ -           | \$ -                | \$ 554,668      |
| Investment income                           | -                     | -               | -              | -                   | -               |
| Charges for services                        | 6,229                 | 10,811          | -              | 225                 | 79,672          |
| Miscellaneous                               | -                     | -               | -              | -                   | 983             |
| <b>Total revenues</b>                       | <b>6,229</b>          | <b>10,811</b>   | <b>-</b>       | <b>225</b>          | <b>635,323</b>  |
| Expenditures:                               |                       |                 |                |                     |                 |
| Current:                                    |                       |                 |                |                     |                 |
| General government                          | -                     | 6,292           | 6,899          | 40,930              | 80,525          |
| Public safety                               | -                     | -               | -              | -                   | 16,257          |
| Highways and streets                        | -                     | -               | -              | -                   | 4,224           |
| Health and social services                  | -                     | -               | -              | -                   | 1,031           |
| Education                                   | -                     | -               | -              | -                   | 266,625         |
| Parks and recreation                        | 6,393                 | -               | -              | -                   | 25,512          |
| Capital outlay                              | -                     | -               | -              | -                   | 283,523         |
| <b>Total expenditures</b>                   | <b>6,393</b>          | <b>6,292</b>    | <b>6,899</b>   | <b>40,930</b>       | <b>677,697</b>  |
| <b>Revenues over (under) expenditures</b>   | <b>(164)</b>          | <b>4,519</b>    | <b>(6,899)</b> | <b>(40,705)</b>     | <b>(42,374)</b> |
| Other financing sources:                    |                       |                 |                |                     |                 |
| Transfers in                                | -                     | -               | -              | -                   | -               |
| <b>Total other financing sources</b>        | <b>-</b>              | <b>-</b>        | <b>-</b>       | <b>-</b>            | <b>-</b>        |
| Fund balances (deficits), beginning of year | 10,466                | 9,708           | 50,349         | 58,453              | 441,654         |
| Fund balances (deficits), end of year       | \$ 10,302             | \$ 14,227       | \$ 43,450      | \$ 17,748           | \$ 399,280      |

Capital Projects Funds

| Georgetown Streetscape | Communication Tower | Athletic Fields | Georgetown Intersection | School Bonded Projects | Reserve Fund for CNRE | Total        | Total Nonmajor Governmental Funds |
|------------------------|---------------------|-----------------|-------------------------|------------------------|-----------------------|--------------|-----------------------------------|
| \$ -                   | \$ -                | \$ 5,200        | \$ 665,308              | \$ -                   | \$ -                  | \$ 670,508   | \$ 1,225,176                      |
| -                      | -                   | -               | -                       | -                      | 6,048                 | 6,048        | 6,048                             |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 79,672                            |
| -                      | -                   | -               | -                       | 13,689                 | -                     | 13,689       | 14,672                            |
| -                      | -                   | 5,200           | 665,308                 | 13,689                 | 6,048                 | 690,245      | 1,325,568                         |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 80,525                            |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 16,257                            |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 4,224                             |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 1,031                             |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 266,625                           |
| -                      | -                   | -               | -                       | -                      | -                     | -            | 25,512                            |
| 3,295                  | 377,168             | -               | 187,927                 | -                      | 74,349                | 642,739      | 926,262                           |
| 3,295                  | 377,168             | -               | 187,927                 | -                      | 74,349                | 642,739      | 1,320,436                         |
| (3,295)                | (377,168)           | 5,200           | 477,381                 | 13,689                 | (68,301)              | 47,506       | 5,132                             |
| -                      | -                   | -               | -                       | 26,700                 | 60,000                | 86,700       | 86,700                            |
| -                      | -                   | -               | -                       | 26,700                 | 60,000                | 86,700       | 86,700                            |
| 16,687                 | (800)               | (5,196)         | (704,863)               | (547,689)              | 1,002,175             | (239,686)    | 201,968                           |
| \$ 13,392              | \$ (377,968)        | \$ 4            | \$ (227,482)            | \$ (507,300)           | \$ 993,874            | \$ (105,480) | \$ 293,800                        |

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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, 2016**

|                           | Balance<br>July 1, 2015 | Additions         | Deletions         | Balance<br>June 30, 2016 |
|---------------------------|-------------------------|-------------------|-------------------|--------------------------|
| <b>Assets</b>             |                         |                   |                   |                          |
| Redding Elementary School | \$ 34,281               | \$ 90,875         | \$ 61,755         | \$ 63,401                |
| John Read Middle School   | 95,562                  | 129,684           | 138,531           | 86,715                   |
| <b>Total assets</b>       | <b>\$ 129,843</b>       | <b>\$ 220,558</b> | <b>\$ 200,286</b> | <b>\$ 150,116</b>        |
| <b>Liabilities</b>        |                         |                   |                   |                          |
| Redding Elementary School | \$ 34,281               | \$ 90,875         | \$ 61,755         | \$ 63,401                |
| John Read Middle School   | 95,562                  | 129,684           | 138,531           | 86,715                   |
| <b>Total liabilities</b>  | <b>\$ 129,843</b>       | <b>\$ 220,558</b> | <b>\$ 200,286</b> | <b>\$ 150,116</b>        |

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**Other Schedules**



Report of Tax Collector  
For the Year Ended June 30, 2016

| Grand List Year  | Uncollected Taxes/Levy July 1, 2015 | Current Year Levy    | Lawful Corrections |                   | Refunds          | Transfers to Suspense | Bounced Checks   | Adjusted Taxes Collectible | Collections          |                    |                   | Uncollected Taxes June 30, 2016 |
|--|-------------------------------------|----------------------|--------------------|-------------------|------------------|-----------------------|------------------|----------------------------|----------------------|--------------------|-------------------|---------------------------------|
|  |                                     |                      | Additions          | Deletions         |                  |                       |                  |                            | Taxes                | Liens and Interest | Total             |                                 |
| 2014   | \$ -                                | \$ 45,649,140        | \$ 74,555          | \$ 139,436        | \$ 65,693        | \$ -                  | \$ 58,469        | \$ 45,708,421              | \$ 45,056,402        | \$ 97,355          | \$ 45,153,757     | \$ 652,019                      |
| 2013   | 572,608                             | -                    | 1,140              | 16,524            | 3,909            | -                     | 4,064            | 565,197                    | 181,415              | 39,427             | 220,842           | 383,782                         |
| 2012   | 396,553                             | -                    | -                  | 11,144            | 491              | 49,399                | -                | 336,501                    | 77,078               | 33,057             | 110,135           | 259,423                         |
| 2011   | 342,090                             | -                    | 4,583              | -                 | -                | -                     | -                | 346,673                    | 21,590               | 11,916             | 33,506            | 325,083                         |
| 2010   | 314,127                             | -                    | -                  | -                 | -                | -                     | -                | 314,127                    | 6,413                | 543                | 6,956             | 307,714                         |
| 2009   | 300,018                             | -                    | -                  | -                 | -                | -                     | -                | 300,018                    | -                    | -                  | -                 | 300,018                         |
| 2008   | 281,471                             | -                    | -                  | -                 | -                | -                     | -                | 281,471                    | -                    | -                  | -                 | 281,471                         |
| 2007   | 140,041                             | -                    | -                  | -                 | -                | -                     | -                | 140,041                    | -                    | -                  | -                 | 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                           |
| <b>Total</b>   | <b>\$ 2,366,943</b>                 | <b>\$ 45,649,140</b> | <b>\$ 80,278</b>   | <b>\$ 167,104</b> | <b>\$ 70,093</b> | <b>\$ 49,399</b>      | <b>\$ 62,533</b> | <b>\$ 48,012,484</b>       | <b>45,342,898</b>    | <b>182,298</b>     | <b>45,525,196</b> | <b>\$ 2,669,586</b>             |
|  |                                     |                      |                    |                   |                  |                       |                  |                            | Suspense             |                    | 30,529            |                                 |
|  |                                     |                      |                    |                   |                  |                       |                  |                            | 15,521               |                    | 15,008            |                                 |
|  |                                     |                      |                    |                   |                  |                       |                  |                            | <b>\$ 45,358,419</b> |                    | <b>\$ 197,306</b> |                                 |
|  |                                     |                      |                    |                   |                  |                       |                  |                            |                      |                    | 45,555,725        |                                 |
| Refunds adjustment   |                                     |                      |                    |                   |                  |                       |                  |                            |                      |                    |                   |                                 |
| Property taxes receivable considered available (60-day collections): |                                     |                      |                    |                   |                  |                       |                  |                            |                      |                    |                   |                                 |
| After June 30, 2015 (collections July and August 2015)               |                                     |                      |                    |                   |                  |                       |                  |                            |                      | (91,080)           |                   |                                 |
| After June 30, 2016 (collections July and August 2016)               |                                     |                      |                    |                   |                  |                       |                  |                            |                      | 129,049            |                   |                                 |
| <b>Total property tax revenue</b>                                    |                                     |                      |                    |                   |                  |                       |                  |                            | <b>\$ 45,593,694</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)

|                                  | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 | 2007                 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets | \$ 44,090,719        | \$ 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        |
| Restricted                       | -                    | -                    | -                    | -                    | 2,100                | 2,100                | 2,100                | 2,100                | 2,100                | 2,100                |
| Unrestricted                     | 5,684,357            | 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            |
|                                  | <u>49,775,076</u>    | <u>47,751,954</u>    | <u>47,466,811</u>    | <u>45,723,221</u>    | <u>44,244,976</u>    | <u>42,744,624</u>    | <u>37,646,521</u>    | <u>36,022,193</u>    | <u>35,106,988</u>    | <u>35,825,218</u>    |
| <b>Business-type activities:</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets | 8,421,063            | 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            |
| Unrestricted                     | (1,861,133)          | (1,526,012)          | (1,337,548)          | (450,816)            | (321,475)            | (146,611)            | 8,461                | 126,071              | 181,366              | 96,343               |
|                                  | <u>6,559,930</u>     | <u>6,894,642</u>     | <u>7,262,697</u>     | <u>7,920,984</u>     | <u>8,250,208</u>     | <u>8,597,418</u>     | <u>2,271,764</u>     | <u>2,495,848</u>     | <u>2,657,617</u>     | <u>2,679,068</u>     |
| <b>Total Town:</b>               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets | 52,511,782           | 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           |
| Restricted                       | -                    | -                    | -                    | -                    | 2,100                | 2,100                | 2,100                | 2,100                | 2,100                | 2,100                |
| Unrestricted                     | 3,823,224            | 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            |
|                                  | <u>\$ 56,335,006</u> | <u>\$ 54,646,596</u> | <u>\$ 54,729,508</u> | <u>\$ 53,644,205</u> | <u>\$ 52,495,184</u> | <u>\$ 51,342,042</u> | <u>\$ 39,918,285</u> | <u>\$ 38,518,041</u> | <u>\$ 37,764,605</u> | <u>\$ 38,504,286</u> |

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

|   | Fiscal Year Ended |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2016              | 2015              | 2014              | 2013              | 2012              |
| <b>Program Revenues:</b>                        |                   |                   |                   |                   |                   |
| Governmental Activities                         |                   |                   |                   |                   |                   |
| Charges for services:                           |                   |                   |                   |                   |                   |
| General government                              | \$ 466,523        | \$ 358,776        | \$ 376,178        | \$ 604,900        | \$ 265,720        |
| Public Safety                                   | 23,120            | 56,852            | 44,227            | 37,774            | 25,278            |
| Highway and street                              | 217,342           | 172,574           | 246,619           | 3,992             | 259,087           |
| Transfer station and recycling                  | 151,867           | 160,617           | 168,716           | 164,580           | 186,202           |
| Health and Welfare                              | 23,256            | 21,620            | 18,315            | 11,573            | 12,525            |
| Library   | -                 | -                 | -                 | -                 | -                 |
| Education                                       | -                 | -                 | -                 | 183,736           | 189,607           |
| Park and Recreation                             | 584,318           | 619,545           | 581,964           | 538,906           | 637,133           |
|   | <u>1,466,426</u>  | <u>1,389,984</u>  | <u>1,436,019</u>  | <u>1,545,461</u>  | <u>1,575,552</u>  |
| Operating grants and contributions              | 4,249,637         | 4,720,743         | 4,136,754         | 3,496,101         | 3,962,260         |
| Capital grants and contributions                | 18,328            | 85,933            | 790,408           | 1,522,374         | 433,162           |
| <b>Total governmental activities revenues</b>   | <u>5,734,391</u>  | <u>6,196,660</u>  | <u>6,363,181</u>  | <u>6,563,936</u>  | <u>5,970,974</u>  |
| Business-type activities:                       |                   |                   |                   |                   |                   |
| Charges for services                            | 402,799           | 402,752           | 358,717           | 407,068           | 415,802           |
| <b>Total business-type activities revenues</b>  | <u>402,799</u>    | <u>402,752</u>    | <u>358,717</u>    | <u>407,068</u>    | <u>415,802</u>    |
| <b>Total primary government program revenue</b> | <u>6,137,190</u>  | <u>6,599,412</u>  | <u>6,721,898</u>  | <u>6,971,004</u>  | <u>6,386,776</u>  |
| <b>Expenses</b>                                 |                   |                   |                   |                   |                   |
| Governmental activities:                        |                   |                   |                   |                   |                   |
| General government                              | 4,689,605         | 4,011,987         | 4,705,089         | 4,055,095         | 3,235,479         |
| Public safety                                   | 3,329,417         | 3,228,429         | 3,354,838         | 3,842,256         | 3,400,036         |
| Highway and streets                             | 2,165,108         | 1,592,510         | 2,440,040         | 3,225,294         | 2,776,797         |
| Transfer station and recycling                  | 364,100           | 373,408           | 413,983           | 633,954           | 426,824           |
| Health and social services                      | 164,654           | 159,177           | 163,226           | 169,588           | 134,397           |
| Library   | 628,876           | 613,563           | 578,440           | 559,548           | 520,739           |
| Parks and recreation                            | 1,301,883         | 1,212,541         | 1,249,000         | 1,240,965         | 1,229,759         |
| Education                                       | 36,813,034        | 36,531,377        | 37,271,718        | 36,781,143        | 35,846,468        |
| Interest expense                                | 558,787           | 554,372           | 283,301           | 658,446           | 702,794           |
| <b>Total governmental activities expenses</b>   | <u>50,015,464</u> | <u>48,277,364</u> | <u>50,459,635</u> | <u>51,166,289</u> | <u>48,273,293</u> |
| Business-type activities:                       |                   |                   |                   |                   |                   |
| Georgetown sewer                                | 737,511           | 770,814           | 1,017,197         | 736,410           | 763,117           |
| <b>Total business-type activities expenses</b>  | <u>737,511</u>    | <u>770,814</u>    | <u>1,017,197</u>  | <u>736,410</u>    | <u>763,117</u>    |
| <b>Total primary government expenses</b>        | <u>50,752,975</u> | <u>49,048,178</u> | <u>51,476,832</u> | <u>51,902,699</u> | <u>49,036,410</u> |

TABLE 2

| Fiscal Year Ended |            |            |            |            |
|-------------------|------------|------------|------------|------------|
| 2011              | 2010       | 2009       | 2008       | 2007       |
| \$ 459,768        | \$ 349,312 | \$ 327,028 | \$ 411,670 | \$ 794,421 |
| 51,226            | 35,373     | 116,775    | 51,286     | 44,036     |
| 161,872           | 164,664    | 257,770    | 258,077    | 20,650     |
| 174,927           | 168,850    | 230,881    | 178,334    | 145,410    |
| 12,240            | 14,785     | 10,905     | 11,525     | -          |
| -                 | -          | -          | -          | -          |
| 207,683           | 171,601    | 190,911    | 210,491    | -          |
| 674,122           | 711,028    | 671,264    | 631,473    | 597,761    |
| 1,741,838         | 1,615,613  | 1,805,534  | 1,752,856  | 1,602,278  |
| 3,069,533         | 3,003,654  | 3,839,318  | 7,758,433  | 2,894,041  |
| 2,375,220         | 75,746     | 80,203     | 95,682     | 19,091     |
| 7,186,591         | 4,695,013  | 5,725,055  | 9,606,971  | 4,515,410  |
| 403,788           | 427,038    | 500,314    | 514,568    | 249,808    |
| 403,788           | 427,038    | 500,314    | 514,568    | 249,808    |
| 7,590,379         | 5,122,051  | 6,225,369  | 10,121,539 | 4,765,218  |
| 3,387,764         | 3,355,338  | 3,136,079  | 3,003,150  | 4,912,092  |
| 3,083,444         | 3,294,031  | 3,393,531  | 2,397,305  | 1,827,254  |
| 3,024,161         | 3,075,738  | 2,886,756  | 2,519,697  | 4,708,751  |
| 420,676           | 399,680    | 397,409    | 405,945    | 314,508    |
| 147,437           | 132,919    | 152,151    | 149,935    | 117,985    |
| 513,022           | 471,883    | 451,458    | 426,826    | 306,065    |
| 1,262,007         | 1,279,394  | 1,098,551  | 1,037,852  | 824,191    |
| 34,452,536        | 33,235,635 | 33,500,937 | 36,280,994 | 29,573,333 |
| 709,172           | 748,724    | 740,536    | 901,341    | 805,220    |
| 47,000,219        | 45,993,342 | 45,757,408 | 47,123,045 | 43,389,399 |
| 665,451           | 651,340    | 664,086    | 539,213    | 325,355    |
| 665,451           | 651,340    | 664,086    | 539,213    | 325,355    |
| 47,665,670        | 46,644,682 | 46,421,494 | 47,662,258 | 43,714,754 |

(Continued)

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

|  | Fiscal Year Ended   |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2016                | 2015                | 2014                | 2013                | 2012                |
| Net (expense) revenue:                                       |                     |                     |                     |                     |                     |
| Governmental activities                                      | \$ (44,281,073)     | \$ (42,080,704)     | \$ (44,096,454)     | \$ (44,602,353)     | \$ (42,302,319)     |
| Business-type activities                                     | (334,712)           | (368,062)           | (658,480)           | (329,342)           | (347,315)           |
| <b>Total primary government net expense</b>                  | <b>(44,615,785)</b> | <b>(42,448,766)</b> | <b>(44,754,934)</b> | <b>(44,931,695)</b> | <b>(42,649,634)</b> |
| General revenues and other changes in net position:          |                     |                     |                     |                     |                     |
| Governmental activities:                                     |                     |                     |                     |                     |                     |
| Property taxes   | 46,079,769          | 46,019,078          | 46,215,357          | 45,609,619          | 44,457,954          |
| Grants and contributions not restricted to specific purposes | 115,748             | 38,028              | 43,246              | -                   | -                   |
| Investment income  | 54,708              | 28,052              | 27,443              | 23,757              | 73,560              |
| Gain on sale of capital assets                               | -                   | -                   | -                   | -                   | -                   |
| Miscellaneous  | 53,970              | 134,788             | 66,514              | 32,927              | -                   |
| <b>Total governmental activities</b>                         | <b>46,304,195</b>   | <b>46,219,946</b>   | <b>46,352,560</b>   | <b>46,080,597</b>   | <b>44,943,340</b>   |
| Business-type activities:                                    |                     |                     |                     |                     |                     |
| Unrestricted investment earnings                             | -                   | 7                   | 193                 | 118                 | 105                 |
| Donated capital assets                                       | -                   | -                   | -                   | -                   | -                   |
| Transfers  | -                   | -                   | -                   | -                   | -                   |
| <b>Total business-type activities</b>                        | <b>-</b>            | <b>7</b>            | <b>193</b>          | <b>118</b>          | <b>105</b>          |
| <b>Total primary government</b>                              | <b>46,304,195</b>   | <b>46,219,953</b>   | <b>46,352,753</b>   | <b>46,080,715</b>   | <b>44,943,445</b>   |
| Changes in net position:                                     |                     |                     |                     |                     |                     |
| Governmental activities                                      | 2,023,122           | 4,139,242           | 2,256,106           | 1,478,244           | 2,641,021           |
| Business-type activities                                     | (334,712)           | (368,055)           | (658,287)           | (329,224)           | (347,210)           |
| <b>Total primary government</b>                              | <b>\$ 1,688,410</b> | <b>\$ 3,771,187</b> | <b>\$ 1,597,819</b> | <b>\$ 1,149,020</b> | <b>\$ 2,293,811</b> |

TABLE 2

| Fiscal Year Ended |                 |                 |                 |                 |
|-------------------|-----------------|-----------------|-----------------|-----------------|
| 2011              | 2010            | 2009            | 2008            | 2007            |
| \$ (39,813,628)   | \$ (41,298,329) | \$ (40,032,353) | \$ (37,516,074) | \$ (38,873,989) |
| (261,663)         | (224,302)       | (163,772)       | (24,645)        | (75,547)        |
| (40,075,291)      | (41,522,631)    | (40,196,125)    | (37,540,719)    | (38,949,536)    |
| 44,118,692        | 42,120,967      | 40,507,798      | 35,736,243      | 33,687,097      |
| 283,135           | 286,709         | 252,104         | 346,682         | 270,721         |
| -                 | -               | -               | -               | -               |
| 89,793            | 153,349         | 187,656         | 371,688         | 547,942         |
| 420,111           | -               | -               | 343,231         | -               |
| -                 | 361,632         | -               | -               | -               |
| 44,911,731        | 42,922,657      | 40,947,558      | 36,797,844      | 34,505,760      |
| 117               | 218             | 2,003           | 3,194           | 526             |
| 6,587,200         | -               | -               | -               | -               |
| -                 | -               | -               | -               | -               |
| 6,587,317         | 218             | 2,003           | 3,194           | 526             |
| 51,499,048        | 42,922,875      | 40,949,561      | 36,801,038      | 34,506,286      |
| 5,098,103         | 1,624,328       | 915,205         | (718,230)       | (4,368,229)     |
| 6,325,654         | (224,084)       | (161,769)       | (21,451)        | (75,021)        |
| \$ 11,423,757     | \$ 1,400,244    | \$ 753,436      | \$ (739,681)    | \$ (4,443,250)  |

TABLE 3

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

|  | Fiscal Year Ended June 30, |                     |                     |                     |                     |                      |                       |                       |                       |                    |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|--------------------|
|  | 2016                       | 2015                | 2014                | 2013                | 2012                | 2011                 | 2010                  | 2009                  | 2008                  | 2007               |
| General fund:                              |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| Nonspendable:                              |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| Prepays and other                          | \$ 1,739,456               | \$ 1,522,209        | \$ 1,272,748        | \$ -                | \$ -                | \$ -                 | \$ -                  | \$ -                  | \$ -                  | \$ -               |
| Inventory                                  | 2,549                      | 3,813               | -                   | 1,720               | 1,661               | -                    | -                     | -                     | -                     | -                  |
| Restricted for                             | -                          | -                   | -                   | -                   | -                   | -                    | -                     | -                     | -                     | -                  |
| Committed to                               | 200,000                    | 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                                  | 224,909                    | 159,412             | 91,466              | -                   | -                   | -                    | -                     | -                     | -                     | -                  |
| Parks and recreation                       | -                          | -                   | -                   | 5,970               | -                   | -                    | -                     | -                     | -                     | -                  |
| Capital projects                           | -                          | -                   | -                   | 5,280               | -                   | -                    | -                     | -                     | -                     | -                  |
| Unassigned                                 | 7,139,238                  | 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          |
| <b>Total general fund balances</b>         | <b>9,306,152</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>   |
| All other governmental funds:              |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| Nonspendable                               |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| permanent funds                            | -                          | -                   | 63,711              | -                   | -                   | 2,100                | -                     | -                     | -                     | -                  |
| Restricted for                             |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| grants                                     | 200,526                    | 187,936             | 170,951             | 237,901             | 89,901              | 196,877              | -                     | -                     | -                     | -                  |
| Committed to:                              |                            |                     |                     |                     |                     |                      |                       |                       |                       |                    |
| General government                         | 79,798                     | 124,986             | 102,658             | 52,208              | 109,272             | 167,532              | -                     | -                     | -                     | -                  |
| Public safety                              | 62,770                     | 66,289              | 14,506              | 12,426              | 22,006              | 131,855              | -                     | -                     | -                     | -                  |
| Highway and streets                        | 17,950                     | 19,269              | 17,862              | 86,113              | 34,323              | 615,948              | -                     | -                     | -                     | -                  |
| Health and social services                 | 4                          | -                   | 31,529              | -                   | -                   | 13,376               | -                     | -                     | -                     | -                  |
| Education                                  | 36,376                     | 32,888              | 4                   | -                   | 10,626              | 2,281,049            | -                     | -                     | -                     | -                  |
| Parks and recreation                       | 15,252                     | 26,973              | 22,210              | 6,057               | 4,946               | 7,328                | -                     | -                     | -                     | -                  |
| Capital projects                           | 993,874                    | 1,002,175           | 1,069,069           | 1,221,893           | 1,371,785           | 846,486              | -                     | -                     | -                     | -                  |
| Assigned                                   | -                          | -                   | 224,909             | -                   | -                   | -                    | -                     | -                     | -                     | -                  |
| Unassigned                                 | (10,687,673)               | (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)        |
| <b>Total all other govt funds balances</b> | <b>(9,281,123)</b>         | <b>(4,942,822)</b>  | <b>(3,531,892)</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>Total fund balances</b>                 | <b>\$ 25,029</b>           | <b>\$ 3,545,900</b> | <b>\$ 3,628,190</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>   |

TABLE 4

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

|  | Fiscal Year Ended  |                   |                    |                   |                    |                   |                   |                   |                    |                    |
|--|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
|  | 2016               | 2015              | 2014               | 2013              | 2012               | 2011              | 2010              | 2009              | 2008               | 2007               |
| <b>Revenues:</b>   |                    |                   |                    |                   |                    |                   |                   |                   |                    |                    |
| Property taxes   | \$ 45,448,399      | \$ 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      |
| Intergovernmental  | 5,024,795          | 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          |
| Investment income  | 54,708             | 28,052            | 27,443             | 23,757            | 73,560             | 89,793            | 45,956            | 187,656           | 371,688            | 547,909            |
| Charges for services   | 1,466,652          | 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          |
| Other  | 53,970             | 134,788           | 66,514             | 47,276            | 9,884              | -                 | -                 | -                 | -                  | 20,750             |
| <b>Total revenues</b>  | <b>52,048,524</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>Expenditures:</b>   |                    |                   |                    |                   |                    |                   |                   |                   |                    |                    |
| Current:   |                    |                   |                    |                   |                    |                   |                   |                   |                    |                    |
| General government   | 3,031,266          | 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          |
| Public Safety  | 2,437,713          | 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          |
| Highway and Streets  | 1,395,543          | 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          |
| Transfer Station and Recycling                               | 251,371            | 258,057           | 293,302            | 309,323           | 330,170            | 321,376           | 313,413           | 314,620           | 326,298            | 307,876            |
| Health and welfare   | 118,511            | 112,938           | 115,931            | 126,788           | 103,157            | 110,949           | 102,913           | 118,468           | 110,838            | 117,228            |
| Library  | 489,950            | 457,898           | 433,000            | 423,000           | 402,250            | 395,000           | 378,000           | 361,312           | 332,800            | 306,065            |
| Parks and Recreation   | 981,165            | 904,104           | 920,143            | 948,449           | 958,269            | 968,994           | 912,767           | 875,736           | 845,604            | 821,369            |
| Employee Benefits  | 2,716,527          | 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          |
| Education  | 36,521,277         | 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         |
| Capital outlay   | 5,821,147          | 2,107,563         | 3,441,502          | 3,595,008         | 5,747,363          | 4,266,470         | 1,225,467         | 1,265,889         | 1,828,535          | 4,311,686          |
| Debt service- Principal                                      | 1,567,493          | 1,575,066         | -                  | -                 | -                  | -                 | -                 | -                 | -                  | -                  |
| Debt service- Interest                                       | 479,684            | 615,151           | 2,049,173          | 2,265,134         | 2,264,829          | 1,906,514         | 1,981,047         | 1,971,334         | 2,085,619          | 2,005,532          |
| <b>Total expenditures</b>                                    | <b>55,811,647</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>Excess (deficiency) of revenues<br/>Over Expenditures</b> | <b>(3,763,123)</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>Other financing sources (uses):</b>                       |                    |                   |                    |                   |                    |                   |                   |                   |                    |                    |
| Proceeds from Capital Leases                                 | 242,252            | 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   | 296,000            | 87,500            | 104,856            | 104,856           | 547,856            | 226,416           | -                 | 151,175           | 254,800            | 160,000            |
| Transfers out  | (296,000)          | (87,500)          | (104,856)          | (104,856)         | (547,856)          | (226,416)         | -                 | (151,175)         | (254,800)          | (160,000)          |
| <b>Net other financing sources (uses)</b>                    | <b>242,252</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>Net change in fund balances</b>                           | <b>(3,520,871)</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> |
| Fund balance as restated -<br>beginning of year              | 3,545,900          | 3,339,570         | 5,770,452          | 6,174,537         | 10,436,530         | (1,105,992)       | (1,391,747)       | (2,351,541)       | 60,784             | 5,358,331          |
| Fund balances - end of year                                  | \$ 25,029          | \$ 3,545,900      | \$ 3,339,570       | \$ 6,282,968      | \$ 7,315,206       | \$ 10,436,530     | \$ (1,105,992)    | \$ (1,391,747)    | \$ (2,351,541)     | \$ 60,784          |
| Debt service as a percentage of<br>noncapital expenditures   | 4%                 | 5%                | 4%                 | 5%                | 5%                 | 4%                | 4%                | 4%                | 4%                 | 5%                 |



**TABLE 5**

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

| Year Ended<br>June 30 | Real Estate              |                           | Personal Property               |                               | Total                    |                              | Percentage<br>of Total<br>Assessed<br>Value to<br>Total<br>Estimated<br>Actual Value | Total<br>Direct<br>Tax<br>Rate |
|-----------------------|--------------------------|---------------------------|---------------------------------|-------------------------------|--------------------------|------------------------------|--|--------------------------------|
|                       | (1)<br>Assessed<br>Value | (2)<br>Estimated<br>Value | (3)<br>Net<br>Assessed<br>Value | (4)<br>Net<br>Actual<br>Value | Net<br>Assessed<br>Value | Estimated<br>Actual<br>Value |  |                                |
| 2016                  | \$ 1,471,441,194         | \$ 2,102,058,849          | \$ 161,839,813                  | \$ 231,199,732                | \$ 1,633,281,007         | \$ 2,333,258,581             | 70.00%   | 29.24                          |
| 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                          |

Source: Town of Redding, Assessor's Office

Town of Redding, Connecticut  
2016  
Principal Taxpayers

**TABLE 6**

| Taxpayer                         | 2016                  |             |                                       | 2007                  |      |                                       |
|----------------------------------|-----------------------|-------------|---------------------------------------|-----------------------|------|---------------------------------------|
|                                  | Assessment            | (1)<br>Rank | % of Net<br>Net Taxable<br>Grand List | Assessment            | Rank | % of Net<br>Net Taxable<br>Grand List |
| Redding Life Care, LLC           | \$ 82,722,188         | 1           | 5.07%                                 | \$ 86,313,488         | 1    | 5.70%                                 |
| CONN Light & Power               | 56,132,217            | 2           | 3.44%                                 | 56,132,217            | 2    | 3.70%                                 |
| Redding Country Club Inc         | 8,765,000             | 3           | 0.54%                                 | 7,737,994             | 4    | 0.51%                                 |
| Prusak Robert & Jamie            | 6,052,700             | 4           | 0.37%                                 | 7,045,300             | 5    | 0.46%                                 |
| Aquarion Water Company of CT     | 3,819,820             | 5           | 0.23%                                 | 5,248,090             | 6    | 0.35%                                 |
| Georgetown Land Development      | 3,623,580             | 6           | 0.22%                                 | 11,956,930            | 3    | 0.79%                                 |
| 123 Mountain Road Associates LLC | 3,425,200             | 7           | 0.21%                                 | 3,803,200             | 8    | 0.25%                                 |
| Escape from CT, LLC              | 3,376,520             | 8           | 0.21%                                 |                       |      |                                       |
| Fine Jerrold N                   | 3,286,830             | 9           | 0.20%                                 |                       |      | 0.00%                                 |
| Angeloni Luciano & Debra         | 2,894,780             | 10          | 0.18%                                 | 3,509,800             | 10   | 0.23%                                 |
| Dudley Elisabeth C               |                       |             | -                                     | 3,590,018             | 9    | 0.24%                                 |
| RP Trust The                     | -                     |             | -                                     | 4,744,800             | 7    | 0.31%                                 |
|                                  | <u>\$ 174,098,835</u> |             | <u>10.67%</u>                         | <u>\$ 190,081,837</u> |      | <u>12.54%</u>                         |

Source: Town Assessor Department

(1) The net taxable grand list as of October 1, 2014 and 2005 totaled \$1,631,649,246 and \$1,515,531,526 respectively.

Town of Redding, Connecticut

TABLE 7

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

| Year Ended<br>June 30, | Total Adjusted<br>Tax Levy | Collected Within the Fiscal Year<br>of the Levy |                                | Collections in<br>Subsequent Years | TOTAL COLLECTIONS TO DATE |                        |
|------------------------|----------------------------|---|--------------------------------|------------------------------------|---------------------------|------------------------|
|                        |                            | Net Current<br>Tax Collections                  | % of Current<br>Levy Collected |                                    | Total<br>Collections      | % of Levy<br>Collected |
| 2016                   | \$ 45,708,421              | \$ 45,056,402                                   | 98.6%                          | \$ -                               | \$ 45,056,402             | 98.6%                  |
| 2015                   | 45,720,390                 | 45,147,782                                      | 98.7%                          | 698,522                            | 45,846,304                | 100.3%                 |
| 2014                   | 45,791,419                 | 45,142,235                                      | 98.6%                          | 451,829                            | 45,594,064                | 99.6%                  |
| 2013                   | 45,072,306                 | 44,324,390                                      | 98.3%                          | 939,609                            | 45,263,999                | 100.4%                 |
| 2012                   | 44,044,397                 | 43,119,722                                      | 97.9%                          | 430,767                            | 43,550,489                | 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%                  |

2002 Revaluation  
2007 Revaluation  
2012 Revaluation

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

| Year Ended<br>June 30, | General Bonded Debt Outstanding |              |                   |                         |               | % of<br>Personal<br>Income | Debt<br>Per<br>Capita |
|------------------------|---------------------------------|--------------|-------------------|-------------------------|---------------|----------------------------|-----------------------|
|                        | General Obligation Bonds        |              | Capital<br>Leases | Clean<br>Water<br>Notes | Total         |                            |                       |
|                        | General<br>Purpose              | Schools      |                   |                         |               |                            |                       |
| 2016                   | \$ 8,472,000                    | \$ 3,628,000 | \$ 1,018,962      | \$ -                    | \$ 13,118,962 | 2.2%                       | 1,416                 |
| 2015                   | 9,685,539                       | 4,030,000    | 1,194,873         | 42,493                  | 14,952,905    | 2.4%                       | 1,635                 |
| 2014                   | 10,818,462                      | 4,443,000    | 1,468,215         | 92,559                  | 16,822,236    | 2.6%                       | 1,839                 |
| 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                 |

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

| Grand List<br>Year | Year Ended<br>June 30, | Population | Net Assessed<br>Value | General<br>Obligation Bonded<br>Debt/Notes | Ratio of Bonded<br>Debt/Notes to<br>Net Assessed Value | Debt<br>Per Capita |
|--------------------|------------------------|------------|-----------------------|--|--|--------------------|
| 2014               | 2016                   | 9,267      | \$ 1,633,281,007      | \$ 24,744,000                              | 1.51%  | \$ 2,670           |
| 2013               | 2015                   | 9,148      | 1,631,649,246         | 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              |

**TABLE 10**

Town of Redding, Connecticut

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2016  
(Unaudited)

| Governmental Unit                               | Debt<br>Outstanding | Percentage<br>Applicable | Estimated<br>Shares of<br>Direct and<br>Overlapping Debt |
|---|---------------------|--------------------------|--|
| Overlapping debt<br>Regional School District #9 | \$ 6,489,120        | 100%                     | \$ 6,489,120   |
| Town direct debt                                | 13,118,962          |                          | 13,118,962   |
| <b>Total</b>                                    |                     |                          | <b>\$ 19,608,082</b>                                     |

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, 2016

|  |               |
|--|---------------|
| Total Tax Collections (including interest and lien fees) for current year: |               |
| Town of Redding  | \$ 45,555,724 |
| Fire District  | 1,455,944     |
| Reimbursement for tax relief   | <u>292</u>    |

Base for Debt Limitation Computation \$ 47,011,960

| Debt Limitation   | General Purposes            | Schools                      | Sewers                       | Urban Renewal                | Pension Deficit              |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 2 1/4 times base  | \$ 105,776,910              |                              |                              |                              |                              |
| 4 1/2 times base  | -                           | \$ 211,553,820               |                              |                              |                              |
| 3 3/4 times base  | -                           | -                            | \$ 176,294,850               |                              |                              |
| 3 1/4 times base  | -                           | -                            | -                            | \$ 152,788,870               |                              |
| 3 times base  | -                           | -                            | -                            | -                            | \$ 141,035,880               |
| <b>Total debt limitation</b>  | <u>105,776,910</u>          | <u>211,553,820</u>           | <u>176,294,850</u>           | <u>152,788,870</u>           | <u>141,035,880</u>           |
| <b>Indebtedness</b>   |                             |                              |                              |                              |                              |
| Bonds payable   | 8,472,000                   | 3,628,000                    | -                            | -                            | -                            |
| Georgetown Special District   | 974,539                     | -                            | -                            | -                            | -                            |
| Redding's Portion of Regional School District No. 9 bonds net of school building grants | -                           | 6,489,120                    | -                            | -                            | -                            |
| Bond anticipation notes   | 12,644,000                  | -                            | -                            | -                            | -                            |
| Debt authorized but unissued  | 4,265,845                   | -                            | -                            | -                            | -                            |
| <b>Net indebtedness</b>   | <u>26,356,384</u>           | <u>10,117,120</u>            | <u>-</u>                     | <u>-</u>                     | <u>-</u>                     |
| <b>Debt limit in excess of outstanding and Authorized debt</b>                          | <u><u>\$ 79,420,526</u></u> | <u><u>\$ 201,436,700</u></u> | <u><u>\$ 176,294,850</u></u> | <u><u>\$ 152,788,870</u></u> | <u><u>\$ 141,035,880</u></u> |

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 329,083,720

## Town of Redding, Connecticut

TABLE 12

Legal Debt Margin Information  
Last Ten Years  
(Unaudited)

| Year Ended<br>June 30, | Debt Limit     | Net Debt<br>Applicable to Limit | Legal Debt<br>Margin | Total Net<br>Debt Applicable |
|------------------------|----------------|---------------------------------|----------------------|------------------------------|
| 2016                   | \$ 787,450,330 | \$ 36,473,504                   | \$ 750,976,826       | 4.63%                        |
| 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%                       |

Town of Redding, Connecticut

**TABLE 13**

Demographic and Economic Statistics  
Last 10 Years  
(Unaudited)

|                       | (1)        |                 | (2)                  | (1)           | (1)  | (3)                  | (1)                  |
|-----------------------|------------|-----------------|----------------------|---------------|--|----------------------|----------------------|
| Year Ended June<br>30 | Population | Personal Income | Per Capita<br>Income | Median<br>Age | Education Level in<br>Years of Formal<br>Schooling | School<br>Enrollment | Unemployment<br>Rate |
| 2016                  | 9267       | \$ 601,743,378  | \$ 64,934            | 49            | 70% Bachelor<br>Degree or more                     | 1,454                | 4.20%                |
| 2015                  | 9148       | 635,959,812     | 69,519               | 48            | 68% Bachelor<br>Degree or more                     | 1,447                | 4.50%                |
| 2014                  | 9148       | 635,959,812     | 69,519               | 48            | 68% Bachelor<br>Degree or more                     | 1,569                | 5.40%                |
| 2013                  | 9148       | 635,959,812     | 69,519               | 48            | 68% Bachelor<br>Degree or more                     | 1,677                | 5.40%                |
| 2012                  | 9148       | 635,959,812     | 69,519               | 48            | 68% Bachelor<br>Degree or more                     | 1,712                | 6.00%                |
| 2011                  | 9058       | 627,203,094     | 69,243               | 47            | 66% Bachelor<br>Degree or more                     | 1,747                | 5.80%                |
| 2010                  | 8945       | 586,738,330     | 65,594               | 46.4          | 65% Bachelor<br>Degree or more                     | 1,776                | 6.00%                |
| 2009                  | 8790       | 562,225,980     | 63,962               | 43            | 65% Bachelor<br>Degree or more                     | 1,831                | 5.80%                |
| 2008                  | 8798       | 550,842,780     | 62,610               | 42            | 61% Bachelor<br>Degree or more                     | 1,842                | 3.70%                |
| 2007                  | 8659       | 530,433,022     | 61,258               | 42            | 61% Bachelor<br>Degree or more                     | 1,842                | 2.70%                |

- (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                  | 2016      |      |                                     | 2007      |      |                                     |
|---------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
|                           | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Redding Life Care, LLC    | 307       | 1    | 3.31%                               | 262       | 1    | 3.03%                               |
| Town of Redding           | 248       | 2    | 2.68%                               | 251       | 2    | 2.90%                               |
| Joel Barlow High School   | 153       | 3    | 1.65%                               | 134       | 3    | 1.55%                               |
| Redding Elementary School | 106       | 4    | 1.14%                               | 111       | 4    | 1.28%                               |
| John Read Middle School   | 96        | 5    | 1.04%                               | 93        | 5    | 1.07%                               |
| Redding Country Club      | 93        | 6    | 1.00%                               | 91        | 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)

|   | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <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         | 2.50         | 2.25         | 2.25         |
| Registrar of Voters                           | 2.50         | 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         |
| <b>Finance:</b>                               |              |              |              |              |              |              |              |              |              |              |
| Finance                                       | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         | 3.25         |
| Assessor                                      | 2.50         | 2.25         | 2.25         | 2.25         | 2.25         | 2.25         | 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        | 18.00        | 17.00        | 17.00        | 17.00        | 17.00        | 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         | 1.00         | 1.50         |
| Communications/Dispatch                       | 5.50         | 5.50         | 5.50         | 5.50         | 5.50         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         |
| <b>Public Works:</b>                          |              |              |              |              |              |              |              |              |              |              |
| Public Works                                  | 13.00        | 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         | 3.00         | 4.25         | 4.25         |
| Facilities Maintenance                        | 3.50         | 3.50         | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 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                     | 2.25         | 4.00         | 4.00         | 4.00         | 4.50         | 4.50         | 4.50         | 4.50         | 4.00         | 4.00         |
| 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>84.25</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> |

Source: Town Human Resource Departments

Town of Redding, Connecticut

**TABLE 16**

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

| Function / Program                    | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Town                                  |              |              |              |              |              |              |              |              |              |              |
| Administrative and General Government | 10.75        | 10.50        | 10.50        | 10.50        | 10.50        | 10.50        | 12.50        | 12.50        | 12.25        | 12.25        |
| Finance                               | 8.25         | 8.00         | 8.00         | 8.00         | 8.00         | 8.00         | 7.75         | 7.75         | 7.75         | 7.75         |
| Public Safety                         | 24.50        | 24.50        | 25.50        | 25.50        | 23.50        | 23.00        | 22.00        | 22.00        | 22.00        | 22.50        |
| Public Works                          | 19.50        | 19.25        | 18.75        | 18.75        | 18.75        | 18.75        | 18.75        | 18.75        | 20.00        | 19.00        |
| Health, Social, Human Services        | 7.75         | 9.50         | 9.50         | 9.50         | 10.00        | 10.00        | 10.00        | 10.00        | 9.50         | 9.50         |
| 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>84.25</b> | <b>85.25</b> | <b>85.75</b> | <b>85.75</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> |

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                  | 2016          | 2015          | 2014          | 2013          | 2012          | 2011         | 2010          | 2009          | 2008          | 2007          |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Public Safety                       |               |               |               |               |               |              |               |               |               |               |
| Fire                                |               |               |               |               |               |              |               |               |               |               |
| Fire and EMS responses              | 649           | 458           | 590           | 549           | 431           | 557          | 463           | 406           | 384           | 798           |
| Police                              |               |               |               |               |               |              |               |               |               |               |
| Criminal Incidents                  | 792           | 543           | 721           | 664           | 792           | 736          | 588           | 574           | 619           | 535           |
| Traffic violations                  | 3,534         | 1,515         | 3,029         | 3,097         | 2,976         | 2,763        | 3,202         | 3,126         | 2,817         | 2,298         |
| Motor vehicle accidents             | 232           | 195           | 241           | 256           | 203           | 282          | 265           | 239           | 289           | 367           |
| Building Safety                     |               |               |               |               |               |              |               |               |               |               |
| Building inspections                | 2,841         | 2,444         | 2,892         | 2,917         | 3,086         | 2,404        | 3,073         | 2,871         | 3,246         | 4,576         |
| Total building permits              | 689           | 653           | 822           | 860           | 874           | 520          | 595           | 498           | 568           | 655           |
| Total value all permits             | \$ 20,033,514 | \$ 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 |
| Public Works                        |               |               |               |               |               |              |               |               |               |               |
| Street resurfacing                  | 13            | 18            | 8             | 9             | 11            | 4            | 4             | 6             | -             | 10            |
| Recycling Center / Transfer Station |               |               |               |               |               |              |               |               |               |               |
| Permits issued                      | 1,190         | 1,195         | 1,042         | 1,149         | 1,112         | 1,104        | 1,148         | 1,157         | 1,176         | 1,126         |
| Refuse collected (tons per year)    | 165           | 176           | 171           | 179           | 194           | 187          | 178           | 178           | 205           | 214           |
| Park and Recreation                 |               |               |               |               |               |              |               |               |               |               |
| No. of recreation programs          | 11            | 11            | 11            | 10            | 10            | 10           | 10            | 9             | 9             | 9             |
| Library                             |               |               |               |               |               |              |               |               |               |               |
| Circulation                         | 123,664       | 129,254       | 130,739       | 128,807       | 125,428       | 122,983      | 124,893       | 122,000       | 110,000       | 108,378       |
| Education                           |               |               |               |               |               |              |               |               |               |               |
| School enrollment                   |               |               |               |               |               |              |               |               |               |               |
| High School                         | 997           | 1,050         | 1,050         | 1,012         | 1,008         | 974          | 959           | 957           | 962           | 970           |
| Middle School                       | 454           | 470           | 513           | 553           | 559           | 582          | 595           | 589           | 575           | 531           |
| Elementary School                   | 472           | 420           | 488           | 578           | 581           | 661          | 670           | 714           | 734           | 754           |

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                          | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  | 2009  | 2008  | 2007  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <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                              | 1     | 3     | 1     | 1     | 1     | 0     | 0     | 0     | 0     | 0     |
| Dump trucks                                 | 13    | 15    | 15    | 15    | 15    | 14    | 13    | 12    | 12    | 12    |
| Other public works vehicles/heavy equipment | 13    | 14    | 14    | 14    | 14    | 14    | 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