

TOWN OF REDDING, CONNECTICUT

JUNE 30, 2009

TOWN OF REDDING, CONNECTICUT

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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

Board of Finance
Town of Redding
Redding, Connecticut

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, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Redding, Connecticut, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis on pages 3 through 9 and budgetary comparison information on pages 39 through 44 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying financial information listed as supplemental schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

January 25, 2010

TOWN OF REDDING, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

As management of the Town of Redding, 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, 2009.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent year by \$38,518,041 (net assets). Of this amount, \$4,951,333 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$753,436 as a result of decreases in education expenses of \$2,780,057 and interest expenses of \$160,805.
- Actual Town expenditures (excluding Education) came in 5.7% under budget due to responsible spending within Town departments.
- On January 28, 2009, the Town issued a \$4,765,000 Bond Anticipation Note (BAN). This BAN bears interest at .618%, matures on October 27, 2009. This BAN is allocated for road improvements and land purchase.
- On May 12, 2009, the Town issued a \$1,589,000 Bond Anticipation Note (BAN). This BAN bears interest at 1.094%, matures on October 27, 2009 and is for road and school improvements and the purchase of Highway trucks.

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

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, 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. 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 28 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 27 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 elsewhere in 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. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town’s financial position. Assets exceeded liabilities by \$38,518,041 at the close of the most recent fiscal year.

| | NET ASSETS | | | | | |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and other assets | \$ 10,727,447 | \$ 7,147,245 | \$ 191,829 | \$ 202,813 | \$ 10,919,276 | \$ 7,350,058 |
| Capital assets | 49,660,460 | 49,931,352 | 2,369,777 | 2,476,251 | 52,030,237 | 52,407,603 |
| Total assets | <u>60,387,907</u> | <u>57,078,597</u> | <u>2,561,606</u> | <u>2,679,064</u> | <u>62,949,513</u> | <u>59,757,661</u> |
| Long-term debt outstanding | 12,709,977 | 13,555,295 | | | 12,709,977 | 13,555,295 |
| Other liabilities | 11,655,737 | 8,416,314 | 65,758 | 21,447 | 11,721,495 | 8,437,761 |
| Total liabilities | <u>24,365,714</u> | <u>21,971,609</u> | <u>65,758</u> | <u>21,447</u> | <u>24,431,472</u> | <u>21,993,056</u> |
| Net Assets: | | | | | | |
| Invested in capital assets, net of debt | 31,194,831 | 31,767,568 | 2,369,777 | 2,476,251 | 33,564,608 | 34,243,819 |
| Restricted | 2,100 | 2,100 | | | 2,100 | 2,100 |
| Unrestricted | <u>4,825,262</u> | <u>3,337,320</u> | <u>126,071</u> | <u>181,366</u> | <u>4,951,333</u> | <u>3,518,686</u> |
| Total Net Assets | <u>\$ 36,022,193</u> | <u>\$ 35,106,988</u> | <u>\$ 2,495,848</u> | <u>\$ 2,657,617</u> | <u>\$ 38,518,041</u> | <u>\$ 37,764,605</u> |

By far, the largest portion of the Town’s net assets (87%) reflects its investment in capital assets (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.

A minor portion of the Town’s net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the Town’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net assets.

The Town’s net assets increased by \$915,205 during the current fiscal year. There was a decrease of \$161,769 in net assets reported in connection with the Town’s business-type activities due to depreciation and increases in contracted services. This increase is attributable to increases in tax revenue.

Governmental Activities. Governmental activities increased the Town’s net assets by \$915,205.

Revenues

Governmental activities revenues totaled \$46,672,613 for fiscal year 2009. Property taxes are the largest revenue source for the Town and represent 87% of governmental revenues. Operating grants and contributions are the Town’s second largest revenue and account for 8% of governmental revenues. Charges for services revenues are the Town’s third largest revenue and account for 4% of governmental revenues for the year.

The most significant changes from the prior year were as follows:

- Operating grants and contributions and Education expenditures decreased due to a significant decrease in the State of Connecticut's contribution to the State Teachers' Retirement Fund.
- Property taxes billed increased by \$4,781,553 due to an increase in property assessments.
- Total property tax revenue came in at 101% compared to the 99% budgeted. An additional \$94,699 interest and lien fees were collected. This increase is due to more aggressive tax collection procedures.

Expenses

Governmental expenses totaled \$45,757,408 for the fiscal year. Of the expenses, \$33,500,937 or 73.2% is related to education. Public safety expenses amounted \$3,393,531 or 7.4%. General government expenses amounted to \$3,136,079 or 6.9% and highway and streets expenses were \$2,886,756 or 6.3%.

CHANGES IN NET ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,805,534 | \$ 1,752,856 | \$ 500,314 | \$ 514,568 | \$ 2,305,848 | \$ 2,267,424 |
| Operating grants and contributions | 3,839,318 | 7,758,433 | | | 3,839,318 | 7,758,433 |
| Capital grants and contributions | 80,203 | 95,682 | | | 80,203 | 95,682 |
| General revenues: | | | | | | |
| Property taxes | 40,507,798 | 35,736,243 | | | 40,507,798 | 35,736,243 |
| Grants and contributions not restricted to specific purposes | 252,104 | 346,682 | | | 252,104 | 346,682 |
| Investment income | 187,656 | 371,688 | 2,003 | 3,194 | 189,659 | 374,882 |
| Gain on sale of capital asset | | 343,231 | | | | 343,231 |
| Total revenues | <u>46,672,613</u> | <u>46,404,815</u> | <u>502,317</u> | <u>517,762</u> | <u>47,174,930</u> | <u>46,922,577</u> |
| Program expenses: | | | | | | |
| General government | 3,136,079 | 3,003,150 | | | 3,136,079 | 3,003,150 |
| Public safety | 3,393,531 | 2,397,305 | | | 3,393,531 | 2,397,305 |
| Highway and streets | 2,886,756 | 2,519,697 | | | 2,886,756 | 2,519,697 |
| Transfer station and recycling | 397,409 | 405,945 | | | 397,409 | 405,945 |
| Health and social services | 152,151 | 149,935 | | | 152,151 | 149,935 |
| Library | 451,458 | 426,826 | | | 451,458 | 426,826 |
| Parks and recreation | 1,098,551 | 1,037,852 | | | 1,098,551 | 1,037,852 |
| Education | 33,500,937 | 36,280,994 | | | 33,500,937 | 36,280,994 |
| Interest expense | 740,536 | 901,341 | | | 740,536 | 901,341 |
| Sewer department | | | 664,086 | 539,213 | 664,086 | 539,213 |
| Total expenses | <u>45,757,408</u> | <u>47,123,045</u> | <u>664,086</u> | <u>539,213</u> | <u>46,421,494</u> | <u>47,662,258</u> |
| Change in net assets | 915,205 | (718,230) | (161,769) | (21,451) | 753,436 | (739,681) |
| Net Assets at Beginning of Year | <u>35,106,988</u> | <u>35,825,218</u> | <u>2,657,617</u> | <u>2,679,068</u> | <u>37,764,605</u> | <u>38,504,286</u> |
| Net Assets at End of Year | <u>\$ 36,022,193</u> | <u>\$ 35,106,988</u> | <u>\$ 2,495,848</u> | <u>\$ 2,657,617</u> | <u>\$ 38,518,041</u> | <u>\$ 37,764,605</u> |

Business-Type Activities. Business-type activities decreased the Town’s net assets by \$161,769, which was substantially a result of depreciation expense \$106,474 and contracted services \$332,393. General revenues do not support the Town’s business-type activities; thus, revenues come from charges for services.

The Georgetown sewer expenses were \$664,086 in the fiscal year ended June 30, 2009, which was not significantly different than the amount for the prior year.

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.

At year-end, unreserved and undesignated fund balance in the General Fund was \$1,786,776. An analysis of fund balance is presented below:

| | |
|--|-------------------------|
| Fund balance, 7/1/08 | \$ 398,651 |
| Budgeted increase | 607,856 |
| Actual revenue greater than budgeted | 100,454 |
| Actual expenditures less than budgeted | 679,815 |
| Unreserved Fund Balance, 6/30/09 | <u>1,786,776</u> |
| Encumbrances | <u>156,162</u> |
| Total Fund Balance | \$ <u>1,942,938</u> |

An aggressive pursuit of current as well as past due taxes (plus interest and penalties) netted actual property tax revenue at \$40,772,789. Interest and lien fees were higher than budget by \$94,699. The Town had favorable under expenditure of various functions including general government of \$270,385, \$81,494 for highways and streets, \$43,801 for public safety and \$186,871 from parks and recreation.

Overall, Town departments (excluding Education) under spent their budgets by 5.7%, contributing to the increase in fund balance.

Proprietary Funds. The Town’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Georgetown Sewer Fund amounted to \$2,495,848 at year end. This represents a decrease of \$161,769 from the prior year, which was substantially a result of depreciation expense.

General Fund Budgetary Highlights

- There was no variance between the original budget for expenditures and the final budget of \$43,225,272.
- Several budget transfers reallocated resources as needed, the most significant of which are noted below:
 - Contingency account was reduced \$82,904.
 - Total public safety was increased \$16,858.
 - Total parks and recreation were increased \$14,949.
 - Total highway and streets increased \$11,902.

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, 2009 amounts to \$52,030,237 (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.

**CAPITAL ASSETS
(Net of Depreciation)**

| | Governmental Activities | | Business-Type Activities | | Primary Government | |
|-------------------------|------------------------------------|----------------------|-------------------------------------|---------------------|---------------------------|----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Land | \$ 19,203,822 | \$ 18,813,822 | \$ 15,342 | \$ 15,342 | \$ 19,219,164 | \$ 18,829,164 |
| Buildings | 15,070,313 | 15,264,782 | | | 15,070,313 | 15,264,782 |
| Sewer plant | | | 1,858,728 | 1,947,338 | 1,858,728 | 1,947,338 |
| Sewer collection system | | | 495,707 | 513,571 | 495,707 | 513,571 |
| Machinery and equipment | 930,480 | 981,945 | | | 930,480 | 981,945 |
| Infrastructure | 13,218,059 | 13,445,142 | | | 13,218,059 | 13,445,142 |
| Vehicles | 1,225,565 | 1,419,231 | | | 1,225,565 | 1,419,231 |
| Furniture and fixtures | 12,221 | 6,430 | | | 12,221 | 6,430 |
| Total | \$ 49,660,460 | \$ 49,931,352 | \$ 2,369,777 | \$ 2,476,251 | \$ 52,030,237 | \$ 52,407,603 |

Additional information on the Town’s capital assets can be found in Note 5 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town had total debt outstanding of \$18,465,629. The entire amount is backed by the full faith and credit of the Town. During the year, debt increased due to the sale of bond anticipation notes. These BANs will be used for road and school improvements and open space.

**OUTSTANDING DEBT
General Obligation Bonds and Notes**

| | Governmental Activities | |
|--|------------------------------------|----------------------|
| | 2009 | 2008 |
| General obligation bonds - Town improvements | \$ 8,624,250 | \$ 9,392,000 |
| General obligation bonds - school improvements | 2,990,750 | 3,443,000 |
| Clean Water Fund note | 496,629 | 563,784 |
| Bond anticipation note | 6,354,000 | 4,765,000 |
| Total | \$ 18,465,629 | \$ 18,163,784 |

The Town maintains an “Aa1” credit rating from Moody’s Investors Service, Inc., 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 \$298,478,929 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, 2009, which matures through 2025, amounted to \$22,660,000. The related school building grant principal amount due from the State of Connecticut was \$13,850. The Town's share of the debt, net of the related grant, was \$12,138,336.

Additional information on the Town's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town is currently 6.0%, which is an increase from a rate of 2.7% a year ago. This compares favorably to the state's average unemployment rate of 8.0% and the national average rate of 9.4%.
- The uncertainty of federal and state grants could play an adverse role in the Town's finances based on its dependence on these sources of funding.

All of these factors were considered in preparing the Town's budget for the 2010 fiscal year.

At the end of the current fiscal year, unreserved and undesignated fund balance in the general fund is \$1,786,776.

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, Controller's Office, P.O. Box 1028, Redding, Connecticut 06875.

TOWN OF REDDING, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2009

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 9,573,687 | \$ 62,315 | \$ 9,636,002 |
| Receivables, net | 968,560 | 129,514 | 1,098,074 |
| Other | 161,448 | | 161,448 |
| Bond issuance costs | 1,980 | | 1,980 |
| Total current assets | <u>10,705,675</u> | <u>191,829</u> | <u>10,897,504</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Assets not being depreciated | 19,203,822 | 15,342 | 19,219,164 |
| Assets being depreciated, net | 30,456,638 | 2,354,435 | 32,811,073 |
| Total capital assets | <u>49,660,460</u> | <u>2,369,777</u> | <u>52,030,237</u> |
| Bond issuance costs | 21,772 | | 21,772 |
| Total assets | <u>60,387,907</u> | <u>2,561,606</u> | <u>62,949,513</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | 2,630,876 | 65,758 | 2,696,634 |
| Due to other governments | 45 | | 45 |
| Due to Regional School District No. 9 | 716,612 | | 716,612 |
| Unearned revenue | 1,954,204 | | 1,954,204 |
| Bond anticipation notes | 6,354,000 | | 6,354,000 |
| Total current liabilities | <u>11,655,737</u> | <u>65,758</u> | <u>11,721,495</u> |
| Noncurrent liabilities: | | | |
| Noncurrent liabilities due within one year | 1,354,571 | | 1,354,571 |
| Due in more than one year | 11,355,406 | | 11,355,406 |
| Total noncurrent liabilities | <u>12,709,977</u> | <u>-</u> | <u>12,709,977</u> |
| Total liabilities | <u>24,365,714</u> | <u>65,758</u> | <u>24,431,472</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 31,194,831 | 2,369,777 | 33,564,608 |
| Restricted for: | | | |
| Perpetual care: | | | |
| Nonexpendable | 2,100 | | 2,100 |
| Unrestricted | 4,825,262 | 126,071 | 4,951,333 |
| Total Net Assets | <u>\$ 36,022,193</u> | <u>\$ 2,495,848</u> | <u>\$ 38,518,041</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Change in Net Assets | | |
|--|---------------|-------------------------|--|--|---|-----------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 3,136,079 | \$ 327,028 | \$ 251,981 | \$ | \$ (2,557,070) | \$ | \$ (2,557,070) |
| Public safety | 3,393,531 | 116,775 | 515,936 | | (2,760,820) | | (2,760,820) |
| Highway and streets | 2,886,756 | 257,770 | 130,535 | | (2,498,451) | | (2,498,451) |
| Transfer station and recycling | 397,409 | 230,881 | | | (166,528) | | (166,528) |
| Health and welfare | 152,151 | 10,905 | 3,836 | | (137,410) | | (137,410) |
| Library | 451,458 | | | | (451,458) | | (451,458) |
| Education | 33,500,937 | 190,911 | 2,937,030 | | (30,372,996) | | (30,372,996) |
| Parks and recreation | 1,098,551 | 671,264 | | | (427,287) | | (427,287) |
| Interest and fiscal charges | 740,536 | | | 80,203 | (660,333) | | (660,333) |
| Total governmental activities | 45,757,408 | 1,805,534 | 3,839,318 | 80,203 | (40,032,353) | - | (40,032,353) |
| Business-type activities: | | | | | | | |
| Georgetown sewer fund | 664,086 | 500,314 | | | | (163,772) | (163,772) |
| Total | \$ 46,421,494 | \$ 2,305,848 | \$ 3,839,318 | \$ 80,203 | (40,032,353) | (163,772) | (40,196,125) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 40,507,798 | | 40,507,798 |
| Grants and contributions not restricted to specific programs | | | | | 252,104 | | 252,104 |
| Investment income | | | | | 187,656 | 2,003 | 189,659 |
| Total general revenues | | | | | 40,947,558 | 2,003 | 40,949,561 |
| Change in net assets | | | | | 915,205 | (161,769) | 753,436 |
| Net Assets - Beginning of Year | | | | | 35,106,988 | 2,657,617 | 37,764,605 |
| Net Assets - End of Year | | | | | \$ 36,022,193 | \$ 2,495,848 | \$ 38,518,041 |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

| | <u>General</u> | <u>Road Reconstruction</u> | <u>Reserve Fund for CNRE</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--------------------------------|--------------------------------------|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 6,300,620 | \$ 1,094,584 | \$ 875,532 | \$ 960,022 | \$ 9,230,758 |
| Receivables: | | | | | |
| Property taxes | 530,988 | | | | 530,988 |
| Sewer assessments | | | | 2,304 | 2,304 |
| Intergovernmental | 149,046 | | | 327,935 | 476,981 |
| Other | 32,389 | | | | 32,389 |
| Due from other funds | 177,710 | | 487,266 | 110,748 | 775,724 |
| Other assets | 149,185 | | | | 149,185 |
| Inventory | 12,263 | | | | 12,263 |
| Total Assets | <u>\$ 7,352,201</u> | <u>\$ 1,094,584</u> | <u>\$ 1,362,798</u> | <u>\$ 1,401,009</u> | <u>\$ 11,210,592</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,582,112 | \$ 218,200 | | \$ 374,639 | \$ 2,174,951 |
| Due to other governments | 45 | | | | 45 |
| Due to Regional School District No. 9 | 716,612 | | | | 716,612 |
| Due to other funds | 598,014 | 7,195 | | 170,515 | 775,724 |
| Deferred revenue | 2,512,480 | | | 68,527 | 2,581,007 |
| Bond anticipation notes payable | | 3,425,725 | 2,365,275 | 563,000 | 6,354,000 |
| Total liabilities | <u>5,409,263</u> | <u>3,651,120</u> | <u>2,365,275</u> | <u>1,176,681</u> | <u>12,602,339</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Endowments | | | | 2,100 | 2,100 |
| Encumbrances | 156,162 | | | | 156,162 |
| Unreserved, reported in: | | | | | |
| General fund | 1,786,776 | | | | 1,786,776 |
| Special revenue funds | | | | 560,778 | 560,778 |
| Capital projects funds | | (2,556,536) | (1,002,477) | (339,483) | (3,898,496) |
| Permanent funds | | | | 933 | 933 |
| Total fund balances | <u>1,942,938</u> | <u>(2,556,536)</u> | <u>(1,002,477)</u> | <u>224,328</u> | <u>(1,391,747)</u> |
| Total Liabilities and Fund Balances | <u>\$ 7,352,201</u> | <u>\$ 1,094,584</u> | <u>\$ 1,362,798</u> | <u>\$ 1,401,009</u> | <u>\$ 11,210,592</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2009

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

| | |
|--|-----------------------------|
| Total fund balances (Exhibit III) | \$ <u>(1,391,747)</u> |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | |
| Governmental capital assets | 60,278,855 |
| Less accumulated depreciation | <u>(10,618,395)</u> |
| Net capital assets | <u>49,660,460</u> |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | |
| Property tax and sewer assessment interest and lien accrual | 146,591 |
| Property tax and sewer assessment receivable - accrual basis change | 233,619 |
| School building grant receivable | 133,184 |
| Bond issue costs | 23,752 |
| 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 assets | 74,081 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Bonds payable | (12,111,629) |
| Compensated absences | (123,986) |
| Accrued interest payable | (147,770) |
| Net OPEB obligation | (425,362) |
| Landfill closure and post closure care | <u>(49,000)</u> |
| Net Assets of Governmental Activities (Exhibit I) | \$ <u><u>36,022,193</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

| | General | Road Reconstruction Fund | Reserve Fund for CNRE | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|-----------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property taxes | \$ 40,772,789 | \$ | \$ | \$ | \$ 40,772,789 |
| Intergovernmental | 3,035,369 | | 250,000 | 1,071,350 | 4,356,719 |
| Investment income | 174,354 | 640 | 5,862 | 6,800 | 187,656 |
| Charges for services | 1,311,278 | | | 309,162 | 1,620,440 |
| Total revenues | <u>45,293,790</u> | <u>640</u> | <u>255,862</u> | <u>1,387,312</u> | <u>46,937,604</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,182,922 | | | 7,513 | 2,190,435 |
| Public safety | 2,006,335 | | | 568,942 | 2,575,277 |
| Highway and streets | 1,353,446 | | | 64,477 | 1,417,923 |
| Transfer station and recycling | 314,620 | | | | 314,620 |
| Health and welfare | 116,201 | | | 2,267 | 118,468 |
| Library | 361,312 | | | | 361,312 |
| Parks and recreation | 855,001 | | | 20,735 | 875,736 |
| Employee benefits | 1,959,482 | | | | 1,959,482 |
| Education | 32,504,810 | | | 422,524 | 32,927,334 |
| Capital outlay | | 791,890 | 400,000 | 73,999 | 1,265,889 |
| Debt service | 1,944,199 | | | 27,135 | 1,971,334 |
| Total expenditures | <u>43,598,328</u> | <u>791,890</u> | <u>400,000</u> | <u>1,187,592</u> | <u>45,977,810</u> |
| Deficiency of Revenues over Expenditures | <u>1,695,462</u> | <u>(791,250)</u> | <u>(144,138)</u> | <u>199,720</u> | <u>959,794</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | | | 151,175 | | 151,175 |
| Transfers out | <u>(151,175)</u> | | | | <u>(151,175)</u> |
| Net other financing sources (uses) | <u>(151,175)</u> | <u>-</u> | <u>151,175</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 1,544,287 | (791,250) | 7,037 | 199,720 | 959,794 |
| Fund Balances - Beginning of Year | <u>398,651</u> | <u>(1,765,286)</u> | <u>(1,009,514)</u> | <u>24,608</u> | <u>(2,351,541)</u> |
| Fund Balances - End of Year | <u>\$ 1,942,938</u> | <u>\$ (2,556,536)</u> | <u>\$ (1,002,477)</u> | <u>\$ 224,328</u> | <u>\$ (1,391,747)</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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) \$ 959,794

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 depreciation exceeded capital outlay in the current period:

| | |
|----------------------|------------------|
| Capital outlay | 465,897 |
| Depreciation expense | (616,256) |
| Total | <u>(150,359)</u> |

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

(120,533)

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

| | |
|---|------------------|
| School building grant receipts | (68,888) |
| Increase in property tax and sewer assessment receivable - accrual basis change | (135,069) |
| Increase in property tax and sewer assessment interest and lien revenue | (89,922) |
| Increase in property tax and sewer use allowance for doubtful accounts | (40,000) |
| Total | <u>(333,879)</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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

| | |
|--------------------------|------------------|
| Principal repayments: | |
| General obligation bonds | 1,220,000 |
| Notes payable | 67,155 |
| Total | <u>1,287,155</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 OPEB expense | (425,362) |
| Landfill postclosure care | 3,500 |
| Compensated absences | (19,975) |
| Accrued interest payable | 14,511 |
| Amortization of issuance costs | (1,980) |
| Total | <u>(429,306)</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.

(297,667)

Change in Net Assets of Governmental Activities (Exhibit II)

\$ 915,205

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2009

| | Business-Type Activities Enterprise Fund | Governmental Activities Internal Service Fund |
|----------------------------|---|--|
| | Georgetown Sewer | |
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 62,315 | \$ 342,929 |
| Accounts receivable | 129,514 | |
| Due from Town of Easton | | 39,307 |
| Total current assets | <u>191,829</u> | <u>382,236</u> |
| Noncurrent assets: | | |
| Capital assets, net: | | |
| Land | 15,342 | |
| Sewer plant | 1,858,728 | |
| Sewer collection system | 495,707 | |
| Total capital assets, net | <u>2,369,777</u> | <u>-</u> |
| Total assets | <u>2,561,606</u> | <u>382,236</u> |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | 65,758 | |
| Claims payable | | 308,155 |
| Total liabilities | <u>65,758</u> | <u>308,155</u> |
| Net Assets: | | |
| Invested in capital assets | 2,369,777 | |
| Unrestricted | <u>126,071</u> | <u>74,081</u> |
| Total Net Assets | <u>\$ 2,495,848</u> | <u>\$ 74,081</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

| | Business-Type Activities Enterprise Fund | Governmental Activities Internal Service Fund |
|--------------------------------------|---|--|
| | Georgetown Sewer | |
| Operating Revenue: | | |
| Premiums | \$ | \$ 2,618,043 |
| Charges for services | 500,314 | |
| Total operating revenues | <u>500,314</u> | <u>2,618,043</u> |
| Operating Expenses: | | |
| Claims incurred | | 2,675,815 |
| Administration | 14,129 | 246,003 |
| Contracted services | 332,393 | |
| Outside services | 15,481 | |
| Materials disposal | 6,731 | |
| Materials and supplies | 79,547 | |
| Utilities | 109,331 | |
| Depreciation | 106,474 | |
| Total operating expenses | <u>664,086</u> | <u>2,921,818</u> |
| Operating Loss | (163,772) | (303,775) |
| Nonoperating Revenues: | | |
| Investment income | <u>2,003</u> | <u>6,108</u> |
| Change in Net Assets | (161,769) | (297,667) |
| Total Net Assets - Beginning of Year | <u>2,657,617</u> | <u>371,748</u> |
| Total Net Assets - End of Year | \$ <u><u>2,495,848</u></u> | \$ <u><u>74,081</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2009

| | Business-Type Activities Enterprise Fund | Governmental Activities |
|---|---|--------------------------------------|
| | Georgetown Sewer | Internal Service Fund |
| Cash Flows from Operating Activities: | | |
| Receipts from customers | \$ 484,874 | \$ |
| Payments to suppliers | (513,301) | |
| Claim payments | | (2,597,470) |
| Premiums received | | 2,796,867 |
| Administrative payments | | (246,003) |
| Net cash used in operating activities | <u>(28,427)</u> | <u>(46,606)</u> |
| Cash Flows From Investing Activities: | | |
| Income from investments | <u>2,003</u> | <u>6,108</u> |
| Net Decrease in Cash and Cash Equivalents | (26,424) | (40,498) |
| Cash and Cash Equivalents - Beginning of Year | <u>88,739</u> | <u>383,427</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 62,315</u> | <u>\$ 342,929</u> |
| Reconciliation of Operating Loss to Net Cash | | |
| Used in Operating Activities: | | |
| Operating loss | \$ (163,772) | \$ (303,775) |
| Adjustments to reconcile operating loss to net cash | | |
| used in operating activities: | | |
| Depreciation expense | 106,474 | |
| (Increase) decrease: | | |
| Accounts receivable | (15,440) | 123,827 |
| Intergovernmental receivable: | | |
| Due from Regional School District No. 9 | | 8,904 |
| Due from Town of Easton | | 46,093 |
| Increase: | | |
| Accounts payable | 11,519 | 78,345 |
| Due to other funds | <u>32,792</u> | |
| Net Cash Used in Operating Activities | <u>\$ (28,427)</u> | <u>\$ (46,606)</u> |

The accompany notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2009

| | <u>Agency Funds</u> |
|---------------------------|-------------------------|
| Assets: | |
| Cash and cash equivalents | \$ <u>121,666</u> |
| Liability: | |
| Due to others | \$ <u>121,666</u> |

The accompany notes are an integral part of the financial statements

TOWN OF REDDING, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Redding (the Town) 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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 support.

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.

The various types included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Georgetown Sewer Fund is the Town's enterprise fund.

Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Health Insurance Fund is the Town's only internal service fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The Fiduciary fund is as follows:

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Town's Agency Funds consist of student activity funds for Redding Elementary and John Read Middle School.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for using 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. Grants and similar items are recognized as revenues 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The Road Reconstruction Fund is used to account for the various road repair activities.

The Reserve for CNRE is used to account for various capital purchases.

The Town reports the following major proprietary fund:

The Georgetown Sewer Fund accounts for the activities of the Town's sewer operations.

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 Governmental Accounting Standards Board (GASB) Statement No. 10 provided to other departments on a cost reimbursement basis.

The Agency Fund accounts for monies held on behalf of students.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. The Town also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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, 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.

D. Assets, Liabilities and Net Assets 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 three months or less from the date of acquisition.

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

Investments for the Town are reported at fair value. State Treasurers 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 - 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 2a-7 like pool, which operates within State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

Receivables and Payables

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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property Taxes and Other Receivables - In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 50% of outstanding receivable balances at June 30, 2009 and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2009, which have not been collected within 60 days of June 30, have been recorded as deferred revenue since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Assessments for real and personal property, including motor vehicles, are computed at 70% of market value. Taxes not paid within 30 days of the due date are subject to an interest charge of 1½% per month.

Restricted Assets

The Permanent School and Cemetery Funds are restricted to expenditures of the investment income only for the donor-designated purpose.

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. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the 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:

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

Compensated Absences

The Town and Board of Education employees are granted vacation and sick leave based upon length of employment. In the event of termination, Police Department and Highway Department employees are compensated for accumulated vacation. All other Town and Board of Education employees do not accumulate vacation pay. Unused sick leave does not accumulate for future absences.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt - This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for noncapital purpose is excluded.

Restricted Net Assets - This category presents the net assets restricted by external parties (creditors, grantors, contributors, or laws and regulations).

Unrestricted Net Assets - This category presents the net assets of the Town which are not restricted.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the 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.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year but are shown as a reservation of fund balance on a GAAP basis.
- State of Connecticut payments on behalf of Town of Redding teachers for the State Teachers' Retirement System are reported for GAAP purposes only.

B. Donor-Restricted Endowments

The Town has received certain endowments for the maintenance and improvement of cemeteries and local schools. The amounts are reflected in net assets as restricted for other purposes. Investment income (interest earned) is approved for expenditure by the individual Boards responsible for each fund and is included in unreserved fund balance in the Permanent School Fund (\$400) and Cemetery Fund (\$1,700).

C. Deficit Fund Balance

The following funds had fund balance deficits at June 30, 2009:

| | |
|------------------------------|----------------|
| Major Fund: | |
| Road Reconstruction | \$ (2,556,536) |
| Reserve Fund for CNRE | (1,002,477) |
| Nonmajor Governmental Funds: | |
| FEMA Grant | (7,673) |
| Capital Projects-Schools | (364,758) |
| Georgetown STEAP | (31,023) |

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

D. Capital Projects Authorizations

The following is a summary of major Capital Projects at June 30, 2009:

| <u>Capital Project Fund</u> | <u>Authorization</u> | <u>Current Year Expenditures</u> | <u>Cumulative Expenditures</u> | <u>Balance June 30, 2009</u> |
|-----------------------------|----------------------|----------------------------------|--------------------------------|------------------------------|
| Road Reconstruction Fund | \$ 1,004,725 | \$ 791,890 | \$ 796,119 | \$ 208,606 |
| Capital projects - schools | 75,000 | 42,752 | 42,752 | 32,248 |
| Georgetown STEAP | 1,227,953 | 31,247 | 190,132 | 1,037,821 |

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. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$6,913,472 of the Town’s bank balance of \$7,454,419 was exposed to custodial credit risk as follows:

| | |
|---|---------------------|
| Uninsured and uncollateralized | \$ 6,197,125 |
| Uninsured and collateral held by the pledging bank’s Trust department, not in the Town’s name | <u>716,347</u> |
| Total Cash and Cash Equivalents | <u>\$ 6,913,472</u> |

B. Cash Equivalents

At June 30, 2009, the Town’s cash equivalents amounted to \$1,941,429. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

| | <u>Standard and Poor’s</u> | <u>Fitch Ratings</u> |
|--|--------------------------------|--------------------------|
| State Tax-Exempt Proceeds Fund (TEPF)* | | |
| State Short-Term Investment Fund (STIF) | AAAm | |
| MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS) | | AAA |

*Not rated

4. RECEIVABLES

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

| | <u>General</u> | <u>Nonmajor and Other Funds</u> | <u>Enterprise Fund</u> | <u>Internal Service Fund</u> | <u>Total</u> |
|-----------------------------------|-------------------|---|----------------------------|--------------------------------------|---------------------|
| Receivables: | | | | | |
| Taxes | \$ 590,988 | \$ | \$ | \$ | \$ 590,988 |
| Accounts | 32,389 | | 129,514 | 39,307 | 201,210 |
| Sewer assessments | | 2,304 | | | 2,304 |
| Intergovernmental | 149,046 | 327,935 | | | 476,981 |
| Gross receivables | <u>772,423</u> | <u>330,239</u> | <u>129,514</u> | <u>39,307</u> | <u>1,271,483</u> |
| Less allowance for uncollectibles | <u>60,000</u> | | | | <u>60,000</u> |
| Net Total Receivables | <u>\$ 712,423</u> | <u>\$ 330,239</u> | <u>\$ 129,514</u> | <u>\$ 39,307</u> | <u>\$ 1,211,483</u> |

* Accrued interest on property taxes in the amount of \$146,591 is not included in the fund financial statements.

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

| | <u>Unavailable</u> | <u>Unearned</u> |
|---|--------------------|---------------------|
| Property taxes collected in advance | \$ | \$ 1,870,215 |
| Delinquent property taxes receivable | 491,315 | |
| Special assessments not yet due | 2,304 | |
| Grant drawdowns prior to meeting all eligibility requirements | | 66,221 |
| School building grants | 133,184 | |
| Parks and recreation revenue not yet earned | | <u>17,768</u> |
| Total Deferred/Unearned Revenue for Governmental Funds | <u>\$ 626,803</u> | <u>\$ 1,954,204</u> |

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

| | <u>Balance July 1, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2009</u> |
|--|---------------------------------|---------------------|-------------------|----------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 18,813,822 | \$ 390,000 | \$ _____ | \$ 19,203,822 |
| Capital assets being depreciated: | | | | |
| Buildings | 18,195,809 | 10,000 | | 18,205,809 |
| Machinery and equipment | 1,246,746 | | 19,500 | 1,227,246 |
| Vehicles | 2,495,920 | 50,260 | 325,250 | 2,220,930 |
| Furniture and fixtures | 93,090 | 6,500 | | 99,590 |
| Infrastructure | 19,312,321 | 9,137 | | 19,321,458 |
| Total capital assets being depreciated | <u>41,343,886</u> | <u>75,897</u> | <u>344,750</u> | <u>41,075,033</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 2,931,027 | 204,469 | | 3,135,496 |
| Machinery and equipment | 264,801 | 44,273 | 12,308 | 296,766 |
| Vehicles | 1,076,689 | 130,585 | 211,909 | 995,365 |
| Furniture and fixtures | 86,660 | 709 | | 87,369 |
| Infrastructure | 5,867,179 | 236,220 | | 6,103,399 |
| Total accumulated depreciation | <u>10,226,356</u> | <u>616,256</u> | <u>224,217</u> | <u>10,618,395</u> |
| Total capital assets being depreciated, net | <u>31,117,530</u> | <u>(540,359)</u> | <u>120,533</u> | <u>30,456,638</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 49,931,352</u> | <u>\$ (150,359)</u> | <u>\$ 120,533</u> | <u>\$ 49,660,460</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 15,342 | \$ _____ | \$ _____ | \$ 15,342 |
| Capital assets being depreciated: | | | | |
| Sewer plant | 2,658,319 | | | 2,658,319 |
| Sewer collection system | 714,541 | | | 714,541 |
| Machinery and equipment | 6,550 | | | 6,550 |
| Total capital assets being depreciated | <u>3,379,410</u> | <u>-</u> | <u>-</u> | <u>3,379,410</u> |
| Less accumulated depreciation for: | | | | |
| Sewer plant | 710,981 | 88,610 | | 799,591 |
| Sewer collection system | 200,970 | 17,864 | | 218,834 |
| Machinery and equipment | 6,550 | | | 6,550 |
| Total accumulated depreciation | <u>918,501</u> | <u>106,474</u> | <u>-</u> | <u>1,024,975</u> |
| Total capital assets being depreciated, net | <u>2,460,909</u> | <u>(106,474)</u> | <u>-</u> | <u>2,354,435</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 2,476,251</u> | <u>\$ (106,474)</u> | <u>\$ -</u> | <u>\$ 2,369,777</u> |

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

| | |
|--|------------------------------|
| Governmental Activities: | |
| General government | \$ 78,114 |
| Public safety | 46,051 |
| Highway and streets | 337,203 |
| Transfer station and recycling | 7,793 |
| Health and social services | 3,595 |
| Parks and recreation | 3,575 |
| Education | <u>139,925</u> |
| Total Depreciation Expense - Governmental Activities | \$ <u><u>616,256</u></u> |
| Business-Type Activities: | |
| Sewer | \$ <u><u>106,474</u></u> |

6. INTERFUND ACCOUNTS

At June 30, 2009, the amounts due to and from other funds were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|----------------------------|----------------------------|------------------------------|
| General Fund | Nonmajor Governmental Fund | \$ 170,515 |
| General Fund | Road Reconstruction | 7,195 |
| Reserve Fund for CNRE | General Fund | 487,266 |
| Nonmajor Governmental Fund | General Fund | <u>110,748</u> |
| Total | | \$ <u><u>775,724</u></u> |

All interfund receivables and payables represent routine recurring transactions that are temporary in nature.

Interfund transfers:

| | |
|-------------------|---------------------|
| | <u>Transfer In</u> |
| | <u>Reserve Fund</u> |
| | <u>for CNRE</u> |
| Transfer out: | |
| General Fund | \$ 151,175 |

All transfers represent routine recurring transactions to move resources from one fund to another.

7. 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. At June 30, 2009, the balance outstanding was \$6,354,000.

On January 28, 2009, the Town issued \$4,765,000 of bond anticipation notes. These notes bear interest at .618%, mature on October 27, 2009, and are for open space, road reconstruction and school construction. On May 12, 2009, the Town issued \$1,589,000 of bond anticipation notes, bearing interest of 1.094% and maturing on October 27, 2009. These notes are for roads, school water treatment systems and the purchase of highway trucks.

Short-term obligation activity for the year ended June 30, 2009 was as follows:

| Description | Balance, July 1, 2008 | Additions | Deductions | Balance, June 30, 2009 |
|-------------------------|--------------------------|--------------|----------------|---------------------------|
| Bond Anticipation Notes | \$ 4,765,000 | \$ 6,354,000 | \$ (4,765,000) | \$ 6,354,000 |

8. LONG-TERM DEBT

A. Changes in Long-Term Obligations

Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

| Description | Original Amount | Date of Issue | Date of Maturity | Interest Rate (%) | Balance July 1, 2008 | Additions | Deductions | Balance Outstanding June 30, 2009 | Current Portion |
|---|--------------------|------------------|---------------------|----------------------|----------------------------|------------|--------------|---|--------------------|
| Bond Notes: | | | | | | | | | |
| General purpose: | | | | | | | | | |
| Improvement bond | \$ 285,000 | 04/15/91 | 04/15/11 | 5.4-7.25 | \$ 33,000 | \$ | \$ 15,750 | \$ 17,250 | \$ 15,750 |
| Improvement bond | 8,345,000 | 10/15/99 | 10/15/19 | 4.75-6.5 | 5,004,000 | | 417,000 | 4,587,000 | 417,000 |
| Improvement bond | 5,000,000 | 08/01/05 | 08/01/20 | 3.25-5.25 | 4,355,000 | | 335,000 | 4,020,000 | 335,000 |
| Total general purpose | | | | | 9,392,000 | - | 767,750 | 8,624,250 | 767,750 |
| Schools: | | | | | | | | | |
| Improvement bond | 3,975,000 | 04/15/91 | 04/15/11 | 5.4-7.25 | 627,000 | | 209,250 | 417,750 | 209,250 |
| Improvement bond | 4,755,000 | 10/15/99 | 10/15/19 | 4.75-6.5 | 2,816,000 | | 243,000 | 2,573,000 | 243,000 |
| Total schools | | | | | 3,443,000 | - | 452,250 | 2,990,750 | 452,250 |
| Sewer: | | | | | | | | | |
| Clean water note | 1,293,905 | 10/01/96 | 04/01/16 | 2 | 563,784 | | 67,155 | 496,629 | 68,510 |
| Total bond/notes | | | | | 13,398,784 | | 1,287,155 | 12,111,629 | 1,288,510 |
| Compensated absences | | | | | 104,011 | 19,975 | | 123,986 | 62,561 |
| Net OPEB obligation | | | | | | 425,362 | | 425,362 | |
| Landfill closure and post closure care | | | | | 52,500 | | 3,500 | 49,000 | 3,500 |
| Total General Long-Term Obligations | | | | | \$ 13,555,295 | \$ 445,337 | \$ 1,290,655 | \$ 12,709,977 | \$ 1,354,571 |

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

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and bond and note maturities:

| Year Ending June 30, | To Be Provided By State | | Principal | | Interest | |
|----------------------------|-------------------------|------------------|----------------------|------------------------|---------------------|------------------------|
| | For Principal | For Interest | Bonds | Clean Water Loan | Bonds | Clean Water Loan |
| 2010 | \$ 68,888 | \$ 6,854 | \$ 1,220,000 | \$ 68,510 | \$ 537,017 | \$ 9,307 |
| 2011 | 64,296 | 3,308 | 1,195,000 | 69,893 | 478,104 | 7,924 |
| 2012 | | | 985,000 | 71,304 | 419,275 | 6,513 |
| 2013 | | | 985,000 | 72,743 | 373,656 | 5,074 |
| 2014 | | | 985,000 | 74,212 | 327,806 | 3,606 |
| 2015 | | | 985,000 | 75,712 | 281,178 | 2,108 |
| 2016 | | | 985,000 | 64,255 | 233,806 | 591 |
| 2017 | | | 985,000 | | 185,819 | |
| 2018 | | | 985,000 | | 137,087 | |
| 2019 | | | 985,000 | | 87,938 | |
| 2020 | | | 985,000 | | 38,381 | |
| 2021 | | | 335,000 | | 6,700 | |
| Total | \$ <u>133,184</u> | \$ <u>10,162</u> | \$ <u>11,615,000</u> | \$ <u>496,629</u> | \$ <u>3,106,767</u> | \$ <u>35,123</u> |

In addition to the above recorded amounts, the Town participates with the Town of Easton in providing a regional high school for students residing in each town. Accordingly, the outstanding debt and related interest expense of Regional School District No. 9 (the District) is shared by Easton and Redding based upon the respective number of students attending from each town. Total outstanding debt of the District at June 30, 2009, which matures through 2025, amounted to \$22,660,000. The related school building grant principal amount due from the State of Connecticut was \$13,850. The Town's share of the debt, net of the related grant, was \$12,138,336.

B. Legal Debt Limit

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

| Category | Debt Limit | Net Indebtedness | Balance |
|-----------------|---------------|---------------------|---------------|
| General purpose | \$ 95,939,656 | \$ 16,408,842 | \$ 79,530,814 |
| Schools | 191,879,312 | 15,084,902 | 176,794,410 |
| Sewers | 159,899,426 | | 159,899,426 |
| Urban renewal | 138,579,503 | | 138,579,503 |
| Pension deficit | 127,919,541 | | 127,919,541 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$298,478,929.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$133,184 for bond principal is reflected as deductions in the computation of net indebtedness.

C. 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 15 years at \$3,500 per year are \$49,000. 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 assets, since the liability will be funded from future financial resources, not from expendable available financial resources.

D. Authorized/Unissued Bonds

The amount of authorized/unissued bonds for general purposes is \$1,761,215.

9. 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.

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 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. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors, and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

10. EMPLOYEE RETIREMENT FUND AND PENSION PLANS

Municipal Employees' Retirement Fund

A. Plan Description

All permanent Town employees who work at least 20 hours a week, excluding teachers, participate in the Municipal Employees' Retirement Fund (MERF). MERF is a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities.

Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

B. Funding Policy

Covered employees are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the Town are established and may be amended by the State Retirement Commission.

The required and actual contribution for the years ended June 30, 2007, 2008 and 2009, were \$403,623, \$272,020 and \$24,854, respectively.

C. Teachers' Retirement

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Town's teachers was \$1,507,074.

11. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

In addition to the pension benefits described in Note 10, 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. |
| Plan of Coverage | Anthem - fully insured medical and dental plans. |

Highway

| | |
|--|--|
| Eligibility for Medical and Dental Coverage | Retirement on or after age 62 with 18 years of service. |
| Retiree/Spouse Cost of Medical and Dental Coverage | Retiree pays 40% of the cost of insurance for the retiree only until age 65. For ages 65 and above, the retiree pays 100% of the cost. |
| Plan of Coverage | Anthem - fully insured medical and dental plans. |

Board of Education

The Board of Education provides certain post-retirement benefits to retirees through negotiated contracts. Eligibility for benefits is as follows:

Teachers

| | |
|---|--|
| Eligibility for Medical, Dental and Life Coverage | Retirement under State of Connecticut Teachers Retirement Plan (age 50 with 30 years, age 55 with 25 years or 60 with 10 years). |
| Retiree/Spouse Cost of Medical Coverage | 100% of the contribution, depending on the plan selected, up to age 65. |
| Plan of Coverage | Self-insured medical plan with fully insured dental plan. |

BOE Support Staff and Custodians

Eligibility for Medical and Dental Coverage

Retirement with 15 years of service

Retiree/Spouse Cost of Medical and Dental Coverage

Retiree pays full cost of insurance, spouse can continue coverage after retiree's death.

Plan of Coverage

Self-insured medical plan with fully insured dental plan.

B. Membership

Membership in the plan consisted of the following at July 1, 2008:

| | <u>Retiree Medical Program</u> |
|---|---------------------------------------|
| Number of retirees and eligible surviving spouses | 22 |
| Number of active participants | <u>246</u> |
| Total | <u><u>268</u></u> |

C. 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, 2008 |
| Actuarial cost method | Project Unit Credit Cost |
| Amortization method | Level dollar |
| Remaining amortization period | 30 years |
| Actuarial assumptions: | |
| Investment rate of return | 4.5%/annum |

D. Annual OPEB Cost and Net OPEB Obligations

The Town’s OPEB cost and net OPEB obligation for the current year were as follows:

| | | <u>Retiree Medical Program</u> |
|--|----|--|
| Annual required contribution | \$ | 431,218 |
| Interest on net OPEB obligation | | |
| Adjustment to annual required contribution | | <u>431,218</u> |
| Annual OPEB cost | | |
| Contribution made | | <u>5,856</u> |
| Increase in net OPEB obligation | | 425,362 |
| Net OPEB obligation, July 1, 2008 | | <u>425,362</u> |
| Net OPEB Obligation, June 30, 2009 | \$ | <u><u>425,362</u></u> |

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ending June 30, 2009 is presented below. Data is only presented for one fiscal year as it is the first year of implementation.

| | <u>Annual OPEB Cost (AOC)</u> | <u>Actual Contribution</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|---------|---------------------------------------|--------------------------------|--|--|
| 6/30/09 | \$ 431,218 | \$ 5,856 | \$ 1.4% | \$ 425,362 |

Schedule of Funding Progress

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 (asset):

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (b)</u> | <u>Underfunded AAL (OAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a percentage of Covered Payroll ((b-a)/c)</u> |
|-------------------------------------|--|--|---|-----------------------------------|------------------------------------|--|
| 7/1/2008 | \$ - | \$ 4,309,183 | \$ 4,309,183 | 0% | \$ 13,985,304 | 30.8% |

12. 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

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---------------------------------------|----------------------------|-------------------------|-------------------|---|
| Property Taxes: | | | | |
| Property taxes, current and prior | \$ 40,376,041 | \$ 40,376,041 | \$ 40,601,090 | \$ 225,049 |
| Interest and lien fees | 77,000 | 77,000 | 171,699 | 94,699 |
| Total property taxes | <u>40,453,041</u> | <u>40,453,041</u> | <u>40,772,789</u> | <u>319,748</u> |
| Intergovernmental: | | | | |
| Educational assistance grants: | | | | |
| ECS grant | 515,800 | 515,800 | 544,087 | 28,287 |
| School bond interest | 79,286 | 79,286 | 80,203 | 917 |
| Adult education | 285 | 285 | 308 | 23 |
| Regional School District No. 9 | 171,933 | 171,933 | 190,603 | 18,670 |
| Total educational assistance | <u>767,304</u> | <u>767,304</u> | <u>815,201</u> | <u>47,897</u> |
| Town assistance grants: | | | | |
| In lieu of taxes - State property | 154,208 | 154,208 | 154,728 | 520 |
| In lieu of taxes - business inventory | 4,490 | 4,490 | 4,426 | (64) |
| Local property tax relief (freeze) | 6,000 | 6,000 | 669 | (5,331) |
| Tax relief circuit breaker | 20,625 | 20,625 | 16,354 | (4,271) |
| Disability exemption | 265 | 265 | 189 | (76) |
| Veterans' exemption | 397 | 397 | | (397) |
| Other State Grants | | | 19 | 19 |
| Safe boating | 2,972 | 2,972 | 2,972 | - |
| Telephone access line grant | 38,000 | 38,000 | 44,076 | 6,076 |
| Local capital improvements | 69,016 | 69,016 | | (69,016) |
| Mashantucket Pequot Grant | 22,016 | 22,016 | 22,910 | 894 |
| Unclassified Revenue | 3,000 | 3,000 | 5,761 | 2,761 |
| Total Town assistance grants | <u>320,989</u> | <u>320,989</u> | <u>252,104</u> | <u>(68,885)</u> |
| Total intergovernmental | <u>1,088,293</u> | <u>1,088,293</u> | <u>1,067,305</u> | <u>(20,988)</u> |
| Investment Income | <u>150,000</u> | <u>150,000</u> | <u>174,354</u> | <u>24,354</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|----------------------------|----------------------------|--------------------------|------------------|---|
| Charges for Services: | | | | |
| Town clerk | \$ 220,500 | \$ 220,500 | \$ 199,286 | \$ (21,214) |
| Conservation | 4,000 | 4,000 | 3,444 | (556) |
| Heritage Center | 25,700 | 25,700 | 16,377 | (9,323) |
| Planning Commission | 4,200 | 4,200 | 1,402 | (2,798) |
| Zoning Commission | 53,000 | 53,000 | 38,444 | (14,556) |
| Zoning Board of Appeals | 1,700 | 1,700 | 700 | (1,000) |
| Building inspection | 150,000 | 150,000 | 168,224 | 18,224 |
| Transfer station | 211,070 | 211,070 | 172,921 | (38,149) |
| Sanitarian | 14,000 | 14,000 | 10,905 | (3,095) |
| Parks and recreation | 818,435 | 818,435 | 660,871 | (157,564) |
| Fiber optics | 23,853 | 23,853 | 30,851 | 6,998 |
| Rental of Town property | 6,480 | 6,480 | 6,480 | - |
| Miscellaneous | 1,000 | 1,000 | 1,373 | 373 |
| Total charges for services | <u>1,533,938</u> | <u>1,533,938</u> | <u>1,311,278</u> | <u>(222,660)</u> |
| Total Revenues | <u>\$ 43,225,272</u> | <u>\$ 43,225,272</u> | 43,325,726 | <u>\$ 100,454</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

1,507,074

Special education excess cost grant is recorded gross for GAAP

460,990Total Revenues and Other Financing Sources as Reported on the
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds - Exhibit IV\$ 45,293,790

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Original Budget</u> | <u>Transfers and Additional Appropriations</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|----------------------------|--|-------------------------|------------------|---|
| General Government: | | | | | |
| Town meetings | \$ 2,800 | \$ | \$ 2,800 | \$ 1,127 | \$ 1,673 |
| Board of selectmen | 148,713 | 4,174 | 152,887 | 151,012 | 1,875 |
| Probate court | 3,250 | | 3,250 | 3,638 | (388) |
| Registrar's office | 44,790 | 708 | 45,498 | 35,394 | 10,104 |
| Controller's office | 212,234 | 5,094 | 217,328 | 214,897 | 2,431 |
| Independent audit | 35,050 | | 35,050 | 32,880 | 2,170 |
| Assessor's office | 187,968 | 2,946 | 190,914 | 169,491 | 21,423 |
| Board of assessment appeals | 1,075 | | 1,075 | 1,974 | (899) |
| Tax collector | 142,015 | 3,323 | 145,338 | 138,350 | 6,988 |
| Town treasurer | 30,562 | 305 | 30,867 | 16,649 | 14,218 |
| Computer capability | 55,000 | | 55,000 | 53,737 | 1,263 |
| Management services | 30,500 | | 30,500 | 21,546 | 8,954 |
| Special legal | 220,000 | | 220,000 | 280,121 | (60,121) |
| Town clerk | 129,467 | 2,526 | 131,993 | 119,499 | 12,494 |
| Vital statistics | 600 | | 600 | 477 | 123 |
| Annual town report | 7,000 | | 7,000 | 5,594 | 1,406 |
| Board of ethics | 500 | | 500 | | 500 |
| Conservation | 44,582 | 480 | 45,062 | 25,045 | 20,017 |
| Heritage Center | 141,448 | 2,686 | 144,134 | 132,128 | 12,006 |
| Municipal agent for the elderly | 11,879 | 295 | 12,174 | 11,140 | 1,034 |
| Heritage center senior bus | 32,000 | 803 | 32,803 | 28,276 | 4,527 |
| Town planning commission | 78,813 | | 78,813 | 66,679 | 12,134 |
| Housatonic Valley Council of Elected Officials | 10,875 | | 10,875 | 10,875 | - |
| Zoning commission | 81,402 | 1,438 | 82,840 | 61,600 | 21,240 |
| Zoning board of appeals | 4,690 | | 4,690 | 888 | 3,802 |
| Council of small towns | 825 | | 825 | 825 | - |
| Land use services | 93,258 | 2,379 | 95,637 | 92,823 | 2,814 |
| Office of tree warden | 1,765 | | 1,765 | | 1,765 |
| Town office building | 95,428 | | 95,428 | 74,018 | 21,410 |
| Old town house | 9,469 | | 9,469 | 6,376 | 3,093 |
| Town office building annex | 12,085 | | 12,085 | 8,437 | 3,648 |
| Community center | 313,605 | 2,522 | 316,127 | 246,179 | 69,948 |
| Police headquarters/communication center | 31,600 | | 31,600 | 27,125 | 4,475 |
| Leases | 2,000 | | 2,000 | 1,000 | 1,000 |
| Administrative services | 85,620 | | 85,620 | 114,322 | (28,702) |
| Memorial Day observance | 600 | | 600 | | 600 |
| Cemeteries | 10,776 | | 10,776 | 7,400 | 3,376 |
| Insurance | 163,400 | | 163,400 | 154,696 | 8,704 |
| Miscellaneous | 15,050 | | 15,050 | 17,866 | (2,816) |
| Agencies serving residents | 5,000 | | 5,000 | 5,000 | - |
| Provision for contingencies | 165,000 | (82,904) | 82,096 | | 82,096 |
| Total general government | <u>2,662,694</u> | <u>(53,225)</u> | <u>2,609,469</u> | <u>2,339,084</u> | <u>270,385</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

| | Original Budget | Transfers and Additional Appropriations | Final Budget | Actual | Variance With Final Budget |
|---|--------------------|---|------------------|------------------|-------------------------------------|
| Public Safety: | | | | | |
| Police Department - salaries and related expenses | \$ 1,173,384 | \$ 10,263 | \$ 1,183,647 | \$ 1,158,267 | \$ 25,380 |
| Police Department - contractual services and expenses | 120,750 | | 120,750 | 115,031 | 5,719 |
| Police Department - maintenance of vehicles | 90,650 | | 90,650 | 91,383 | (733) |
| Volunteer fire companies | 117,781 | | 117,781 | 105,056 | 12,725 |
| Building inspections | 253,693 | 6,595 | 260,288 | 247,364 | 12,924 |
| Emergency Management | 2,350 | | 2,350 | 1,330 | 1,020 |
| Communications Center | 221,670 | | 221,670 | 236,903 | (15,233) |
| Dog licenses | 53,000 | | 53,000 | 51,001 | 1,999 |
| Total public safety | <u>2,033,278</u> | <u>16,858</u> | <u>2,050,136</u> | <u>2,006,335</u> | <u>43,801</u> |
| Highway and Streets: | | | | | |
| Wages - regular, overtime and seasonal | 774,133 | 2,765 | 776,898 | 678,632 | 98,266 |
| General maintenance and repair | 180,630 | 9,137 | 189,767 | 178,833 | 10,934 |
| Snow removal and ice control | 272,525 | | 272,525 | 302,177 | (29,652) |
| Equipment maintenance and repair | 140,000 | | 140,000 | 158,151 | (18,151) |
| Town garage buildings | 55,750 | | 55,750 | 35,653 | 20,097 |
| Total highway and streets | <u>1,423,038</u> | <u>11,902</u> | <u>1,434,940</u> | <u>1,353,446</u> | <u>81,494</u> |
| Transfer Station and Recycling: | | | | | |
| Salaries | 198,624 | 5,149 | 203,773 | 214,517 | (10,744) |
| General maintenance | 130,681 | | 130,681 | 90,343 | 40,338 |
| Equipment maintenance | 11,800 | | 11,800 | 9,760 | 2,040 |
| Total transfer station and recycling | <u>341,105</u> | <u>5,149</u> | <u>346,254</u> | <u>314,620</u> | <u>31,634</u> |
| Health and Social Services: | | | | | |
| Conservation of health | 7,081 | | 7,081 | 5,857 | 1,224 |
| Sanitarian inspection | 81,693 | 1,748 | 83,441 | 75,643 | 7,798 |
| Social services | 35,328 | 574 | 35,902 | 34,701 | 1,201 |
| Total health and social services | <u>124,102</u> | <u>2,322</u> | <u>126,424</u> | <u>116,201</u> | <u>10,223</u> |
| Mark Twain Library: | | | | | |
| Operations | 361,312 | | 361,312 | 361,312 | - |
| Parks and Recreation: | | | | | |
| Field maintenance | 101,511 | | 101,511 | 76,627 | 24,884 |
| Administration | 180,191 | 4,266 | 184,457 | 185,317 | (860) |
| Summer camp | 248,308 | | 248,308 | 160,558 | 87,750 |
| Recreation programs | 253,500 | | 253,500 | 183,182 | 70,318 |
| Topstone park | 90,621 | | 90,621 | 89,093 | 1,528 |
| Tennis courts | 8,675 | 8,825 | 17,500 | 18,065 | (565) |
| Extended day service | 144,117 | 1,858 | 145,975 | 142,159 | 3,816 |
| Total parks and recreation | <u>1,026,923</u> | <u>14,949</u> | <u>1,041,872</u> | <u>855,001</u> | <u>186,871</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

| | Original Budget | Transfers and Additional Appropriations | Final Budget | Actual | Variance With Final Budget |
|--------------------------------------|--------------------|---|-----------------|--------------|-------------------------------------|
| Employee Benefits | \$ 1,961,578 | \$ 10,870 | \$ 1,972,448 | \$ 1,959,482 | \$ 12,966 |
| Capital Outlay: | | | | | |
| Selectmen's general maintenance | 8,000 | | 8,000 | | 8,000 |
| Total capital outlay | 8,000 | - | 8,000 | - | 8,000 |
| Debt Service: | | | | | |
| Debt retirement | 1,264,994 | | 1,264,994 | 1,261,811 | 3,183 |
| Interest payments | 713,646 | | 713,646 | 682,388 | 31,258 |
| Total debt service | 1,978,640 | - | 1,978,640 | 1,944,199 | 34,441 |
| Total town expenditures | 11,920,670 | 8,825 | 11,929,495 | 11,249,680 | 679,815 |
| Education: | | | | | |
| Redding Board of Education: | | | | | |
| General instruction | 9,941,029 | (85,653) | 9,855,376 | 9,812,278 | 43,098 |
| Kindergarten | 20,300 | | 20,300 | 19,871 | 429 |
| Humanities | 73,181 | (2,669) | 70,512 | 68,169 | 2,343 |
| Integrated language arts | 55,678 | (5,913) | 49,765 | 47,736 | 2,029 |
| Curriculum | 74,607 | 686 | 75,293 | 84,995 | (9,702) |
| Industrial technology | 4,465 | | 4,465 | 4,443 | 22 |
| Science/math technology | 86,198 | (4,501) | 81,697 | 75,544 | 6,153 |
| Physical education/health | 17,398 | | 17,398 | 15,958 | 1,440 |
| Student activity co-curricular | 45,250 | (1,550) | 43,700 | 43,541 | 159 |
| Special services | 30,725 | | 30,725 | 16,335 | 14,390 |
| Student activity summer school | 1,475 | | 1,475 | 1,475 | - |
| Special education | 3,855,820 | | 3,855,820 | 3,837,047 | 18,773 |
| Guidance | 3,192 | | 3,192 | 1,672 | 1,520 |
| Health services | 206,645 | (1,353) | 205,292 | 198,349 | 6,943 |
| Psychological services | 19,300 | | 19,300 | 16,177 | 3,123 |
| Speech services | 11,400 | | 11,400 | 6,342 | 5,058 |
| Educational media services | 72,733 | (3,345) | 69,388 | 67,158 | 2,230 |
| Technology plan | 327,464 | 810 | 328,274 | 314,845 | 13,429 |
| Board of Education | 109,140 | (26) | 109,114 | 146,213 | (37,099) |
| Central administration | 486,491 | | 486,491 | 486,491 | - |
| Magnet school | 54,000 | 2,353 | 56,353 | 56,353 | - |
| School administration | 1,178,772 | (7,446) | 1,171,326 | 1,121,170 | 50,156 |
| Operation/maintenance physical plant | 1,943,389 | 109,036 | 2,052,425 | 2,089,396 | (36,971) |
| Student transportation | 1,042,190 | 2,048 | 1,044,238 | 973,287 | 70,951 |
| Food service | 5,800 | (2,477) | 3,323 | 161,797 | (158,474) |
| Total Redding Board of Education | 19,666,642 | - | 19,666,642 | 19,666,642 | - |
| Regional School District No. 9 | 10,870,104 | - | 10,870,104 | 10,870,104 | - |
| Total Education | 30,536,746 | - | 30,536,746 | 30,536,746 | - |
| Total Expenditures | 42,457,416 | 8,825 | 42,466,241 | 41,786,426 | 679,815 |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Original Budget</u> | <u>Transfers and Additional Appropriations</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-----------------------------|--|-----------------------------|-----------------------------|---|
| Other Financing Uses: | | | | | |
| Transfers out: | | | | | |
| Reserve Fund for CNRE | \$ <u>160,000</u> | \$ <u>(8,825)</u> | \$ <u>151,175</u> | \$ <u>151,175</u> | \$ <u>-</u> |
| Total other financing uses | <u>160,000</u> | <u>(8,825)</u> | <u>151,175</u> | <u>151,175</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | \$ <u><u>42,617,416</u></u> | \$ <u><u>-</u></u> | \$ <u><u>42,617,416</u></u> | 41,937,601 | \$ <u><u>679,815</u></u> |
| Budgetary expenditures are different than GAAP expenditures because: | | | | | |
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted | | | | 1,507,074 | |
| Special education excess cost grant is recorded gross for GAAP | | | | 460,990 | |
| Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. | | | | <u>(156,162)</u> | |
| Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV | | | | <u><u>\$ 43,749,503</u></u> | |

TOWN OF REDDING, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 6,300,620 | \$ 4,258,347 |
| Uncollected property taxes, net of allowance for uncollectible amounts | 530,988 | 338,941 |
| Due from State and Federal governments | 149,046 | 218,239 |
| Accounts receivable | 32,389 | 60,112 |
| Due from other funds | 177,710 | 112,427 |
| Other | 149,185 | 254,199 |
| Inventory | <u>12,263</u> | <u>38,311</u> |
| Total Assets | <u>\$ 7,352,201</u> | <u>\$ 5,280,576</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts and other payables | \$ 1,582,112 | \$ 1,210,596 |
| Due to other governments | 45 | 65 |
| Due to Regional School District No. 9 | 716,612 | 510,149 |
| Due to other funds | 598,014 | 1,293,973 |
| Deferred revenue | 2,512,480 | 1,867,142 |
| Total liabilities | <u>5,409,263</u> | <u>4,881,925</u> |
| Fund balance: | | |
| Reserved for encumbrances | 156,162 | - |
| Unreserved: | | |
| Undesignated | <u>1,786,776</u> | <u>398,651</u> |
| Total fund balance | <u>1,942,938</u> | <u>398,651</u> |
| Total Liabilities and Fund Balance | <u>\$ 7,352,201</u> | <u>\$ 5,280,576</u> |

**TOWN OF REDDING, CONNECTICUT
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2009**

| Grand List Year | Uncollected Taxes July 1, 2008 | Current Year Levy | Lawful Corrections | | Transfers to Suspense | Overcollections/ Bounced Checks | Adjusted Taxes Collectible | Taxes | Interest and Liens Fees | Total | Uncollected Taxes June 30, 2009 |
|-----------------|--------------------------------|----------------------|--------------------|-------------------|-----------------------|---------------------------------|----------------------------|---|-------------------------|-------------------|---------------------------------|
| | | | Additions | Deductions | | | | | | | |
| 2007 | \$ | \$ 40,820,444 | \$ 377,521 | \$ 461,025 | \$ | \$ 29,425 | \$ 40,826,213 | \$ 40,345,062 | \$ 110,516 | \$ 40,455,578 | \$ 481,151 |
| 2006 | 231,716 | | 46,896 | 35,005 | | | 248,470 | 214,074 | 39,975 | 254,049 | 34,396 |
| 2005 | 52,804 | | 43,187 | 16,658 | 9,975 | | 76,627 | 61,450 | 8,577 | 70,027 | 15,177 |
| 2004 | 18,085 | | | | | | 18,085 | 9,750 | 4,230 | 13,980 | 8,335 |
| 2003 | 6,598 | | | | | | 6,598 | 5,678 | 3,276 | 8,954 | 920 |
| 2002 | | | | | | | | | 5 | 5 | - |
| 2001 | 306 | | | | | | 306 | | | | 306 |
| 2000 | 2,852 | | | | | | 2,852 | | | | 2,852 |
| 1999 | 557 | | | | | | 557 | | | | 557 |
| 1998 | 1,151 | | | | | | 1,151 | | | | 1,151 |
| 1997 | 2,967 | | | | | 3,255 | 6,222 | | | | 6,222 |
| 1996 | 1,163 | | | | | | 1,163 | 976 | 24 | 1,000 | 187 |
| 1995 | 3,009 | | | | | | 3,009 | 2,356 | 24 | 2,380 | 653 |
| 1994 | 8,195 | | | | | | 8,195 | 3,707 | 24 | 3,731 | 4,488 |
| 1993 | 18,959 | | | | | | 18,959 | 2,643 | 24 | 2,667 | 16,316 |
| 1992 | 18,277 | | | | | | 18,277 | | | | 18,277 |
| Total | \$ 366,639 | \$ 40,820,444 | \$ 467,604 | \$ 512,688 | \$ 9,975 | \$ 32,680 | \$ 41,236,684 | 40,645,696 | 166,675 | 40,812,371 | \$ 590,988 |
| | | | | | | | | Suspense collections | 93,147 | 5,024 | 98,171 |
| | | | | | | | | Total | \$ 40,738,843 | \$ 171,699 | 40,910,542 |
| | | | | | | | | Refunds Adjustment | | (75,233) | |
| | | | | | | | | Property taxes receivable considered available: | | | |
| | | | | | | | | June 30, 2008 | | (102,193) | |
| | | | | | | | | June 30, 2009 | | 39,673 | |
| | | | | | | | | Total Property Tax Revenue | \$ | <u>40,772,789</u> | |

TOWN OF REDDING, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009

Special Revenue Funds

| | <u>Town Aid Road</u> | <u>Police Funds</u> | <u>Dog Fund</u> | <u>Federal Education Grants</u> | <u>Parking Permits/Lot Fund</u> | <u>Recycling</u> | <u>Sewer Assessments</u> | <u>Parks and Recreation Concerts</u> |
|--|--------------------------|-------------------------|---------------------|---|---|------------------|------------------------------|--|
| ASSETS | | | | | | | | |
| Cash | \$ 98,892 | \$ 118,265 | \$ 32,944 | \$ 1,099 | \$ 27,847 | \$ 38,275 | \$ 183,824 | \$ 2,013 |
| Intergovernmental receivable | | 314,372 | | 13,563 | | | | |
| Sewer assessments | | | | | | | 2,304 | |
| Due from other funds | | | | | | | | |
| Total Assets | <u>\$ 98,892</u> | <u>\$ 432,637</u> | <u>\$ 32,944</u> | <u>\$ 14,662</u> | <u>\$ 27,847</u> | <u>\$ 38,275</u> | <u>\$ 186,128</u> | <u>\$ 2,013</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 6,485 | \$ 337,655 | \$ 872 | \$ 11,137 | \$ - | \$ 5,949 | \$ - | \$ - |
| Due to other funds | | | | | | | | |
| Deferred revenue | | | | | | | 2,304 | |
| Bond anticipation notes payable | | | | | | | | |
| Total liabilities | <u>6,485</u> | <u>337,655</u> | <u>872</u> | <u>11,137</u> | <u>-</u> | <u>5,949</u> | <u>2,304</u> | <u>-</u> |
| Fund Balances: | | | | | | | | |
| Reserved for endowments | | | | | | | | |
| Unreserved and undesignated | 92,407 | 94,982 | 32,072 | 3,525 | 27,847 | 32,326 | 183,824 | 2,013 |
| Total fund balances | <u>92,407</u> | <u>94,982</u> | <u>32,072</u> | <u>3,525</u> | <u>27,847</u> | <u>32,326</u> | <u>183,824</u> | <u>2,013</u> |
| Total Liabilities and Fund Balances | <u>\$ 98,892</u> | <u>\$ 432,637</u> | <u>\$ 32,944</u> | <u>\$ 14,662</u> | <u>\$ 27,847</u> | <u>\$ 38,275</u> | <u>\$ 186,128</u> | <u>\$ 2,013</u> |

(Continued on next page)

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

JUNE 30, 2009

Special Revenue Funds

| | <u>Parks and Recreation Basketball</u> | <u>Senior Center Escrow</u> | <u>FEMA Grant</u> | <u>Benedictine Grange</u> | <u>Canine Control</u> | <u>Planning Commission</u> | <u>Adopt-A- Road</u> | <u>Parade Path</u> |
|--------------------------------------|--|-------------------------------------|-----------------------|-------------------------------|---------------------------|--------------------------------|--------------------------|------------------------|
| ASSETS | | | | | | | | |
| Cash | \$ 2,432 | \$ 2,024 | \$ 99,833 | \$ 850 | \$ 183 | \$ 383 | \$ 2,337 | \$ 3,075 |
| Intergovernmental receivable | | | | | | | | |
| Sewer assessments | | | | | | | | |
| Due from other funds | | | | | | | | |
| Total Assets | <u>\$ 2,432</u> | <u>\$ 2,024</u> | <u>\$ 99,833</u> | <u>\$ 850</u> | <u>\$ 183</u> | <u>\$ 383</u> | <u>\$ 2,337</u> | <u>\$ 3,075</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ | \$ | \$ 5,290 | \$ | \$ | \$ | \$ 82 | \$ 100 |
| Due to other funds | | | 102,216 | | | | | |
| Deferred revenue | | | | | | | | |
| Bond anticipation notes payable | | | | | | | | |
| Total liabilities | <u>-</u> | <u>-</u> | <u>107,506</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>82</u> | <u>100</u> |
| Fund Balances: | | | | | | | | |
| Reserved for endowments | | | | | | | | |
| Unreserved and undesignated | <u>2,432</u> | <u>2,024</u> | <u>(7,673)</u> | <u>850</u> | <u>183</u> | <u>383</u> | <u>2,255</u> | <u>2,975</u> |
| Total fund balances | <u>2,432</u> | <u>2,024</u> | <u>(7,673)</u> | <u>850</u> | <u>183</u> | <u>383</u> | <u>2,255</u> | <u>2,975</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,432</u> | <u>\$ 2,024</u> | <u>\$ 99,833</u> | <u>\$ 850</u> | <u>\$ 183</u> | <u>\$ 383</u> | <u>\$ 2,337</u> | <u>\$ 3,075</u> |

(Continued on next page)

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

JUNE 30, 2009

| | <u>Special Revenue Funds</u> | | | | | <u>Capital Projects Fund</u> | |
|--------------------------------------|------------------------------|------------------|-----------------|------------------------|---------------------|--|-----------------------------|
| | <u>Social Services</u> | <u>GIS</u> | <u>Gazebo</u> | <u>Misc Grants</u> | <u>Total</u> | <u>Capital Projects- Schools</u> | <u>Georgetown STEAP</u> |
| ASSETS | | | | | | | |
| Cash | \$ 3,186 | \$ 38,022 | \$ 4,221 | \$ 46,390 | \$ 706,095 | \$ 129,994 | \$ |
| Intergovernmental receivable | | | | | 327,935 | | |
| Sewer assessments | | | | | 2,304 | | |
| Due from other funds | | | | | | 68,248 | |
| Total Assets | <u>3,186</u> | <u>\$ 38,022</u> | <u>\$ 4,221</u> | <u>\$ 46,390</u> | <u>\$ 1,036,334</u> | <u>\$ 198,242</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ | \$ | \$ | \$ 1,315 | \$ 368,885 | \$ | \$ 3,630 |
| Due to other funds | | | | | 102,216 | | |
| Deferred revenue | | | | 2,151 | 4,455 | | 27,393 |
| Bond anticipation notes payable | | | | | - | 563,000 | |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,466</u> | <u>475,556</u> | <u>563,000</u> | <u>31,023</u> |
| Fund Balances: | | | | | | | |
| Reserved for endowments | | | | | | | |
| Unreserved and undesignated | <u>3,186</u> | <u>38,022</u> | <u>4,221</u> | <u>42,924</u> | <u>560,778</u> | <u>(364,758)</u> | <u>(31,023)</u> |
| Total fund balances | <u>3,186</u> | <u>38,022</u> | <u>4,221</u> | <u>42,924</u> | <u>560,778</u> | <u>(364,758)</u> | <u>(31,023)</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,186</u> | <u>\$ 38,022</u> | <u>\$ 4,221</u> | <u>\$ 46,390</u> | <u>\$ 1,036,334</u> | <u>\$ 198,242</u> | <u>\$ -</u> |

(Continued on next page)

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

JUNE 30, 2009

| | Capital Projects Fund | | | | Permanent Funds | | | Total Nonmajor Governmental Funds |
|--|------------------------------|-------------------|--------------------|-------------------|---------------------|-------------------|-----------------|--|
| | Water Wells and Oil Tanks | Bond Fund | Athletic Fields | Total | Permanent School | Cemetery Funds | Total | |
| ASSETS | | | | | | | | |
| Cash | \$ 3,700 | \$ 115,072 | \$ 2,128 | \$ 250,894 | \$ 622 | \$ 2,411 | \$ 3,033 | \$ 960,022 |
| Intergovernmental receivable | | | | | | | | 327,935 |
| Sewer assessments | | | | | | | | 2,304 |
| Due from other funds | 42,500 | | | 110,748 | | | | 110,748 |
| Total Assets | \$ 46,200 | \$ 115,072 | \$ 2,128 | \$ 361,642 | \$ 622 | \$ 2,411 | \$ 3,033 | \$ 1,401,009 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ | \$ | \$ 2,124 | \$ 5,754 | \$ | \$ | \$ | \$ 374,639 |
| Due to other funds | | 68,299 | | 68,299 | | | | 170,515 |
| Deferred revenue | | 36,679 | | 64,072 | | | | 68,527 |
| Bond anticipation notes payable | | | | 563,000 | | | | 563,000 |
| Total liabilities | - | 104,978 | 2,124 | 701,125 | - | - | - | 1,176,681 |
| Fund Balances: | | | | | | | | |
| Reserved for endowments | | | | | 400 | 1,700 | 2,100 | 2,100 |
| Unreserved and undesignated | 46,200 | 10,094 | 4 | (339,483) | 222 | 711 | 933 | 222,228 |
| Total fund balances | 46,200 | 10,094 | 4 | (339,483) | 622 | 2,411 | 3,033 | 224,328 |
| Total Liabilities and Fund Balances | \$ 46,200 | \$ 115,072 | \$ 2,128 | \$ 361,642 | \$ 622 | \$ 2,411 | \$ 3,033 | \$ 1,401,009 |

TOWN OF REDDING, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Special Revenue Funds</u> | | | | | | | |
|-----------------------------------|------------------------------|-------------------------|---------------------|---|---|------------------|------------------------------|--|
| | <u>Town Aid Road</u> | <u>Police Funds</u> | <u>Dog Fund</u> | <u>Federal Education Grants</u> | <u>Parking Permits/Lot Fund</u> | <u>Recycling</u> | <u>Sewer Assessments</u> | <u>Parks and Recreation Concerts</u> |
| Revenues: | | | | | | | | |
| Intergovernmental | \$ 130,535 | \$ 515,936 | \$ | \$ 424,879 | \$ | \$ | \$ | \$ |
| Investment income | | 1,090 | | | 355 | 196 | 2,687 | |
| Charges for services | | 102,022 | 14,753 | | 32,273 | 57,960 | 45,500 | 8,961 |
| Total revenues | <u>130,535</u> | <u>619,048</u> | <u>14,753</u> | <u>424,879</u> | <u>32,628</u> | <u>58,156</u> | <u>48,187</u> | <u>8,961</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | | | | | | | | |
| Public safety | | 555,866 | 13,076 | | | | | |
| Highways and streets | 38,078 | | | | 20,220 | 3,796 | | |
| Health and social services | | | | | | | | |
| Education | | | | 422,524 | | | | |
| Parks and recreation | | | | | | | | 10,626 |
| Capital outlay | | | | | | | | |
| Debt service | | | | | | | 27,135 | |
| Total expenditures | <u>38,078</u> | <u>555,866</u> | <u>13,076</u> | <u>422,524</u> | <u>20,220</u> | <u>3,796</u> | <u>27,135</u> | <u>10,626</u> |
| Net Change in Fund Balance | 92,457 | 63,182 | 1,677 | 2,355 | 12,408 | 54,360 | 21,052 | (1,665) |
| Fund Balances - Beginning of Year | <u>(50)</u> | <u>31,800</u> | <u>30,395</u> | <u>1,170</u> | <u>15,439</u> | <u>(22,034)</u> | <u>162,772</u> | <u>3,678</u> |
| Fund Balances - End of Year | <u>\$ 92,407</u> | <u>\$ 94,982</u> | <u>\$ 32,072</u> | <u>\$ 3,525</u> | <u>\$ 27,847</u> | <u>\$ 32,326</u> | <u>\$ 183,824</u> | <u>\$ 2,013</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Special Revenue Funds</u> | | | | | | | |
|-----------------------------------|---|-------------------------------------|-----------------------|-------------------------------|---------------------------|--------------------------------|--------------------------|------------------------|
| | <u>Park and Recreation Basketball</u> | <u>Senior Center Escrow</u> | <u>FEMA Grant</u> | <u>Benedictine Grange</u> | <u>Canine Control</u> | <u>Planning Commission</u> | <u>Adopt-A- Road</u> | <u>Parade Path</u> |
| Revenues: | | | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Investment income | | | | | | | | 120 |
| Charges for services | 1,432 | | | | | | 3,500 | 1,981 |
| Total revenues | <u>1,432</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,500</u> | <u>2,101</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | | | | | | 1,392 | | |
| Public safety | | | | | | | | |
| Highways and streets | | | 2,383 | | | | | |
| Health and social services | | 113 | | | | | 1,504 | |
| Education | | | | | | | | |
| Parks and recreation | 1,352 | | | | | | | 8,757 |
| Capital outlay | | | | | | | | |
| Debt service | | | | | | | | |
| Total expenditures | <u>1,352</u> | <u>113</u> | <u>2,383</u> | <u>-</u> | <u>-</u> | <u>1,392</u> | <u>1,504</u> | <u>8,757</u> |
| Net Change in Fund Balance | 80 | (113) | (2,383) | - | - | (1,392) | 1,996 | (6,656) |
| Fund Balances - Beginning of Year | <u>2,352</u> | <u>2,137</u> | <u>(5,290)</u> | <u>850</u> | <u>183</u> | <u>1,775</u> | <u>259</u> | <u>9,631</u> |
| Fund Balances - End of Year | <u>\$ 2,432</u> | <u>\$ 2,024</u> | <u>\$ (7,673)</u> | <u>\$ 850</u> | <u>\$ 183</u> | <u>\$ 383</u> | <u>\$ 2,255</u> | <u>\$ 2,975</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Special Revenue Funds</u> | | | | | <u>Capital Projects Fund</u> | |
|-----------------------------------|------------------------------|------------------|-----------------|------------------------|-------------------|--|-----------------------------|
| | <u>Social Services</u> | <u>GIS</u> | <u>Gazebo</u> | <u>Misc Grants</u> | <u>Total</u> | <u>Capital Projects- Schools</u> | <u>Georgetown STEAP</u> |
| Revenues: | | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ | \$ 1,071,350 | \$ | \$ |
| Investment income | | | | | 4,448 | 640 | 224 |
| Charges for services | 3,836 | 12,547 | | 24,397 | 309,162 | | |
| Total revenues | <u>3,836</u> | <u>12,547</u> | <u>-</u> | <u>24,397</u> | <u>1,384,960</u> | <u>640</u> | <u>224</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | | 3,053 | | 3,068 | 7,513 | | |
| Public safety | | | | | 568,942 | | |
| Highways and streets | | | | | 64,477 | | |
| Health and social services | 650 | | | | 2,267 | | |
| Education | | | | | 422,524 | | |
| Parks and recreation | | | | | 20,735 | | |
| Capital outlay | | | | | | 42,752 | 31,247 |
| Debt service | | | | | 27,135 | | |
| Total expenditures | <u>650</u> | <u>3,053</u> | <u>-</u> | <u>3,068</u> | <u>1,113,593</u> | <u>42,752</u> | <u>31,247</u> |
| Net Change in Fund Balance | 3,186 | 9,494 | - | 21,329 | 271,367 | (42,112) | (31,023) |
| Fund Balances - Beginning of Year | <u>-</u> | <u>28,528</u> | <u>4,221</u> | <u>21,595</u> | <u>289,411</u> | <u>(322,646)</u> | <u>-</u> |
| Fund Balances - End of Year | <u>\$ 3,186</u> | <u>\$ 38,022</u> | <u>\$ 4,221</u> | <u>\$ 42,924</u> | <u>\$ 560,778</u> | <u>\$ (364,758)</u> | <u>\$ (31,023)</u> |

(Continued on next page)

TOWN OF REDDING, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Capital Projects Fund</u> | | | | <u>Permanent Funds</u> | | | Total Nonmajor Governmental Funds |
|-----------------------------------|--------------------------------------|----------------------|----------------------------|---------------------|-----------------------------|---------------------------|-----------------|--|
| | <u>Water Wells and Oil Tanks</u> | <u>Bond Fund</u> | <u>Athletic Fields</u> | <u>Total</u> | <u>Permanent School</u> | <u>Cemetery Funds</u> | <u>Total</u> | |
| Revenues: | | | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ - | \$ | \$ | \$ - | \$ 1,071,350 |
| Investment income | 56 | 1,428 | 4 | 2,352 | | | - | 6,800 |
| Charges for services | | | | - | | | - | 309,162 |
| Total revenues | <u>56</u> | <u>1,428</u> | <u>4</u> | <u>2,352</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,387,312</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | | | | - | | | - | 7,513 |
| Public safety | | | | - | | | - | 568,942 |
| Highways and streets | | | | - | | | - | 64,477 |
| Health and social services | | | | - | | | - | 2,267 |
| Education | | | | - | | | - | 422,524 |
| Parks and recreation | | | | - | | | - | 20,735 |
| Capital outlay | | | | 73,999 | | | - | 73,999 |
| Debt service | | | | - | | | - | 27,135 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,999</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,187,592</u> |
| Net Change in Fund Balance | 56 | 1,428 | 4 | (71,647) | - | - | - | 199,720 |
| Fund Balances - Beginning of Year | <u>46,144</u> | <u>8,666</u> | <u>-</u> | <u>(267,836)</u> | <u>622</u> | <u>2,411</u> | <u>3,033</u> | <u>24,608</u> |
| Fund Balances - End of Year | <u>\$ 46,200</u> | <u>\$ 10,094</u> | <u>\$ 4</u> | <u>\$ (339,483)</u> | <u>\$ 622</u> | <u>\$ 2,411</u> | <u>\$ 3,033</u> | <u>\$ 224,328</u> |

TOWN OF REDDING, CONNECTICUT

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Balance</u> <u>July 1, 2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2009</u> |
|---------------------------|---------------------------------------|-------------------|-------------------|--|
| ASSETS | | | | |
| Cash: | | | | |
| Redding Elementary School | \$ 23,614 | \$ 22,502 | \$ 26,315 | \$ 19,801 |
| John Read Middle School | <u>97,084</u> | <u>171,597</u> | <u>166,816</u> | <u>101,865</u> |
| Total Assets | <u>\$ 120,698</u> | <u>\$ 194,099</u> | <u>\$ 193,131</u> | <u>\$ 121,666</u> |
| LIABILITIES | | | | |
| Due to others: | | | | |
| Redding Elementary School | \$ 23,614 | \$ 22,502 | \$ 26,315 | \$ 19,801 |
| John Read Middle School | <u>97,084</u> | <u>171,597</u> | <u>166,816</u> | <u>101,865</u> |
| Total Liabilities | <u>\$ 120,698</u> | <u>\$ 194,099</u> | <u>\$ 193,131</u> | <u>\$ 121,666</u> |

TOWN OF REDDING, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2009

Total Tax Collections (including interest and lien fees):

For the year ended June 30, 2009:

| | |
|-----------------|---------------|
| Town of Redding | \$ 40,910,542 |
| Fire District | 1,728,636 |

Reimbursement for Revenue Loss:

| | |
|-------------------------------|------------|
| Tax relief for elderly freeze | <u>669</u> |
|-------------------------------|------------|

| | |
|--------------------------------------|-----------------------------|
| Base for Debt Limitation Computation | <u><u>\$ 42,639,847</u></u> |
|--------------------------------------|-----------------------------|

| | General Purpose | Schools | Sewers | Urban Renewal | Pension Deficit |
|--|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Debt Limitation: | | | | | |
| 2 1/4 times base | \$ 95,939,656 | \$ | \$ | \$ | \$ |
| 4 1/2 times base | | 191,879,312 | | | |
| 3 3/4 times base | | | 159,899,426 | | |
| 3 1/4 times base | | | | 138,579,503 | |
| 3 times base | | | | | 127,919,541 |
| Total debt limitation | <u>95,939,656</u> | <u>191,879,312</u> | <u>159,899,426</u> | <u>138,579,503</u> | <u>127,919,541</u> |
| Indebtedness: | | | | | |
| Bonds payable | 8,624,250 | 2,990,750 | | | |
| Bond anticipation notes | 6,265,000 | 89,000 | | | |
| Fire District bonds | 308,260 | | | | |
| Georgetown Special District | 1,211,332 | | | | |
| School building grants | | (133,184) | | | |
| Redding's portion of Regional School District No. 9 bonds, net of school building grants | | <u>12,138,336</u> | | | |
| Net indebtedness | <u>16,408,842</u> | <u>15,084,902</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt Limitation in Excess of Indebtedness | <u><u>\$ 79,530,814</u></u> | <u><u>\$ 176,794,410</u></u> | <u><u>\$ 159,899,426</u></u> | <u><u>\$ 138,579,503</u></u> | <u><u>\$ 127,919,541</u></u> |

| | |
|---|------------------------------|
| In no event shall total indebtedness exceed seven times the base for debt limitation computation: | <u><u>\$ 298,478,929</u></u> |
|---|------------------------------|