

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF FAIRFIELD,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2017

**PREPARED BY:
FINANCE DEPARTMENT**

**CAITLIN T. BOSSE
CONTROLLER**

**ROBERT MAYER, CPA
FISCAL OFFICER**

TOWN OF FAIRFIELD, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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Introductory Section



Town of Fairfield

**Sullivan Independence Hall
Finance Department**

**725 Old Post Road
Fairfield, Connecticut 06824**

**Phone (203) 256-3065
Fax (203) 255-7380**

December 26, 2017

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

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Fairfield for the year ended June 30, 2017. The report includes the independent auditor's report as required by Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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

PKF O'Conner Davies, LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Fairfield, Connecticut for the fiscal year ended June 30, 2017, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Fairfield's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditor's report.

Profile of the Town of Fairfield

The Town of Fairfield covers approximately 31.3 square miles and is located on Long Island Sound immediately west of the City of Bridgeport. Fairfield is bordered by Westport, Weston, Easton, Trumbull and Bridgeport. Fairfield is primarily a residential community; however, there is significant commercial development scattered throughout the Town. The Town is serviced by the Connecticut Turnpike (I-95), the Merritt Parkway (Conn. 15) and the Metro North commuter railroad. Fairfield is the home to both Fairfield University and Sacred Heart University. The 2017 population was 61,016. The Town was originally settled in 1639.

The Town operates under a Charter most recently revised in 2006. The Town functions under a Board of Selectmen, Representative Town Meeting (RTM) form of government, adopted in 1947. The RTM is the final budget-making authority and the legislative body of the Town. The RTM consists of 40 members, elected for 2 year terms from 10 voting districts. The Board of Selectmen consists of 3 members, chaired by the First Selectman and is elected every 4 years. The First Selectman serves as the Chief Elected Official of the Town. The Board of Finance consists of 9 members, elected for 6 year terms on a staggered basis. The financial administrator of the Town is the Fiscal Officer. The Fiscal Officer oversees the Accounting, Internal Audit and Budget functions along with the Purchasing Department, the Assessor's Office, the Tax Collector's office, and the Information technology Department. The Accounting Office is administered by the Controller and accounts for all Town funds. The Assessor's Office develops the list of property and related assessments for all real estate, personal property and motor vehicles for the purpose of taxation. The Tax Collector's Office bills, collects, processes and deposits taxes, interest and fees on all taxable property in the Town. The Controller is responsible for maintaining the financial records of the Town and for the financial reporting of the Town's activities and operations.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Exhibit L (II) A in the Notes to Financial Statements describes the budget process used by the Town.

Local Economy and Major Initiatives

The Town was impacted by the economic downturn that started in 2008 and both Storms Nemo and Sandy in 2012. Fairfield, however, has been fortunate that the Town's unemployment and foreclosure rates have been below regional, state and national levels. Vacancy levels for both retail and office space has also been and are below regional, state and national levels.

The Town's third train station (Fairfield Metro) was officially opened in December 2011. The site has an approved master plan that allows for the development of more than one million square feet of commercial office, retail and other related uses on the privately-owned portion of the site. Fairfield Center is flourishing. Demand remains high and vacant storefronts are few. Vacancy rates for commercial office space remain low for the Fairfield submarket as compared to the Fairfield County market as a whole.

The Town hosted its fifth annual Fairfield Restaurant Week in October 2017, featuring 36 dining establishments located throughout Fairfield. The Town also held its annual Holiday Shop and Stroll event in December 2017.

The long awaited remediation of the Mill River adjoining the former Exide Battery Plant began in August 2013 and was completed this fall. This 6-acre parcel is expected to be made available for sale and redevelopment in 2018. Fairfield University and Sacred Heart University (SHU) continue to make significant investments in their on-campus facilities.

SHU just recently completed the acquisition of the former GE headquarters site and have commenced work to renovate one of the buildings to accommodate the Business School, to expand their offerings in computer science and computer engineering, and to create an innovation center with which to incubate new businesses. On the main campus, SHU continues to add new residential dormitories as part of the upper quad expansion and recently opened a first-of-its kind 1950's-themed dining facility (JP's Diner) and a new state-of-the-art 120,000sf Center for Health Care Education. SHU is also completing work on a new three-story 21,000sf building which will house its Public Safety Department as well as new broadcasting facilities for WSHU radio.

Fairfield University is also expanding its on-campus housing options, with construction of a new 4-story, 200-room dormitory, set to open next summer. Fairfield University recently completed work on a 4-story, 70,000sf building to house its School of Nursing and Health Studies and on renovations to the Barone Campus Center. Additionally, Fairfield University just announced plans to construct a new state-of-art \$40 million facility to accommodate the Dolan School of Business, which is expected to open in 2019.

There are three assisted living facilities presently under construction in Fairfield. Benchmark is constructing a \$15 million, 88-unit assisted living facility called Sturges Ridge of Fairfield behind the Carolton Chronic & Convalescent Care Facility at 400 Mill Plain Road. In Southport, work has begun on a 98-unit assisted living/memory care facility by Maplewood. Finally, Sunrise Senior Living is constructing a 83-unit assisted living/memory care facility on the former Congregation Ahavath Achim synagogue site in the Stratfield section of Fairfield.

The Commerce Drive area continues to see new investment, particularly around the new Fairfield Metro Center rail station. Trademark Fairfield, a new, 5-story mixed use development with 101 apartments over 15,000sf of ground floor retail celebrated its grand opening in October. The co-developers of that project have announced plans for a phase II development to include 160 apartments, with structured parking and ground floor retail. In the downtown, construction work is well underway on a new 3-story, 9000sf mixed use building for Kerin & Fazio, while plans are proceeding for a 90-unit residential high rise on the former Knights of Columbus site, just steps from the Fairfield Train station. In Southport, work is nearly complete on a project to renovate and expand the former Southport Athletic Club for Equinox Southport.

BNP Associates, a leader in designing baggage and cargo handling facilities for airports worldwide, is relocating its US headquarters from Brookfield to Fairfield. The move is expected to be completed early next year.

Based on residential sales activity for the period October 1, 2016 to October 1, 2017, it appears that, on average, the Town's real estate values have increased since the 2015 revaluation. It also appears that a portion of the Town has fully recovered the valuation losses which had incurred as a result of the 2008 economic downturn.

The Town has a significant tax base that continually ranks within the five largest in the state; it has very high wealth and income levels; has a moderate debt burden, which is planned for quick retirement; and its pension plans remain at high funding levels.

These facts are echoed within the municipal credit industry. Fairfield is one of a small handful of towns and cities throughout the United States that has been awarded the esteemed AAA rating by Moody's Investor Services, Standard & Poor's and Fitch Ratings. All three of these rating services have reconfirmed their highest ratings on Fairfield during the past year.

Long-Term Financial Planning

The Town's long-term financial planning is focused on maintaining a moderate to low debt to general fund balance ratio and to increase its general fund balance to budget ratio.

In July 2017, the Town issued \$12,885,000 of general obligation bonds and \$12,645,000 of bond anticipation notes. The majority of the bonds and the bond anticipation notes were used to fund the Town's capital replacement program for both Town and School projects; security infrastructure, trucks, repairs related to Storm Sandy, and larger building maintenance projects. The Town has developed a comprehensive plan for future school renovations to manage enrollment growth and maintain the quality of the school environment. Any additional large school renovation expenditure that may be identified and incurred would be subject to bonding in future fiscal years.

Relevant Financial Policies

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There were no developments at the State level that impacted the current year financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the fourteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

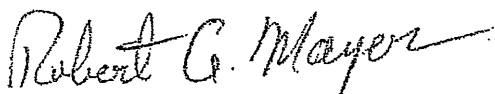
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, Standard and Poors Rating Services, in their bond rating report for the Town's general obligation bond offering of July 2017, noted that they view the Town's management as strong with "good" financial policies, strong financial management, prudent fiscal policies and conservative budgeting practices.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report. In particular, Caitlin T. Bosse, Controller, who continues to provide exceptional service at the highest level of professionalism.

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

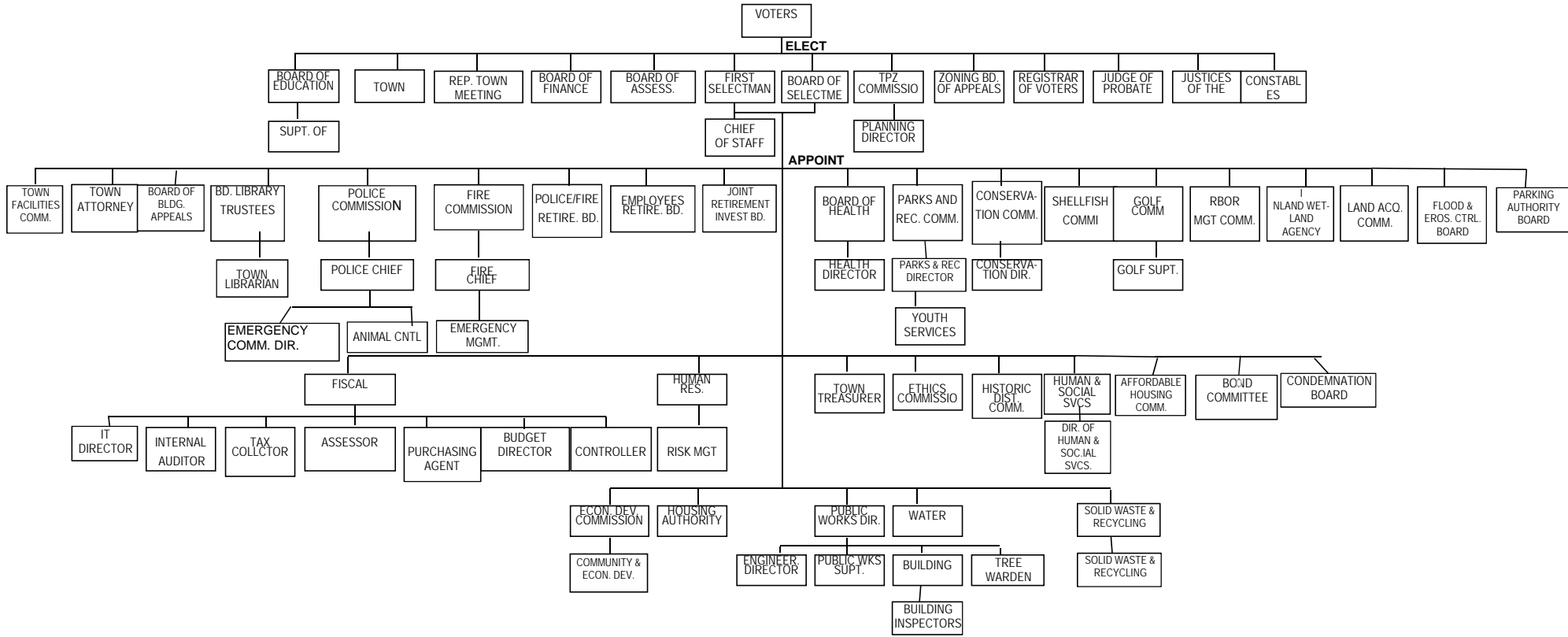
Respectfully submitted,



Robert Mayer, CPA
Fiscal Officer

TOWN OF FAIRFIELD, CONNECTICUT

ORGANIZATION CHART



TOWN OF FAIRFIELD, CONNECTICUT

PRINCIPAL OFFICIALS
JUNE 30, 2017

BOARD OF SELECTMEN

Michael C. Tetreau, First Selectman
Kevin P. Kiley
Christopher W. Tymniak

BOARD OF FINANCE

Thomas M. Flynn, Chairman
James B. Brown, Vice Chairman
Mary E. LeClerc, Secretary
Kevin L. Hoffkins
John Mitola
Christopher W. Dewitt
David Becker
Sheila Marmion
James Walsh

ADMINISTRATION

Town Clerk..... Elizabeth P. Browne
Town Attorney..... Stanton H. Lesser
Fiscal Officer..... Robert Mayer
Public Works Director Joseph Michelangelo
Police Chief..... Gary MacNamara
Fire Chief Denis McCarthy
Director of Human Resources..... Emmet Hibson
Health Director..... Sands Cleary
Town Librarian Vacant
Planning Director James Wendt
Conservation Director Brian Carey
Assessor Ross Murray
Tax Collector..... David Kluczewski
Controller Caitlin T. Bosse
Recreation Director Anthony Calabrese
Purchasing Director Gerald Foley
Building Inspector Thomas Conley

BOARD OF EDUCATION

Philip Dwyer, Chairman
Trisha Pytko, Vice Chairman
Jessica Gerber, Secretary
Donna Karnal
Nick Aysseh
Eileen Liu-McCormack
Jennifer Maxon Kennelly
John Llewellyn
Marc Patten

Toni Jones, Superintendent of Schools



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Fairfield
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Financial Section

INDEPENDENT AUDITORS' REPORT

**Board of Finance
Town of Fairfield, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**Board of Finance
Town of Fairfield, Connecticut**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit schedules on pages 11 to 19 and pages 89 to 105, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

**Board of Finance
Town of Fairfield, Connecticut**

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2017, on our consideration of the Town of Fairfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Fairfield, Connecticut's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 26, 2017



Town of Fairfield

Sullivan Independence Hall
Finance Department

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Fairfield, Connecticut 06824

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Management's Discussion and Analysis For the Year Ended June 30, 2017 (Thousands)

As management of the Town of Fairfield, Connecticut, we offer readers of the Town of Fairfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017. The amounts presented are in thousands.

Financial Highlights

- During the fiscal year, the Town implemented GASB 75 related to other post-employment benefits (OPEB) for the Town and Police and Firemen plans. GASB 75 requires that the net OPEB liability be recorded on the government-wide financial statements. The result of implementing GASB 75 was a prior period adjustment as of July 1, 2016 to record the net OPEB liability of \$103,426 and to remove the net OPEB obligation previously recorded of \$15,535. The current year OPEB expense was \$9,044 and the net OPEB liability at June 30, 2017 was \$102,047. GASB 75 has not been implemented for the Board of Education plan since this plan does not have a trust for the assets. GASB 75 will be implemented for this plan in fiscal year 2018.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$211,233 (*net position*). *Unrestricted net position* totaled (\$95,397).
- The Town's total net position increased by \$11,791. The increase is due to positive operations in the general fund, capital projects fund, water pollution control authority fund and debt service fund of \$1,198, \$2,510, \$1,425 and \$2,728, respectively and the different basis of accounting (accrual versus modified accrual) for capital assets and long-term debt. During the fiscal year, there was a significant increase in net capital assets of \$11,301 primarily due to building and improvement additions related to donated fire training center assets and the reconstruction of the Penfield Pavilion.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$38,310, an increase of \$8,260 in comparison with the prior year. The increase was due substantially to positive operations of the general fund, capital project fund, water pollution control authority and debt service funds noted above.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$27,839 or 9.53% of total general fund expenditures and other financing uses (budgetary basis). This figure represents a 0.10% increase over the previous fiscal year's percent of 9.43%.
- The Town of Fairfield's total bond and note debt decreased by a net of \$5,379 (2.75%) during the current fiscal year due to the issuance of permanently financed BANs of \$11,147, which was offset by scheduled principal payments of \$16,526 made during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Fairfield's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to 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.

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

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, finance, public safety, public works, health and welfare, culture and recreation, education and interest expense.

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 resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For 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 and Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary fund. The Town maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits and various other self-insured risks.

The data for the internal service fund is provided in Exhibits G, H and I of this report.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's pension funds as required by GASB 67 and 68 and the Town's other post-employment benefit (OPEB) funds as required by GASB 45, 74, and 75. Required supplementary information can be found following the notes.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a town's financial position. In the case of the Town, assets exceeded liabilities by \$211,233 at the close of the most recent fiscal year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**SUMMARY STATEMENT OF NET POSITION
(THOUSANDS)**

	2017	2016
Current and other assets.....	\$ 110,223	\$ 99,272
Capital assets (net).....	503,940	492,639
TOTAL ASSETS.....	614,163	591,911
Deferred outflows of resources.....	51,425	48,264
Long-term liabilities outstanding.....	370,605	362,147
Other liabilities.....	65,259	67,636
TOTAL LIABILITIES.....	435,864	429,783
Deferred inflows of resources.....	18,491	10,950
Net investment in capital assets.....	297,952	274,649
Restricted.....	8,678	7,043
Unrestricted.....	(95,397)	(82,250)
TOTAL NET POSITION.....	\$ 211,233	\$ 199,442

A portion of the Town's net position of \$8,678 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$95,397).

The Town's net position increased by \$11,791 during the current fiscal year. The increase is due to positive operations in the general fund, capital projects fund, water pollution control authority fund and debt service fund of \$1,198, \$2,510, \$1,425 and \$2,728, respectively and the different basis of accounting (accrual versus modified accrual) for capital assets and long-term debt.

During the fiscal year, there was a significant increase in capital assets of \$11,301 primarily due to building and improvement additions related to donated fire training center assets and the reconstruction of the Penfield Pavilion. In addition, there was a decrease in long-term debt of \$5,379 primarily due to the pay down on bonds exceeding bonds and permanently financed bond anticipation notes (BANs) issued during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**STATEMENT OF CHANGES IN NET POSITION
(THOUSANDS)**

	2017	2016
REVENUES:		
Program revenues:		
Charges for services.....	\$ 27,858	\$ 26,382
Operating grants and contributions.....	46,104	33,483
Capital grants and contributions.....	15,151	6,332
General revenues:		
Property taxes.....	273,452	271,359
Grants and contributions not restricted to specific programs.....	3,696	3,073
Investment income.....	336	1,419
Miscellaneous.....	209	182
TOTAL REVENUES.....	<u>366,806</u>	<u>342,230</u>
EXPENSES:		
General government.....	27,256	26,112
Finance.....	6,195	5,928
Public safety.....	43,702	44,162
Public works.....	29,901	29,045
Health and welfare.....	10,524	10,111
Culture and recreation.....	10,748	10,574
Education.....	222,761	201,684
Interest expense.....	3,928	5,622
TOTAL EXPENSES.....	<u>355,015</u>	<u>333,238</u>
CHANGE IN NET POSITION.....	11,791	8,992
NET POSITION - JULY 1 (AS RESTATED).....	199,442	278,341
RESTATEMENT FOR NET OPEB LIABILITY.....	-	(87,891)
NET POSITION - JUNE 30.....	<u>\$ 211,233</u>	<u>\$ 199,442</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Operating grants and contributions increased by \$12,621 during the year, primarily due to a \$13,985 increase in the teachers retirement on-behalf amount provided by the State.
- Capital grants and contributions increased by \$8,819, primarily due to a \$10,000 donation from the State of Connecticut of the new fire training center.
- General government expenses increased by \$1,144. The increase was partially a result of increases in pension expense of \$220 and OPEB expense of \$100.
- Education expense increased by \$21,077 as a result of an increase in the education budget of \$2,443, as well as a \$13,985 increase in the Town's allocable share of the pension expense for the State Teacher's Retirement Plan and \$2,400 and \$800 increases in pension and OPEB expense.

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, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$38,310, an increase of \$8,260 in comparison with the prior year. The increase was due substantially to positive operations as well as debt issuances.

Unassigned fund balance totals \$20,144, which is net of \$27,839 from the general fund and (\$7,695) from the capital projects fund. The remainder of fund balance is not available for appropriation or spending by the Town and is classified as follows: Nonspendable \$70, Restricted \$8,608, Committed \$2,715 and Assigned \$6,773.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$27,839, while total fund balance was \$29,458. Total fund balance increased \$1,198 due a result of several offsetting factors. Property tax collections exceeded the budget by \$1,406, intergovernmental grants were under budget by \$3,283 due to State budget cuts, charges for services were higher than budget by \$887 due to higher than anticipated building permits and conveyance taxes and the budgeted fund balance contribution amount of \$550.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.53% of total general fund expenditures and other financing uses, while total fund balance represents 10.07% of that same amount.

Capital Projects Funds intergovernmental revenues totaled \$4,396 during the year, of which \$3,552 were school construction grants. Expenditures totaled \$13,425 consisting of school expansion and renovation projects and reconstruction of Penfield Pavilion. The fund balance increased from (\$10,205) to (\$7,695). The increase is primarily due to the costs associated with the school expansion projects offset by issuance of permanently financed BANs and grant revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Proprietary fund. Unrestricted net position of the Internal Service Fund at the end of the year amounted to a deficit of (\$875), a decrease of \$861 from the prior year balance of (\$14). This was due to a decrease in charges for services and increase in claims incurred for medical claims compared to last year. In addition, the Board of Education changed to the State plan during the year and the run off claims from the prior year self-insured plan were paid from this fund.

General Fund Budgetary Highlights

Significant revenue budgetary variances were as follows:

- Property taxes revenue was in excess of the amount budgeted by \$1,406 primarily due to greater than anticipated current year tax collections.
- Charges for services revenue was in excess of the amount budgeted by \$887 substantially due to higher than anticipated amounts of building permits, as well as higher than anticipated town clerk recording fees and waterfront revenues.
- Intergovernmental revenue was less than the amount budgeted by \$3,283 primarily due to lower than anticipated amounts received for education cost sharing and municipal revenue sharing from the State.

There were no significant expenditure budgetary variances.

Significant budget transfers included and increase to public works of \$592 for the public works yard remediation project and other contracts and an increase in the transfers out of \$1,981 to the debt service fund.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets amounts to \$503,940 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, intangible assets and infrastructure. The net increase in the Town's net capital assets for the current fiscal year was \$11,301 or 2.3%, mostly due to building and improvement additions related to donated fire training center assets and the reconstruction of the Penfield Pavilion.

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased by \$12,743 primarily due to the various school projects, WPCF projects (\$639) and Penfield Pavilion renovations (\$4,104) and many other smaller projects. This was offset by a \$14,144 decrease due to assets removed from construction in progress to depreciable asset classes which included Penfield Pavilion renovations (\$11,102) and other smaller projects.
- Buildings and improvements increased by \$23,468 as a result the Penfield Pavilion renovations (\$11,102) and the State donated fire training center (\$10,000).
- Vehicles increased by \$2,201 primarily due to the purchase of police vehicles, dump trucks, a street sweeper and pumper truck.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

CAPITAL ASSETS - NET (THOUSANDS)

	2017	2016
Land.....	\$ 33,460	\$ 33,460
Construction in progress.....	51,468	52,869
Land improvements.....	1,151	1,215
Buildings and improvements..	343,880	330,503
Vehicles.....	6,905	5,855
Machinery and equipment.....	8,567	8,106
Intangible assets.....	337	369
Infrastructure.....	58,172	60,262
TOTAL.....	<u>\$ 503,940</u>	<u>\$ 492,639</u>

Additional information on the Town's capital assets can be found in Note III. C.

Long-term debt. At the end of the current fiscal year, the Town had total bonds and notes outstanding of \$190,311. This entire amount comprises debt backed by the full faith and credit of the Town. This debt will be partially retired by \$91 in State of Connecticut grants for school building projects.

GENERAL OBLIGATION BONDS/NOTES (THOUSANDS)

	2017	2016
General obligation bonds.....	\$ 170,496	\$ 164,975
Clean water notes payable.....	8,668	10,404
Bond anticipation notes.....	11,147	20,311
Total.....	<u>\$ 190,311</u>	<u>\$ 195,690</u>

The Town's total debt decreased by \$5,379 (2.75%) during the current fiscal year as a result of the current year issuance of permanently financed BAN's of \$11,147 offset by scheduled principal payments of \$16,526 made during the year.

The Town's short-term debt decreased from \$14,709 to \$9,285 during the year.

Moody's, Standard and Poor's and Fitch Ratings continue to express the highest levels of confidence in the Town, its management and its ability to manage an increasing debt burden by all awarding their highest AAA rating to Fairfield.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$1,901,193, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III. F.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town as of June 2017 was 4.6%, which is no change from last year. This is comparable to the state's average unemployment rate of 5.0%.
- Inflationary trends in the region compare favorably to national indices.
- Public school population experienced a slight decrease for the fifth consecutive year.

All of these factors were considered in preparing the Town's budget for the 2018 fiscal year.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Town of Fairfield, Independence Hall, 725 Old Post Road, Fairfield, Connecticut 06824.

Basic Financial Statements

TOWN OF FAIRFIELD, CONNECTICUT

STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017
(THOUSANDS)

<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 5,496
Investments.....	81,672
Receivables:	
Property taxes.....	4,710
Assessments and use.....	481
Intergovernmental.....	2,291
Loan.....	56
Other.....	1,829
Other assets.....	<u>307</u>
Total current assets.....	<u>96,842</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted investments.....	4,528
Permanently restricted investments.....	<u>70</u>
Total restricted assets.....	<u>4,598</u>
Receivables (net):	
Property taxes.....	5,953
Assessments and use.....	983
Loan.....	1,697
Other.....	<u>150</u>
Total receivables (net).....	<u>8,783</u>
Capital assets (net of accumulated depreciation):	
Land.....	33,460
Construction in progress.....	51,468
Land improvements.....	1,151
Buildings and improvements.....	343,880
Vehicles.....	6,905
Machinery and equipment.....	8,567
Intangible assets (net of accumulated amortization).....	337
Infrastructure.....	<u>58,172</u>
Total capital assets (net of accumulated depreciation).....	<u>503,940</u>
Total noncurrent assets.....	<u>517,321</u>
TOTAL ASSETS.....	<u>614,163</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	1,286
Pension related.....	49,960
OPEB related.....	<u>179</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>51,425</u>

(Continued)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017
(THOUSANDS)

<u>LIABILITIES</u>	
Current liabilities:	
Cash overdraft.....	\$ 2,068
Accounts payable.....	8,543
Accrued payroll and related liabilities.....	13,568
Accrued interest payable.....	3,194
Unearned revenue.....	493
Bond anticipation notes.....	9,285
Other.....	5,483
Bonds and notes payable.....	16,406
Capital lease.....	96
Compensated absences.....	896
Heart and hypertension.....	1,188
Risk management.....	4,039
	65,259
Total current liabilities.....	65,259
Noncurrent liabilities:	
Bonds, notes and related liabilities.....	181,487
Compensated absences.....	3,585
Heart and hypertension.....	1,514
Net pension liability.....	66,502
Net OPEB obligation.....	6,898
Net OPEB liability.....	102,047
Risk management.....	8,572
	370,605
Total noncurrent liabilities.....	370,605
TOTAL LIABILITIES.....	435,864
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Advance property tax collections.....	6,066
Pension related.....	11,060
OPEB related.....	1,365
	18,491
TOTAL DEFERRED INFLOWS OF RESOURCES.....	18,491
<u>NET POSITION</u>	
Net investment in capital assets.....	297,952
Restricted for:	
Endowments:	
Nonexpendable.....	70
Expendable.....	383
Public works.....	7,438
Education.....	181
Other purposes.....	606
Unrestricted.....	(95,397)
	211,233
TOTAL NET POSITION.....	\$ 211,233

(Concluded)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL
General government.....	\$ 27,256	\$ 3,149	\$ 55	\$ -	\$ (24,052)
Finance.....	6,195	-	-	-	(6,195)
Public safety.....	43,702	9,082	539	10,040	(24,041)
Public works.....	29,901	4,644	1,646	5,111	(18,500)
Health and welfare.....	10,524	3,402	2,994	-	(4,128)
Culture and recreation.....	10,748	4,178	184	-	(6,386)
Education.....	222,761	3,403	40,686	-	(178,672)
Interest expense.....	3,928	-	-	-	(3,928)
TOTAL.....	\$ 355,015	\$ 27,858	\$ 46,104	\$ 15,151	(265,902)
GENERAL REVENUES:					
Property taxes.....					\$ 273,452
Grants and contributions not restricted to specific programs.....					3,696
Investment income.....					336
Miscellaneous.....					209
TOTAL GENERAL REVENUES.....					277,693
CHANGE IN NET POSITION.....					11,791
NET POSITION - JULY 1, 2016 (as restated).....					199,442
NET POSITION - JUNE 30, 2017.....					\$ 211,233

TOWN OF FAIRFIELD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(THOUSANDS)

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 5,129	\$	\$ 367	\$ 5,496
Investments.....	45,910	7,363	16,366	69,639
Restricted investments.....	4,145		453	4,598
Receivables, net:				
Property taxes.....	8,557			8,557
Sewer, beach and sidewalk assessments.....			866	866
Intergovernmental.....		1,280	918	2,198
Loan.....			1,788	1,788
Other.....	1,162		313	1,475
Due from other funds.....	5,667		37	5,704
Other.....	281		26	307
TOTAL ASSETS.....	\$ 70,851	\$ 8,643	\$ 21,134	\$ 100,628
<u>LIABILITIES</u>				
Cash overdraft.....	\$ 2,068	\$	\$	\$ 2,068
Accounts payable.....	5,751	1,920	526	8,197
Accrued payroll.....	13,396		172	13,568
Due to other funds.....	37	5,133	534	5,704
Unearned revenue.....			493	493
Bond anticipation notes.....		9,285		9,285
Performance bonds.....	4,145			4,145
Other.....	1,338			1,338
TOTAL LIABILITIES.....	26,735	16,338	1,725	44,798
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue:				
Property taxes.....	8,557			8,557
Advanced property tax collections.....	6,066			6,066
Sewer assessment and use charges.....			866	866
Other charges.....	35		208	243
Loans.....			1,788	1,788
TOTAL DEFERRED INFLOWS OF RESOURCES.....	14,658	-	2,862	17,520
<u>FUND BALANCES</u>				
Nonspendable.....			70	70
Restricted.....			8,608	8,608
Committed.....			2,715	2,715
Assigned.....	1,619		5,154	6,773
Unassigned.....	27,839	(7,695)		20,144
TOTAL FUND BALANCES	29,458	(7,695)	16,547	38,310
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 70,851	\$ 8,643	\$ 21,134	\$ 100,628

(Continued)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017
(THOUSANDS)

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A)
ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET DUE TO:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	38,310
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES
AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		492,639
Capital asset additions (net of construction in progress).....		16,648
Donated capital assets.....		10,000
Depreciation expense.....		(14,941)
Disposal and sale of capital assets.....		(406)

OTHER LONG-TERM ASSETS AND DEFERRED OUTLOWS ARE NOT AVAILABLE RESOURCES AND,
THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Property tax and sewer assessment interest and lien accrual.....		3,547
Allowance for doubtful accounts.....		(878)
School building grant receivable.....		93
Other receivables.....		455
Deferred charges on refunding.....		1,286
Deferred outflow related to pensions.....		49,960
Deferred outflow related to OPEB.....		179

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD
EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:

Property tax, sewer assessment and community development block grant receivable - accrual basis change.....		11,454
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INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF
VARIOUS SELF-INSURED RISK PREMIUMS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.....		(875)
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SOME LIABILITIES AND DEFERRED INFLOWS , INCLUDING BONDS PAYABLE, ARE NOT DUE AND
PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....		(190,311)
Premium.....		(7,582)
Capital lease.....		(96)
Compensated absences.....		(4,481)
Heart and hypertension.....		(2,702)
Net pension liability.....		(66,502)
Net OPEB obligation.....		(6,898)
Net OPEB liability.....		(102,047)
Accrued interest payable.....		(3,194)
Pension related deferred inflows.....		(11,060)
OPEB related deferred inflows.....		(1,365)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	\$	<u>211,233</u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017
 (THOUSANDS)

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 271,812	\$	\$	\$ 271,812
Intergovernmental.....	38,669	4,396	11,606	54,671
Charges for services.....	14,320		13,749	28,069
Income from investments.....	307		29	336
Contributions.....			336	336
Other.....	209			209
TOTAL REVENUES.....	325,317	4,396	25,720	355,433
EXPENDITURES:				
Current:				
General government.....	34,960		52	35,012
Finance.....	4,850			4,850
Public safety.....	31,543		2,438	33,981
Public works.....	18,000		6,824	24,824
Health and welfare.....	6,955		2,202	9,157
Culture and recreation.....	6,610		2,375	8,985
Education.....	196,032		10,145	206,177
Capital outlay.....		13,425		13,425
Debt service.....	23,054		695	23,749
TOTAL EXPENDITURES.....	322,004	13,425	24,731	360,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,313	(9,029)	989	(4,727)
OTHER FINANCING SOURCES (USES):				
Issuance of debt.....		11,147		11,147
Premium (bond and bond anticipation note).....			1,840	1,840
Transfers in.....		405	1,723	2,128
Transfers out.....	(2,115)	(13)		(2,128)
NET OTHER FINANCING SOURCES (USES).....	(2,115)	11,539	3,563	12,987
NET CHANGE IN FUND BALANCES.....	1,198	2,510	4,552	8,260
FUND BALANCES - JULY 1, 2016.....	28,260	(10,205)	11,995	30,050
FUND BALANCES - JUNE 30, 2017.....	\$ 29,458	\$ (7,695)	\$ 16,547	\$ 38,310

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DIFFERENT DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 8,260

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	16,648
Depreciation expense.....	<u>(14,941)</u>
Total.....	<u>1,707</u>

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

Donated capital assets	10,000
Disposal of capital assets	<u>(406)</u>
Total	<u>9,594</u>

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 fund financial statements are not recognized in the statement of activities:

School building grant receipts.....	(96)
Change in property tax, sewer assessment and community development block grant receivable - accrual basis change...	1,134
Change in property tax and sewer assessment interest and lien revenue.....	610
Change in other receivables.....	<u>(315)</u>
Total	<u>1,333</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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Bond anticipation notes (permanently financed).....	(11,147)
Principal repayments:	
General obligation bonds and notes.....	16,526
Capital lease.....	<u>43</u>
Total	<u>5,422</u>

(Continued)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

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:

Premium.....	\$	2,232
Compensated absences.....		(41)
Heart and hypertension.....		573
Pension expense.....		(14,475)
OPEB expense.....		(1,176)
Deferred charges.....		(1,076)
Accrued interest payable.....		299
		<u> </u>
Total		<u>(13,664)</u>
Internal service funds are used by management to charge costs of various self-insured risk premiums to individual departments.....		<u>(861)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	\$	<u>11,791</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 270,406	\$ 270,406	\$ 271,812	\$ 1,406
Intergovernmental.....	9,175	9,175	5,892	(3,283)
Charges for services.....	13,433	13,433	14,320	887
Income from investments.....	356	356	307	(49)
Other.....	141	141	209	68
TOTAL REVENUES.....	293,511	293,511	292,540	(971)
EXPENDITURES:				
Current:				
General government.....	36,698	35,254	35,045	209
Contribution to fund balance.....	550	550	-	550
Finance.....	4,960	4,962	4,875	87
Public safety.....	32,013	31,690	31,445	245
Public works.....	17,878	18,470	18,365	105
Health and welfare.....	7,152	7,125	7,037	88
Culture and recreation.....	6,826	6,851	6,607	244
Education.....	163,659	163,659	163,657	2
Debt service.....	23,641	23,054	23,054	-
TOTAL EXPENDITURES.....	293,377	291,615	290,085	1,530
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	134	1,896	2,455	559
OTHER FINANCING SOURCES (USES):				
Cancellation of prior year encumbrances.....	-	219	64	(155)
Transfers out.....	(134)	(2,115)	(2,115)	-
NET OTHER FINANCING SOURCES (USES)....	(134)	(1,896)	(2,051)	(155)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	404	\$ 404
FUND BALANCE - JULY 1, 2016.....			27,435	
FUND BALANCE - JUNE 30, 2017.....			<u>\$ 27,839</u>	

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017
(THOUSANDS)

Table with 2 columns: Description and Amount. Rows include ASSETS (Current assets: Investments, Accounts receivable, TOTAL ASSETS), LIABILITIES (Current liabilities: Accounts payable, Claims payable, Total current liabilities; Noncurrent liability: Claims payable, TOTAL LIABILITIES), and NET POSITION (Unrestricted). Amounts are in thousands, with a dollar sign and parentheses for negative values. The table is specifically for the INTERNAL SERVICE FUND.

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	INTERNAL SERVICE FUND
OPERATING REVENUES:	
Charges for services.....	\$ 15,118
OPERATING EXPENSES:	
Claims incurred.....	13,932
Administration.....	2,047
TOTAL OPERATING EXPENSES.....	15,979
OPERATING INCOME (LOSS).....	(861)
TOTAL NET POSITION - JULY 1, 2016.....	(14)
TOTAL NET POSITION - JUNE 30, 2017.....	\$ (875)

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUTSTATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received for charges for services.....	\$ 15,118
Cash paid for benefits and claims.....	(15,654)
Cash paid for administration.....	(1,960)
NET CASH FROM OPERATING ACTIVITIES.....	<u>(2,496)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments.....	<u>2,496</u>
NET INCREASE (DECREASE) IN CASH.....	-
CASH - JULY 1, 2016.....	<u>-</u>
CASH - JUNE 30, 2017.....	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss).....	\$ (861)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Increase (decrease) in:	
Accounts receivable.....	(17)
Accounts and other payables.....	(1,618)
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (2,496)</u>

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017
(THOUSANDS)

	PENSION TRUST FUNDS	OTHER POST- EMPLOYMENT BENEFIT TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$	\$ 1,086
Investments at fair value:			
Certificates of deposit.....			61
Corporate bonds.....	10,961		
U.S. Government agency obligations.....	5,778	511	
U.S. Government obligations.....	17,394		
Municipal obligations.....		180	
Hedge funds and private equity funds.....	245,012	10,424	
Common stock.....	19,751		
Mutual funds:			
Equity.....	61,688	24,409	
Money market.....	7,091	188	
Total investments.....	367,675	35,712	61
Receivables:			
Interest and dividends.....		5	
TOTAL ASSETS.....	367,675	35,717	1,147
<u>LIABILITIES</u>			
Accounts payable.....		54	1,147
Claims payable.....		178	
TOTAL LIABILITIES.....	-	232	1,147
<u>NET POSITION</u>			
NET POSITION RESTRICTED FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS.....	\$ 367,675	\$ 35,485	\$ -

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	PENSION TRUST FUNDS	OTHER POST- EMPLOYMENT BENEFIT TRUST FUNDS
ADDITIONS:		
Contributions:		
Employer.....	\$ 7,116	\$ 9,237
Plan members.....	2,235	520
Total contributions.....	9,351	9,757
Investment income (loss):		
Change in fair value of investments.....	32,397	3,180
Interest and dividends.....	2,666	507
Total investment income (loss)	35,063	3,687
Less investment expenses.....	741	44
Net investment income (loss)	34,322	3,643
TOTAL ADDITIONS.....	43,673	13,400
DEDUCTIONS:		
Benefits.....	21,028	5,908
Administration.....	369	28
TOTAL DEDUCTIONS.....	21,397	5,936
CHANGES IN NET POSITION.....	22,276	7,464
NET POSITION - JULY 1, 2016.....	345,399	28,021
NET POSITION - JUNE 30, 2017.....	\$ 367,675	\$ 35,485

The notes to financial statements are an integral part of this statement.

TOWN OF FAIRFIELD, CONNECTICUTNOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(AMOUNTS EXPRESSED IN THOUSANDS)**HISTORY AND ORGANIZATION**

The Town of Fairfield (the "Town") operates under a Representative Town Meeting ("RTM"), Board of Selectmen, Board of Finance form of government and provides the following public services as authorized by its charter: public safety (police and fire), public works, health and social services, culture and recreation, education and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. 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 have no 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. 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. General capital asset acquisitions are reported as expenditures in governmental funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end 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 *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases. The types of revenues recorded in this fund are grant revenue, contributions and other fees.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits and other self-insured risks.

The *Pension Trust Funds* account for the activities of the Town Employees' Retirement Plan and the Police and Fire Retirement Plan, which accumulates resources for pension benefit payments to qualified employees.

The *Other Post-Employment Benefit Trust Funds* account for the activities of the Town and Police and Fire OPEB Plan, which accumulates resources for retiree medical and life insurance benefits.

The *Agency Funds* account for monies held on behalf of students.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to Town Departments for various types of self-insurance. Operating expenses for the internal service fund includes the cost of insurance and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pensions and other post-employment benefits (OPEB) - For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Fairfield pension and OPEB plans and the Connecticut State Teachers' Retirement System (TRS) have been determined on the same basis as they are reported by the Town of Fairfield pension and OPEB plans and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

Deposits - The Town considers cash and cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - 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. 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 was invested in a 2a-7 like pool, which operates under State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension plans investment policy targets investment in equities of 50%, fixed income of 30%, hedge funds of 10%, commodities and real estate of 8% and cash of 2%.

The Town's OPEB plans investment policy targets investment in equities of 70% and fixed income of 30%.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2. Receivables and Payables****a. 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 non-current portion of interfund loans).

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1 to 22% of outstanding receivable balances and are calculated based upon prior collections.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in four installments: July 1, October 1, January 1 and April 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

In the fund financial statements, property tax revenues are recognized when they became available. Only taxes collected during the fiscal year are recorded as revenue.

The long-term receivable due from the parking authority is payable over a ten year period due December 2018.

Loan receivables consist of Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

3. Restricted Assets

The restricted assets for the Town are restricted for performance bonds, \$4,145 and endowments, \$453 purposes. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town call the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

4. 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 columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 for equipment and \$100,000 for infrastructure (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items and capital assets received in service concession arrangements are recorded at acquisition value at the date of donation.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	45
Machinery and equipment	5 - 20
Vehicles	6 - 15
Infrastructure	20 - 70
Intangible assets (software)	10

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings of the pension plan investments. The deferred outflow related to the differences between expected and actual experience and the change in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow for the net difference between projected and actual earnings of the pension plan investments will be amortized over a five year period. The Town also reports a deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow related to pensions for the differences between expected and actual experience and the changes in assumptions of the pension plan. These deferred inflows will be amortized over the remaining service life of all plan members.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), sewer assessment and user charges, certain other charges for services and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6. Net Position Flow Assumption**

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation and sickness. The eligibility for vacation pay vests when earned; however, unused sick leave may only be accumulated for use in future absences. Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year-end. The General Fund is the primary source to liquidate compensated absences.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

9. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**9. Fund Equity and Net Position (Continued)**

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Finance.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrances).

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Board of Finance or the finance committee has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The Board of Finance has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 7.25% to 11% of annual budgeted expenditures. Further, once unassigned fund balance is greater than 8%, the Board of Finance may transfer any excess above 8% to the Town's Internal Service Fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**10. Use of Estimates**

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

11. Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgets and Budgetary Accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

- Annually in May, the proposed budget is presented at a Representative Town Meeting, at which taxpayer comments are obtained. Prior to July 1, the budget is legally enacted through passage of a resolution.
- The Board of Finance is authorized to transfer budgeted amounts within departments. However, any revisions that alter the total expenditures of any department must be approved at a Representative Town Meeting. There were no additional appropriations.
- 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 is authorized under state law to make any transfers required within their budget at their discretion. Additionally, as required by the Charter, these transfers must be reported to the Board of Selectmen. Any additional appropriations must have Board of Education and Board of Selectmen approval and, if over one-half of one percent of the annual budget, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds and those specifically reappropriated by the Board of Finance.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- In addition to the general fund, the Water Pollution Control Authority ("WPCA") Fund has a legally adopted annual operating budget. The control level on which expenditures may not legally exceed appropriations is the fund level.
- Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (Exhibit F) is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F	\$ 292,540	\$ 290,085	\$ 27,839
Encumbrances outstanding at June 30, 2016, liquidated during the year ended June 30, 2017		761	
Encumbrances outstanding at June 30, 2017, charged to budgetary expenditures		(1,619)	1,619
On behalf amount for the State contribution to teachers' retirement system.....	<u>32,777</u>	<u>32,777</u>	
BALANCE, GAAP BASIS, EXHIBIT D	<u>\$ 325,317</u>	<u>\$ 322,004</u>	<u>\$ 29,458</u>

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Capital Projects Authorizations

The following is a summary of Capital Projects:

<u>PROJECT NAME</u>	<u>PROJECT AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES (THOUSANDS)</u>	<u>BALANCE</u>
Infrastructure improvements.....	\$ 1,200	\$ 724	\$ 476
MUNIS.....	1,690	1,586	104
W.P.C.A. facility improvements	5,887	5,811	76
Stratfield Elementary renovation	17,565	17,451	114
FWHS roof	11,035	7,249	3,786
Sherman Elementary renovation.....	3,029	2,850	179
Roof warranty extension.....	725	682	43
Riverfield School renovation.....	16,600	16,352	248
Storm Sandy facilities restoration.....	5,156	3,448	1,708
Osborn Hill remediation	4,536	4,248	288
FLHS expansion	15,538	12,355	3,183
Penfield repair and restoration	7,447	7,252	195
Kings Highway/Commerce Drive	2,000	270	1,730
WPCF improvements	5,588	639	4,949
Commerce Dr/ State St bridge.....	2,759	-	2,759
Capital projects	27,010	21,981	5,029
Nonrecurring capital projects.....	25,850	25,657	193
Harbor Road bridge	3,900	3,588	312
Mill Plain Road bridge.....	545	379	166
Golf course expansion.....	100	47	53
Holland Hill expansion	18,541	667	17,874
FWMS roof.....	3,000	1,812	1,188
TOTAL.....	<u>\$ 179,701</u>	<u>\$ 135,048</u>	<u>\$ 44,653</u>

D. Donor-Restricted Endowments

The Town has received certain endowments for the improvement and betterment of Fairfield public schools. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Board of Education or the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$42 from the H. Smith Richardson Conservation Fund.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

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

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, \$27,599 of the Town's bank balance of \$35,026 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,262
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>7,337</u>
Total amount subject to custodial credit risk	<u>\$ 27,599</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

The Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)				
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS	OVER 10
<u>Mutual Funds:</u>						
Equity	\$ 86,400	\$ 86,400	\$ -	\$ -	\$ -	\$ -
Money Market	7,425	-	7,425	-	-	-
Hedge Funds and Private Equity Funds	255,436	245,012	-	-	10,424	-
Certificates of Deposit	26,734	-	23,178	3,556	-	-
Pooled Fixed Income	19,028	-	19,028	-	-	-
U.S. Government Obligations	17,460	-	-	11,379	2,901	3,180
U.S. Government Agency Obligations	28,789	-	-	4,664	18,745	5,380
Common Stock.....	19,751	19,751	-	-	-	-
Municipal Obligations	8,401	-	1,378	6,673	350	-
Corporate Bonds	<u>20,294</u>	-	<u>256</u>	<u>11,364</u>	<u>4,042</u>	<u>4,632</u>
TOTAL.....	<u>\$ 489,718</u>	<u>\$ 351,163</u>	<u>\$51,265</u>	<u>\$37,636</u>	<u>\$36,462</u>	<u>\$ 13,192</u>

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Observable inputs other than quoted market prices; and
- Level 3:* Unobservable inputs.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

The Town had the following recurring fair value measurements:

	AMOUNT	QUOTED MARKET	SIGNIFICANT	SIGNIFICANT
		PRICES IN ACTIVE	OBSERVABLE	UNOBSERVABLE
		MARKETS	INPUTS	INPUTS
		LEVEL 1	LEVEL 2	LEVEL 3
<u>INVESTMENTS BY FAIR VALUE LEVEL</u>				
<u>Mutual Funds:</u>				
Money market	\$ 7,425	\$ 7,425	\$	\$
Equity	86,400	86,400		
Common Stock	19,751	19,751		
U.S. Government Obligations	17,460		17,460	
U.S. Government Agency Obligations	28,789		28,789	
Municipal Obligations	8,401		8,401	
Corporate Bonds	20,294		20,294	
Total investments by fair value level	188,520	\$ 113,576	\$ 74,944	\$ -
<u>INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)</u>				
Equity long/short hedge funds	21,099			
Common stock	75,671			
Fixed income funds	55,961			
Global opportunities hedge funds	70,597			
Multi-strategy hedge funds	377			
Real estate funds	17,500			
Private equity limited partnership investments	14,231			
Total investment measured at NAV	255,436			
<u>OTHER INVESTMENTS NOT SUBJECT TO FAIR VALUE MEASUREMENT</u>				
Certificates of Deposit	26,734			
Pooled Fixed Income	19,028			
Total other investments	45,762			
TOTAL INVESTMENTS	\$ 489,718			

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Securities classified in Level 2 are valued using quoted prices for identical securities in markets that are not active.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Investments measured at NAV

INVESTMENT DESCRIPTION		FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY (IF CURRENTLY ELIGIBLE)	REDEMPTION NOTICE PERIOD
Equity long/short hedge funds	1	\$ 21,099	\$ -	Quarterly	45 - 65 days
Common stock	2	75,671	-	Daily	Daily - 4 days
Fixed income funds	3	55,961	-	Daily	Daily
Global opportunities hedge funds	4	70,597	-	Daily, Quarterly	Daily - 10 days
Multi-strategy hedge funds	5	377	-	Not permitted	Not permitted
Real estate funds (1)	6	16,637	-	Quarterly	90 days
Real estate funds (2)	6	863	-	Not permitted	Not permitted
Private equity limited partnership investments	7	14,231	13,039	Not permitted	Not permitted
TOTAL INVESTMENTS MEASURED AT THE NAV		\$ 255,436	\$ 13,039		

1. *Equity long/short hedge funds.* This type includes investments in 2 hedge funds that invest in both long and short common stocks. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investment.
2. *Common stock.* This type includes investments in 2 hedge funds, one that invests in 100% U.S. common stock which makes up 80% of this investment balance. The other fund invests 64% in U.S. common stock, 22% mutual funds, 7% foreign common stock and 7% other investments. The fair values of the investments in this type have been determined using the NAV per share of the investment.
3. *Fixed income funds.* This type includes investments in 2 hedge funds, one that is 98% invested in treasury bills which makes up 19% of this investment balance. The other fund invests in asset backed securities, corporate bonds, foreign bonds, municipal bonds, U.S. government agency bonds and U.S. treasury bonds and notes. The fair values of the investments in this type have been determined using the NAV per share of the investment.
4. *Global opportunities hedge funds.* This type includes investments in 2 hedge funds. One fund invests in 52% foreign government obligations, 24% in corporate obligations as well as other investments. This fund is 68% of this investment type. The second fund invests 95% in foreign stocks. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.

III. DETAILED NOTES (CONTINUED)**A. Cash and Investments (Continued)**

5. *Multi-strategy hedge funds.* This type includes 1 hedge fund that pursues multiple strategies to diversify risks and reduce volatility. The investment strategy is comprised of 35% systematic trading, 31% event driven investments, 27% energy and commodities, and the remaining holdings have other hedge fund strategies. The fair values of the investments in this type have been determined using the NAV per share of the investment. During the year this fund began to wind down and, therefore, all redemptions have been suspended. Currently, there is no estimate of when the fund will be liquidated.
6. *Real estate funds.* This type includes 2 real estate funds that invest primarily in U.S. commercial real estate. The first fund permits redemptions quarterly with 90 days notices, whereas the second fund's investments cannot be redeemed. Distributions from the second fund will be received as the underlying investments of the funds are liquidated. Currently, there is no estimate of when underlying investments will be liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Town's ownership interest in partners' capital.
7. *Private equity limited partnership investments.* This type includes 2 private equity funds that invest primarily in private equity limited partnerships. One of the funds has a portfolio of approximately 40 private equity partnerships. These investments can never be redeemed but instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. Currently, there is no estimate of when underlying investments will be liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

The Town's investments subject to credit risk have average ratings by Standard & Poor's as follows:

TYPE OF INVESTMENT	RATINGS						TOTALS
	AAA	AA	A	BBB	BB	UNRATED	
Mutual Funds:							
Money Market.....	\$ 7,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425
Pooled Fixed Income.....	19,028	-	-	-	-	-	19,028
U.S. Government Agency Obligations.....	-	23,011	-	-	-	5,778	28,789
Municipal Obligations.....	618	5,505	1,451	-	-	827	8,401
Corporate Bonds.....	1,536	7,047	1,659	5,574	494	3,984	20,294
TOTAL.....	\$ 28,607	\$ 35,563	\$ 3,110	\$ 5,574	\$ 494	\$ 10,589	\$ 83,937

Foreign currency risk - The Town does not have a formal policy with respect the foreign currency risk. Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange.

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500, including \$250 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Government Obligations.....	\$ 17,460	\$ -	\$ 17,460
U.S. Government Agency Obligations ..	28,789	1,000	27,789
Municipal Obligations.....	8,401	-	8,401
Corporate Bonds.....	20,294	596	19,698
Common Stock	19,751	-	19,751
TOTAL.....	\$ 94,695	\$ 1,596	\$ 93,099

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

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	<u>PROPERTY TAXES</u>			
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion.....	<u>\$ 3,851</u>	<u>\$ 859</u>	<u>\$ 4,710</u>	
Long-term Portion	\$ 4,706	\$ 2,066	\$ 6,772	
Less Allowance for Uncollectibles	<u>(301)</u>	<u>(518)</u>	<u>(819)</u>	
Net Long-term Portion	<u>\$ 4,405</u>	<u>\$ 1,548</u>	<u>\$ 5,953</u>	
	<u>SEWER USE AND ASSESSMENTS</u>			
	<u>USE FEES AND ASSESSMENTS</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG LOANS</u>
Current Portion.....	<u>\$ 281</u>	<u>\$ 200</u>	<u>\$ 481</u>	<u>\$ 56</u>
Long-term Portion	\$ 585	\$ 422	\$ 1,007	\$ 1,732
Less Allowance for Uncollectibles	<u>(22)</u>	<u>(2)</u>	<u>(24)</u>	<u>(35)</u>
Net Long-term Portion	<u>\$ 563</u>	<u>\$ 420</u>	<u>\$ 983</u>	<u>\$ 1,697</u>

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

III. **DETAILED NOTES (CONTINUED)**

C. **Capital Assets**

Capital asset activity for the fiscal year was as follows:

	BALANCE JULY 1, 2016	INCREASES	DECREASES	BALANCE JUNE 30, 2017
<u>(THOUSANDS)</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 33,460	\$ -	\$ -	\$ 33,460
Construction in progress	52,869	12,743	14,144	51,468
Total Capital Assets, not being Depreciated ...	86,329	12,743	14,144	84,928
<u>Capital Assets, being Depreciated:</u>				
Land improvements	2,076	-	-	2,076
Buildings and improvements.....	469,621	23,468	57	493,032
Vehicles.....	19,973	2,201	866	21,308
Machinery and equipment	16,503	1,651	236	17,918
Intangible assets	1,235	254	1,046	443
Infrastructure	143,914	475	108	144,281
Total Capital Assets, being Depreciated.....	653,322	28,049	2,313	679,058
Total Capital Assets	739,651	40,792	16,457	763,986
<u>Less Accumulated Depreciation for:</u>				
Land improvements	861	64	-	925
Buildings and improvements.....	139,118	10,086	52	149,152
Vehicles.....	14,118	1,049	764	14,403
Machinery and equipment	8,397	1,147	193	9,351
Intangible assets	866	138	898	106
Infrastructure	83,652	2,457	-	86,109
Total Accumulated Depreciation.....	247,012	14,941	1,907	260,046
Total Capital Assets, being Depreciated, net ..	406,310	13,108	406	419,012
Capital Assets, net	\$ 492,639	\$ 25,851	\$ 14,550	\$ 503,940

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

General government	\$ 82
Finance	281
Public safety.....	1,281
Public works.....	4,262
Health and welfare	57
Culture and recreation	750
Education	8,228
Total depreciation expense	\$ 14,941

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

The Town had the following construction commitments:

Fairfield Ludlowe High School.....	\$ 2,266
Main Library Energy Project.....	<u>125</u>
Total	<u>\$ 2,391</u>

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances is as follows:

<u>MAJOR FUNDS</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>GENERAL FUND:</u>			
Special Revenue Funds - Town.....	N/A	\$ 5,663	\$ 37
Special Revenue Funds – BOE	N/A	<u>4</u>	<u>-</u>
TOTAL GENERAL FUND.....		<u>5,667</u>	<u>37</u>
CAPITAL PROJECT FUND	General Fund	<u>-</u>	<u>5,133</u>
<u>NONMAJOR FUNDS</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
Special Revenue Funds - Town.....	General Fund	37	530
Special Revenue Funds – BOE	General Fund	<u>-</u>	<u>4</u>
TOTAL NONMAJOR FUNDS.....		<u>37</u>	<u>534</u>
GRAND TOTAL.....		<u>\$ 5,704</u>	<u>\$ 5,704</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have an operation cash account.

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

III. DETAILED NOTES (CONTINUED)

2. Interfund Transfers

A summary of interfund transfers is as follows:

<u>MAJOR FUNDS:</u>	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL FUND:			
Special Revenue Funds.....	N/A	\$ -	\$ 134
Debt Service.....	N/A	-	1,576
Capital Projects Funds.....	N/A	-	405
TOTAL GENERAL FUND.....		-	2,115
CAPITAL PROJECTS FUND:			
Capital Projects Fund.....	General Fund	405	-
Capital Projects Funds.....	Special Revenue Fund	-	13
CAPITAL PROJECTS FUND.....		405	13
NONMAJOR FUNDS:			
Special Revenue Funds.....	General Fund	134	-
Special Revenue Funds.....	Capital Projects	13	-
Debt Service.....	General Fund	1,576	-
TOTAL NONMAJOR FUNDS.....		1,723	-
GRAND TOTAL.....		\$ 2,128	\$ 2,128

Transfers are used to move budgeted appropriations from the general fund for funding of the capital nonrecurring fund and various programs and activities in other funds and transfers for debt service activity.

E. Short-Term Obligations - Bond Anticipation Notes

The Town is using bond anticipation notes during the construction of the school prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the fiscal year was as follows:

<u>TYPE OF OBLIGATION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>BALANCE JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>PERMANENTLY FINANCED</u>	<u>BALANCE JUNE 30, 2017</u>
Bond Anticipation Notes							
General Purpose.....	7/13/2017	2.00%	\$ 14,498	\$ 20,028	\$14,498	\$ 10,883	\$ 9,145
Schools.....	7/13/2017	2.00%	211	404	211	264	140
Total.....			\$ 14,709	\$ 20,432	\$14,709	\$ 11,147	\$ 9,285

The bond anticipation notes mature in July 2017, and carry a coupon interest rate of 2.0%. In July 2017, the Town issued \$12,885 of general obligation bonds which permanently financed a portion of the bond anticipation notes outstanding at fiscal year end. These bonds mature through 2037 and carry interest rates of 2.0 - 5.0%.

In July 2017, the Town issued \$12,645 of bond anticipation notes that mature in July 2018, and carry a coupon interest rate of 2.5% and a true interest cost of 0.98%.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long -Term Obligations

1. 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, 2016 (As Restated)	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2017	CURRENT PORTION
GENERAL OBLIGATION BONDS:									
(THOUSANDS)									
General Purpose:									
Refunding issue	\$ 5,447	2008	01/01/23	3.375%-5.0%	\$ 2,654	\$	\$ 369	\$ 2,285	\$ 370
Debt issue	5,265	2008	07/15/28	3.125%-5.0%	775		255	520	260
Debt issue	802	2009	07/15/21	5.0%	785		17	768	18
Debt issue	8,925	2010	07/15/30	3.0%-5.0%	364		364	-	-
Refunding issue	1,764	2012	06/30/26	2.0%-5.0%	1,764		299	1,465	294
Debt issue	10,655	2012	07/15/32	2.125%-4.0%	7,545		555	6,990	555
Refunding issue	1,439	2013	06/30/20	2.0%-4.0%	501		202	299	200
Debt issue	500	2014	06/30/35	2.0%-4.0%	475		25	450	25
Refunding issue	2,467	2015	07/15/27	1.75%-4.0%	2,449		37	2,412	37
Refunding issue	8,845	2016	07/15/30	2.0%-5.0%	8,845		84	8,761	-
Debt issue	3,500	2016	06/30/37	2.0%-5.0%	3,500		-	3,500	175
Total General Purpose	49,609				29,657	-	2,207	27,450	1,934
Schools:									
Refunding issue	40,623	2008	01/01/23	3.375%-5.0%	19,788		2,755	17,033	2,759
Debt issue	23,095	2008	07/15/28	3.125%-5.0%	3,400		1,120	2,280	1,140
Debt issue	18,608	2009	07/15/21	5.0%	16,535		2,138	14,397	2,257
Debt issue	16,075	2010	07/15/30	3.0%-5.0%	636		636	-	-
Refunding issue	25,011	2012	06/30/26	2.0%-5.0%	23,211		1,801	21,410	1,771
Debt issue	26,945	2012	07/15/32	2.125%-4.0%	22,155		1,395	20,760	1,395
Refunding issue	8,907	2013	06/30/20	2.0%-4.0%	3,097		1,249	1,848	1,236
Debt issue	11,000	2014	06/30/35	2.0%-4.0%	10,450		550	9,900	550
Refunding issue	21,773	2015	07/15/27	1.75%-4.0%	21,401		753	20,648	753
Refunding issue	17,995	2016	07/15/30	2.0%-5.0%	17,995		146	17,849	-
Debt issue	16,811	2016	06/30/37	2.0%-5.0%	16,811		-	16,811	840
Total School	226,843				155,479	-	12,543	142,936	12,701
Sewer:									
Refunding issue	160	2008	01/01/23	3.375%-5.0%	78		11	67	11
Refunding issue	209	2013	06/30/20	2.0%-4.0%	72		29	43	29
Total Sewer	369				150	-	40	110	40
Total Bonds	276,821				185,286	-	14,790	170,496	14,675
NOTES:									
Water:									
CWF 399D	2,280	1999	07/31/18	2.0%	238		114	124	114
CWF 245C	830	1998	08/01/17	2.0%	47		42	5	5
CWF 399C	29,436	2003	07/31/22	2.0%	10,119		1,580	8,539	1,612
Total Notes	32,546				10,404	-	1,736	8,668	1,731

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long -Term Obligations (Continued)

1. Summary of Changes (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE	ADDITIONS	DEDUCTIONS	BALANCE	CURRENT PORTION
					JULY 1, 2016 (As Restated)			JUNE 30, 2017	
					(THOUSANDS)				
BOND ANTICIPATION NOTES.....					\$ -	\$11,147	\$ -	\$11,147	\$ -
TOTAL BONDS/NOTES.....					195,690	11,147	16,526	190,311	16,406
BOND PREMIUM.....					9,814	1,545	3,777	7,582	-
TOTAL BONDS/NOTES AND RELATED LIABILITIES.....					205,504	12,692	20,303	197,893	16,406
CAPITAL LEASES.....					139		43	96	96
COMPENSATED ABSENCES.....					4,440	2,161	2,120	4,481	896
HEART AND HYPERTENSION.....					3,275	837	1,410	2,702	1,188
RISK MANAGEMENT.....					14,333	13,932	15,654	12,611	4,039
NET PENSION LIABILITY.....					49,620	60,186	43,304	66,502	-
NET OPEB LIABILITY.....					103,426	11,992	13,371	102,047	-
NET OPEB OBLIGATION.....					5,529	1,903	534	6,898	-
TOTAL LONG-TERM OBLIGATIONS.....					<u>\$ 386,266</u>	<u>\$ 103,703</u>	<u>\$ 96,739</u>	<u>\$393,230</u>	<u>\$22,625</u>

All bonds and notes will be liquidated by the General Fund, except for clean water loan 245C, which is liquidated by the Water Pollution Control Authority fund.

All other long-term liabilities listed above are also generally liquidated by the General Fund.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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 (thousands):

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE PRINCIPAL	AMOUNT TO BE PROVIDED BY STATE INTEREST	BOND PRINCIPAL	NOTE PRINCIPAL	TOTAL INTEREST
2018	\$ 91	\$ 2	\$ 14,675	\$ 1,731	\$ 6,494
2019			15,620	1,654	5,767
2020			15,810	1,678	5,018
2021			15,850	1,711	4,267
2022			15,900	1,746	3,573
2023			13,995	148	2,954
2024			10,770		2,375
2025			10,850		1,968
2026			10,910		1,578
2027			8,380		1,255
2028			8,395		997
2029			6,765		759
2030			5,095		561
2031			5,080		399
2032			3,590		274
2033			3,590		175
2034			1,590		106
2035			1,590		66
2036			1,020		34
2037			1,021		11
	<u>\$ 91</u>	<u>\$ 2</u>	<u>\$ 170,496</u>	<u>\$ 8,668</u>	<u>\$ 38,631</u>

2. Capital Lease

The Town has entered into a lease agreement for the purchase of golf carts. The annual payments for the agreement are provided for by annual general fund appropriations.

The assets acquired through capital leases are as follows:

Asset:	
Equipment.....	\$ 273
Less accumulated depreciation.....	<u>(246)</u>
Total	<u>\$ 27</u>

This year, \$64 was included in depreciation expense.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Capital Lease (Continued)

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease and the present value of the future minimum lease payments:

YEAR ENDING <u>JUNE 30,</u>	
2018	97
Less amount representing interest	<u>(1)</u>
Present value of minimum lease payments	<u>\$ 96</u>

3. Statutory Debt Limitations

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

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
General purpose.....	\$ 611,098	\$ 47,478	\$ 563,620
Schools	1,222,196	143,249	1,078,947
Sewers	1,018,496	71	1,018,425
Urban renewal	882,697	-	882,697
Pension deficit	814,797	-	814,797

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$1,901,193.

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 \$91 for bond principal and sewer assessment receivable of \$39 are reflected as deductions in the computation of net indebtedness.

4. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$47,859 for school and \$32,670 for general purposes.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

5. Prior Year Advance Refunding

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the Town's financial statements. At fiscal year end, \$53,995 of bonds outstanding are considered defeased.

G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$7,499.

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

III. DETAILED NOTES (CONTINUED)

H. Fund Balance Classifications

Fund balances are composed of the following:

FUND BALANCE COMPONENT	GENERAL FUND	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>				
Simeon and Carrie Pease for Education Library	\$	\$	\$ 20	\$ 20
H. Smith Richardson for Conservation			20	20
			30	30
TOTAL NONSPENDABLE	-	-	70	70
<u>RESTRICTED:</u>				
Conservation			380	380
Public Safety - Care of Animals			307	307
Sanitary Sewer Operations			7,438	7,438
Culture and Recreation:				
Housing Rehabilitation Programs			226	226
Library Operations			76	76
School Lunch Programs			181	181
TOTAL RESTRICTED	-	-	8,608	8,608
<u>COMMITTED:</u>				
Public Safety - Police and Port security			469	469
Fairfield Center Improvements			210	210
Health and Rehabilitation Programs			507	507
Park and Recreation Programs			955	955
Various Education Programs			292	292
Other			282	282
TOTAL COMMITTED	-	-	2,715	2,715
<u>ASSIGNED:</u>				
General Government	104			104
Finance - Information systems	40			40
Public Works - Operations	401			401
Health and Welfare	82			82
Education	992			992
Debt Service			5,154	5,154
TOTAL ASSIGNED	1,619	-	5,154	6,773
<u>UNASSIGNED</u>	27,839	(7,695)	-	20,144
TOTAL	\$ 29,458	\$ (7,695)	\$ 16,547	\$ 38,310

General Fund encumbrances totaled \$1,619.

Water Pollution Control Authority fund balance is reported as restricted by enabling legislation.

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

IV. OTHER INFORMATION

A. Risk Management

Except for the purchase of commercial insurance coverage for all Town buildings (flood, fire and casualty), errors and omissions, general liability umbrella policy with a retention limit of \$500,000 (amount not rounded) per incident, law enforcement liability insurance policy with a deductible of \$50,000 (amount not rounded), workers' compensation excess policy with a retention limit of \$500,000 (amount not rounded) per incident and employee group medical claims in excess of \$150,000 (amount not rounded), the Town is exposed to various risks for which it has retained the risk of loss including torts; theft of, damage to and destruction of assets; natural disaster; general liability; workers' compensation; and employee and post-retiree group medical. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The claims liability reported in the fund is based upon accounting principles, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include 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.

		CURRENT YEAR		
	CLAIMS PAYABLE JULY 1	CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE JUNE 30
2015-2016	\$ 14,240	\$ 40,723	\$ 40,630	\$ 14,333
2016-2017	14,333	13,932	15,654	12,611

B. Commitments and Litigation

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan

1. Plan Description

a. Plan Administration

The Town administers two single-employer defined benefit pension plans (the Town Employees' Retirement Plan and the Police and Fire Employees' Retirement Plan), which provide pensions for all permanent full-time employees of the Town and police and fire personnel. Both pension plans grant the authority to establish and amend the benefit terms to the Representative Town Meeting. In addition, the Town established a single employer, defined contribution plan for employees hired after April 1, 2011, which is discussed in Note IV.C.14. The plans do not issue separate, stand-alone financial reports.

Management of each plan is vested in a Retirement Board, which consists of individuals appointed by Representative Town Meeting, and employees elected by the employee groups represented in the Plan.

Plan membership – Town Employees' Retirement Plan

At July 1, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	441
Inactive plan members entitled to but not yet receiving benefits	73
Active plan members	<u>613</u>
Total	<u><u>1,127</u></u>

Plan membership – Police and Fire Employees' Retirement Plan

At July 1, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	210
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>202</u>
Total	<u><u>418</u></u>

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plan (Continued)****2. Benefit Provisions****a. Town Employees' Retirement Plan**

The plan provides retirement, disability and death benefits to full-time employees who participate in the plan. The plan covers substantially all noncertified Board of Education employees and all regular Town employees. The retirement benefit is calculated at 2.2% of the average of final salary over the period of highest 2 consecutive years times years of service for Public Works, 2.275% of a member's highest salary times years of service for Educational Office Professionals and Professional and Technical Employees and department heads, and 1.25% of final salary up to \$7,800 plus 2.3% of the excess for all other members. Final and highest salary includes base salary plus longevity. Benefits and contributions are established by the Town and may be amended by the Retirement Board, or union contract. Plan members are eligible to retire with full benefits at age 62 upon completion of 10 years of service, except public works members, who may retire at age 59 1/2.

All plan members who are determined to have a total and permanent disability are eligible for non-work related disability benefits after 10 years of service. Disability retirement benefits are calculated in the same manner as regular retirement benefits. A member who is permanently and totally disabled solely and exclusively as a result of an accident or injury incurred during the course of Town employment will be retired, regardless of period of service, at an amount equal to 50% of the member's annual base salary on the date of the accident or injury reduced by any workers' compensation benefits being received after retirement. Death benefits as a result of an accident occurring during the course of Town employment will be equal to 50% of member's highest salary. Upon death of a member from causes not related to Town employment, the member's accumulated contributions with interest shall be paid to the member's spouse or beneficiary, if there is no spouse. If the member was eligible to retire at the time of death, the spouse may elect to receive 50% of the member's benefit as if the member had retired.

A plan member who terminates employment with less than 10 years of credited service shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest.

Members shall receive automatic cost of living adjustments ("COLA") regulated by the change in the U.S. Consumer Price Index, and members receive the COLA in even numbered years, except where a union contract requires an annual COLA. The adjustment shall not exceed 3% in each year of the calculation period.

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plan (Continued)****2. Benefit Provisions (Continued)****b. Police and Fire Employees' Retirement Plan**

The plan provides retirement, disability and death benefits to regular members of the Police and Fire departments. For Police members hired prior to March 18, 2013 and Fire members hired prior to March 10, 2012, the retirement benefit is calculated at 2% of base salary plus longevity for each year of service up to 10 years, plus 2.5% for years 11-20, 3% for years 21-25, and 4% for years 26-30. The maximum benefit is 80% of base salary plus longevity. For employees hired after the dates above, the benefit is calculated in the same way as for previously hired employees until the period following 25 years. After 25 years, the benefit is calculated at 3% for each year of service up to a maximum of 70% for Police and 75% for Fire. Benefits and contributions are established by the Town and may be amended by the Retirement Board, or union contract. Plan members upon completion of 25 years of service are eligible to retire at age 51 with full benefits or, in the case of the Fire Department, upon completion of 30 years of service regardless of age.

A member who is totally and permanently disabled through a job related accident or injury is eligible to receive a benefit not less than 66 2/3% of the member's annual base salary, plus longevity on the date of the accident. Non-service connected benefits are determined in the same manner as retirement benefits, and members must have at least five years of continuous service. Death benefits will be paid if a member dies prior to the normal retirement date equal to 25% of the member's final pay after one year of service. After five years of service, benefits are payable equal to 1% of final salary multiplied by years of service to a maximum of ten years plus 1 1/2% of final salary multiplied by years of service in excess of 10 years to a maximum of 25% of final pay. After the normal retirement date, the benefit is 75% of the member's retirement benefit. If death is incurred in the line of duty, the benefit is equal to 50% of the member's final salary.

A plan member who terminates employment with less than 10 years of credited service shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest.

Members shall receive automatic COLA regulated by the change in the U.S. Consumer Price Index, and members receive the COLA in even numbered years. The adjustment shall not exceed 3% in each year of the two year calculation period.

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plan (Continued)****3. Contributions****a. Employees' Retirement Plan**

Article 2.5 of the Pension Plan provides that member contributions shall be determined by the applicable collective bargaining agreement or by Town Policy. Currently, employees under the plan are required to contribute 4.0% of their annual compensation.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

The average active member contribution rate was 4.0% of annual base compensation, and the Town's average contribution rate was 12.2% of annual payroll.

b. Police and Fire Employees' Retirement Plan

Article 2.4 of the Pension Plan provides that members will contribute 5.0% of their annual compensation; however, current union contracts require contributions of 2.5% to 4.5% of earnings.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

The average active member contribution rate was 4.5% of annual base compensation, and the Town's average contribution rate was 20.6% of annual payroll.

4. Investments**a. Investment Policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy for both the Employees' and Police and Fire Employees' Retirement Plans:

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

4. Investments (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>
US Equity	25%
Global ex-US Equity	20%
US Fixed Income	20%
Global Fixed Income	10%
Hedge Funds	10%
Private Equity	5%
Real Estate	5%
Commodities	3%
Cash	<u>2%</u>
Total	<u>100%</u>

5. Concentrations

There were no investments in any one organization that represents 5% or more of the pension plans' net position.

6. Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.08% for the Employees' Retirement Plan and 10.03% for the Police and Fire Employees' Retirement Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net Pension Liability

The components of the net pension liability were as follows:

	<u>Town Employees'</u>	<u>Police and Fire Employees'</u>
Total pension liability	\$ 230,116	\$ 204,061
Plan fiduciary net position	<u>191,228</u>	<u>176,447</u>
Net pension liability	<u>\$ 38,888</u>	<u>\$ 27,614</u>
Plan fiduciary net position as percentage of the total pension liability	<u>83.1%</u>	<u>86.5%</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

8. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

The actuarial accrued liability is determined under the entry age normal method. Under this method, actuarial gains and losses are identified each year and are automatically included in the unfunded actuarial accrued liability. Therefore, they are amortized over the same number of years as the unfunded actuarial accrued liability.

	<u>Town Employees</u>	<u>Police and Fire Employees'</u>
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage, closed	Level percentage, closed
Asset valuation method	Fair value	Fair value
Post-retirement increases	3.00%, where applicable	3.00%, where applicable
Inflation	2.75%	2.75%
Salary increase	2.40%	3.50%-4.70%
Discount rate	7.00%	7.00%
Mortality rates	RP-2014 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.	RP-2014 Blue Collar Mortality Table projected to valuation date with Scale MP-2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized in the following table:

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

IV. **OTHER INFORMATION (CONTINUED)**

C. **Pension Plan (Continued)**

8. **Actuarial Assumptions (Continued)**

<u>Asset Class</u>	<u>Town Employees'</u>	<u>Police and Fire Employees'</u>
	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	4.65%	4.65%
US Mid/Small Cap	5.50%	5.50%
International Developed	5.50%	5.50%
International Emerging	6.50%	6.50%
US Govt Intermediate	1.75%	1.75%
US Corp Intermediate	2.25%	2.25%
Hedge Funds	5.25%	5.25%
International	2.50%	2.50%
Real Estate	5.00%	5.00%
Commodities	5.25%	5.25%
Cash	0.00%	0.00%

9. **Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. **Changes in the Net Pension Liability**

The Town's net pension liability was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The changes in net pension liability for each plan for the fiscal year were as follows:

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

IV. **OTHER INFORMATION** (Continued)

C. **Pension Plan** (Continued)

10. **Changes in the Net Pension Liability** (Continued)

Employees' Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2016	\$ 203,788	\$ 178,995	\$ 24,793
Service cost	3,843		3,843
Interest	15,179		15,179
Differences between expected and actual experience	(607)		(607)
Changes in assumptions	18,592		18,592
Contributions - employer		3,761	(3,761)
Contributions - member		1,494	(1,494)
Net investment income		17,851	(17,851)
Benefit payments, including refunds of member contributions	(10,679)	(10,679)	-
Administrative expenses		(194)	194
Net change	26,328	12,233	14,095
Balance at June 30, 2017	\$ 230,116	\$ 191,228	\$ 38,888

Police and Fire Employees' Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2016	\$ 191,231	\$ 166,404	\$ 24,827
Service cost	2,882		2,882
Interest	14,177		14,177
Differences between expected and actual experience	(3,510)		(3,510)
Changes in assumptions	9,630		9,630
Contributions - employer		3,355	(3,355)
Contributions - member		741	(741)
Net investment income		16,471	(16,471)
Benefit payments, including refunds of member contributions	(10,349)	(10,349)	-
Administrative expenses		(175)	175
Net change	12,830	10,043	2,787
Balance at June 30, 2017	\$ 204,061	\$ 176,447	\$ 27,614

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

11. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

<u>Town Employees'</u>	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net pension liability (asset)	\$ 68,510	\$ 38,888	\$ 14,214
 <u>Police and Fire Employees'</u>			
	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net pension liability (asset)	\$ 54,897	\$ 27,614	\$ 5,150

12. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town recognized pension expense of \$9,260 for the Town Employees' Plan and \$5,218 for the Police and Fire Employees' Plan. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Employees' Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,057	\$ 1,320
Changes in assumptions	21,037	2,219
Net difference between projected and actual earnings on pension plan investments	<u>6,600</u>	<u>-</u>
Total	<u>\$ 28,694</u>	<u>\$ 3,539</u>
Net amount of deferred inflows and outflows		<u>\$ 25,155</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

12. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Fire Employees' Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,799	\$ 5,471
Changes in assumptions	13,222	2,050
Net difference between projected and actual earnings on pension plan investments	<u>6,245</u>	<u>-</u>
Total	<u>\$ 21,266</u>	<u>\$ 7,521</u>
Net amount of deferred inflows and outflows		<u>\$ 13,745</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 4.5 years for the Town Employees' Plan and 6.7 years for the Police and Fire Employees' Plan.

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

Year Ending June 30,	Town Employees'	Police and Fire Employees'
2018	\$ 8,515	\$ 4,325
2019	8,515	4,325
2020	6,752	2,687
2021	1,373	572
2022	-	1,194
Thereafter	<u>-</u>	<u>642</u>
Total	<u>\$ 25,155</u>	<u>\$ 13,745</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

13. Plan Statements

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2017
(THOUSANDS)

	TOWN EMPLOYEES'	POLICE AND FIRE EMPLOYEES'	TOTAL
<u>ASSETS</u>			
Investments at fair value:			
Corporate bonds.....	\$ 5,701	\$ 5,260	\$ 10,961
U.S. Government agency obligations.....	3,005	2,773	5,778
U.S. Government obligations.....	9,047	8,347	17,394
Hedge funds and private equity funds.....	127,431	117,581	245,012
Common stock.....	10,272	9,479	19,751
Mutual funds:			
Equity.....	32,084	29,604	61,688
Money market.....	3,688	3,403	7,091
TOTAL ASSETS.....	191,228	176,447	367,675
<u>NET POSITION</u>			
NET POSITION RESTRICTED FOR PENSION BENEFITS.....	\$ 191,228	\$ 176,447	\$ 367,675

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

13. Plan Statements (Continued)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	TOWN EMPLOYEES'	POLICE AND FIRE EMPLOYEES'	TOTAL
ADDITIONS:			
Contributions:			
Employer.....	\$ 3,761	\$ 3,355	\$ 7,116
Plan members.....	1,494	741	2,235
Total contributions.....	5,255	4,096	9,351
Investment income (loss):			
Change in fair value of investments.....	16,849	15,548	32,397
Interest and dividends.....	1,387	1,279	2,666
Total investment income (loss).....	18,236	16,827	35,063
Less investment expenses.....	385	356	741
Net investment income (loss).....	17,851	16,471	34,322
TOTAL ADDITIONS.....	23,106	20,567	43,673
DEDUCTIONS:			
Benefits.....	10,679	10,349	21,028
Administration.....	194	175	369
TOTAL DEDUCTIONS.....	10,873	10,524	21,397
CHANGES IN NET POSITION.....	12,233	10,043	22,276
NET POSITION - JULY 1, 2016.....	178,995	166,404	345,399
NET POSITION - JUNE 30, 2017.....	\$ 191,228	\$ 176,447	\$ 367,675

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plans (Continued)****14. Defined Contribution Plan**

The Town administers a single employer, defined contribution plan, which covers employees hired after April 1, 2011 who are members of various bargaining units. The plan is not included in the Town's financial statements. The plan was approved as part of the Union approved contracts and any subsequent amendments would occur as part of future contracts.

Each employee will participate in the Town's defined contribution plan. Each employee shall be required to contribute at least 4% to the plan but may contribute the maximum allowed under IRS regulations. The Town shall match the employee's contribution up to a maximum of 5% for one of the contracts and 4% for the remaining contracts in the Plan. The Town's contribution shall not vest until the employee has been continuously employed for 5 years for all plans. The contributions made by employees and employer totaled \$149 and \$359, respectively.

D. Pension Plans – Connecticut State Teachers' Retirement Plan**1. Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (TRS) - a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

2. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

IV. OTHER INFORMATION (CONTINUED)**D. Pension Plans – Connecticut State Teachers’ Retirement Plan (Continued)****2. Benefit Provisions (Continued)**

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers’ compensation cannot exceed 75% of average annual salary.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (School Districts)

School district employers are not required to make contributions to the plan.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans – Connecticut State Teachers’ Retirement Plan (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town’s proportionate share of the net pension liability	\$ -
State’s proportionate share of the net pension liability associated with the Town	<u>300,561</u>
Total	<u>\$ 300,561</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town has no proportionate share of the net pension liability.

The Town recognized pension expense and revenue of \$32,777 for on-behalf amounts for the benefits provided by the State.

5. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans - Connecticut State Teachers' Retirement Plan (Continued)

5. Actuarial Assumptions (Continued)

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	6.0%	0.4%
Total	100.0%	

IV. OTHER INFORMATION (CONTINUED)**D. Pension Plans - Connecticut State Teachers' Retirement Plan (Continued)****6. Discount Rate**

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

7. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2016.

E. Other Post-Employment Benefit Plans**1. Plan Description****a. Plan Administration**

The Town administers three single-employer, post retirement healthcare plans for the Town, Police and Fire and Board of Education for the Town of Fairfield Other Post Employment Benefit ("OPEB"). The Town and Police and Fire plans provide medical, dental and life insurance benefits for eligible retirees and their spouses. The Board of Education plan provides medical and dental benefits to eligible retirees and their spouses. The plans are considered to be part of the Town's financial reporting entity. The Town and Police and Fire employees plans are included in the Town's financial reports as Other Post-Employment Benefit Trust Funds. The Board of Education plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plans do not issue stand-alone financial reports.

b. Benefit Provisions

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police and Fire retirees and their spouses. The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

1. Plan Description (Continued)

c. Employer Contributions

The Town's recommended contributions are actuarially determined on an annual basis using the projected unit credit method. The Town, Police and Fire and Board of Education's total plan contribution were \$9,771.

d. Employee Contributions

There are no employee contributions to the Town and Board of Education plans. For the Police and Fire plan, contributions are to be made as follows:

Police and Fire Employees'

1.5% basic annual salary including longevity

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These teachers are required to contribute the cost of the insurance to the Town.

e. Employees Covered by Benefit Terms

As of July 1, 2016 for Town, Police and Fire and Board of Education, the plans' membership consisted of:

	<u>TOWN</u>	<u>POLICE AND FIRE</u>	<u>BOARD OF EDUCATION</u>
Retirees and beneficiaries currently receiving benefits.....	201	174	92
Active plan members	268	202	1,335
TOTAL	<u>469</u>	<u>376</u>	<u>1,427</u>

2. Investments

a. Investment Policy

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy for both the Employees' and Police and Fire Employees' OPEB Plans:

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

2. Investments (Continued)

Asset Class	Target Allocation
US Large Cap	34.00%
US Mid/Small Cap	8.00%
International Developed	23.00%
International Emerging	5.00%
US Governmental Intermediate	15.00%
US Corporation Intermediate	15.00%
Total	100.00%

b. Concentrations

There were no investments in any one organization that represents 5% or more of the OPEB plans' net position.

3. Rate of Return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.81% for the Employees' OPEB Plan and the Police and Fire Employees' OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net OPEB Liability – Town and Police and Fire Plans

The components of the net OPEB liability were as follows:

	Town Employees'	Police and Fire Employees'
Total OPEB liability	\$ 65,123	\$ 72,409
Plan fiduciary net position	18,541	16,944
Net OPEB liability	\$ 46,582	\$ 55,465
Plan fiduciary net position as a percentage of the total OPEB liability	28.5%	23.4%

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

5. Actuarial Methods and Other Inputs

The total OPEB liability (total OPEB obligation for the Board of Education plan) was determined based upon a July 1, 2016 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage
Amortization period	25 years, closed
Asset valuation method	Fair Value

ACTUARIAL ASSUMPTIONS:

Discount rate - Town and Police and Fire	7.00%
Discount rate - Board of Education	3.50%
Projected healthcare cost increases:	
Inflation	2.75%
Initial	7.75%
Ultimate	4.75%

The discount rate was based on the Standard and Poors municipal bond 20 year high grade index as of the measurement date. The discount rate decreased from 7.50% to 7.00% for the Town and Police and Fire Plans and from 4.50% to 3.50% for the Board of Education Plan since the prior measurement date.

The healthcare cost rates decreased from an initial rate of 9.00% to 7.75% and an ultimate rate of 5.00% to 4.75% since the prior measurement date.

Mortality rates were based on the RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric means real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

5. Actuarial Methods and Other Inputs (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap	34.00%	4.65%
US Mid/Small Cap	8.00%	5.50%
International Developed	23.00%	5.50%
International Emerging	5.00%	6.50%
US Governmental Intermediate	15.00%	1.65%
US Corporation Intermediate	15.00%	2.25%
Total	100.00%	

Inflation is estimated to be 2.75%

6. Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% for the Town and Police and Fire Plans and 3.50% for the Board of Education Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

7. Changes in the Net OPEB Liability

The Town's net OPEB liability was measured at June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The changes in net OPEB liability for each plan for the fiscal year were as follows:

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

7. Changes in the Net OPEB Liability (Continued)

Employees' OPEB Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2016	\$ 62,335	\$ 14,761	\$ 47,574
Service cost	1,297		1,297
Interest	4,361		4,361
Differences between expected and actual experience	(148)		(148)
Contributions - employer		4,482	(4,482)
Net investment income		2,034	(2,034)
Benefit payments, including refunds of member contributions	(2,722)	(2,722)	-
Administrative expenses		(14)	14
Net change	2,788	3,780	(992)
Balance at June 30, 2017	\$ 65,123	\$ 18,541	\$ 46,582

Police and Fire Employees' OPEB Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2016	\$ 69,112	\$ 13,260	\$ 55,852
Service cost	1,449		1,449
Interest	4,830		4,830
Differences between expected and actual experience	204		204
Contributions - employer		4,755	(4,755)
Contributions - member		520	(520)
Net investment income		1,609	(1,609)
Benefit payments, including refunds of member contributions	(3,186)	(3,186)	-
Administrative expenses		(14)	14
Net change	3,297	3,684	(387)
Balance at June 30, 2017	\$ 72,409	\$ 16,944	\$ 55,465

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

8. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Employees' OPEB Plan	<u>\$ 55,383</u>	<u>\$ 46,582</u>	<u>\$ 39,337</u>
Police and Fire Employees' OPEB Plan	<u>\$ 65,551</u>	<u>\$ 55,465</u>	<u>\$ 47,202</u>

9. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

Net OPEB Liability	1% Decrease 6.75% decreasing to 3.75%	Discount Rate 7.75% decreasing to 4.75%	1% Increase 8.75% decreasing to 5.75%
Employees' OPEB Plan	<u>\$ 38,631</u>	<u>\$ 46,582</u>	<u>\$ 56,341</u>
Police and Fire Employees' OPEB Plan	<u>\$ 45,854</u>	<u>\$ 55,465</u>	<u>\$ 67,497</u>

10. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – Town and Police and Fire Employees' Plans

For the fiscal year the Town recognized OPEB expense of \$4,368 for Town Employees' and \$4,676 for Police and Fire Employees. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

10. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – Town and Police and Fire Employees’ Plans (Continued)

Employees' OPEB Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 125
Net difference between projected and actual earnings on pension plan investments	-	753
Total	<u>\$ -</u>	<u>\$ 878</u>
Net amount of deferred inflows and outflows		<u>\$ (878)</u>
Police and Fire Employees' OPEB Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179	\$ -
Net difference between projected and actual earnings on pension plan investments	-	487
Total	<u>\$ 179</u>	<u>\$ 487</u>
Net amount of deferred inflows and outflows		<u>\$ (308)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 6.5 years for the Town Employees' Plan and 7.8 years for the Police and Fire Employees' Plan.

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Town Employees'	Police and Fire Employees'
2018	\$ (211)	\$ (96)
2019	(211)	(96)
2020	(211)	(96)
2021	(212)	(95)
2022	(23)	26
Thereafter	<u>(10)</u>	<u>49</u>
Total	<u>\$ (878)</u>	<u>\$ (308)</u>

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

11. Disclosures Required by GASB 45 – Board of Education Plan

a. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2016 was as follows:

	(A)	(B)	(A-B)	(A/B)	(C)	[(A-B)/C]
ACTUARIAL VALUATION DATE JULY 1, 2016	ACTUARIAL VALUE OF ASSETS	ACTUARIAL LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
Board of Education	\$ -	\$ 16,617	\$ (16,617)	0.0%	\$ 99,591	(16.7%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedules of funding progress, immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

b. Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at July 1, 2016.

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

12. Disclosures Required by GASB 45 – Board of Education Plan (Continued)

c. Annual OPEB Cost and Net OPEB Obligation ("NOO")

The changes in the NOO for the Board of Education Plan were as follows:

Annual required contribution.....	\$ 1,879
Interest on net OPEB obligation	249
Adjustment to annual required contribution	<u>(225)</u>
Annual OPEB cost.....	1,903
Contributions made.....	<u>534</u>
Change in net OPEB obligation.....	1,369
Net OPEB obligation - July 1, 2016.	<u>5,529</u>
Net OPEB obligation - June 30, 2017	<u>\$ 6,898</u>

d. Three Year Trend Information

Year Ending June 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation	Total Contributions
2015	\$1,653	63%	\$4,955	\$1,043
2016	1,871	69%	5,529	1,297
2017	1,903	28%	6,898	534

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

13. Plan Statements

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
 JUNE 30, 2017
 (THOUSANDS)

	TOWN EMPLOYEES'	POLICE AND FIRE EMPLOYEES'	TOTAL
<u>ASSETS</u>			
Investments at fair value:			
U.S. Government agency obligations.....	\$ 127	\$ 384	\$ 511
Municipal obligations.....	45	135	180
Hedge funds and private equity funds.....	5,485	4,939	10,424
Mutual funds:			
Equity.....	12,892	11,517	24,409
Money market.....	103	85	188
Total investments.....	18,652	17,060	35,712
Interest and dividends receivable.....	3	2	5
TOTAL ASSETS.....	18,655	17,062	35,717
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable.....	18	36	54
Claims payable.....	96	82	178
TOTAL LIABILITIES.....	114	118	232
<u>NET POSITION</u>			
NET POSITION RESTRICTED FOR OPEB BENEFITS	\$ 18,541	\$ 16,944	\$ 35,485

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

13. Plan Statements (Continued)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	TOWN EMPLOYEES'	POLICE AND FIRE EMPLOYEES'	TOTAL
ADDITIONS:			
Contributions:			
Employer.....	\$ 4,482	\$ 4,755	\$ 9,237
Plan members.....	-	520	520
Total.....	4,482	5,275	9,757
Investment income (loss):			
Change in fair value of investments.....	1,799	1,381	3,180
Interest and dividends.....	258	249	507
Total investment income (loss).....	2,057	1,630	3,687
Less investment expenses.....	23	21	44
Net investment income (loss).....	2,034	1,609	3,643
TOTAL ADDITIONS.....	6,516	6,884	13,400
DEDUCTIONS:			
Benefits.....	2,722	3,186	5,908
Administration.....	14	14	28
TOTAL DEDUCTIONS.....	2,736	3,200	5,936
CHANGES IN NET POSITION.....	3,780	3,684	7,464
NET POSITION - JULY 1, 2016.....	14,761	13,260	28,021
NET POSITION - JUNE 30, 2017.....	\$ 18,541	\$ 16,944	\$ 35,485

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

IV. OTHER INFORMATION (CONTINUED)

F. Prior Period Adjustment

The government-wide net position was restated as follows due to the implementation of GASB Statement 75 which requires the Town to record the net OPEB liability in the government wide financials statements:

	<u>Government Activities</u>
Net position as previously reported at June 30, 2016	\$ 287,333
To remove net OPEB obligation previously recorded	15,535
To record beginning net OPEB liability (NOL)	<u>(103,426)</u>
Net position as restated at July 1, 2016	<u>\$ 199,442</u>

**Required
Supplementary
Information**

TOWN OF FAIRFIELD, CONNECTICUT

EMPLOYEES' RETIREMENT PLAN

 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 LAST FOUR YEARS
 (THOUSANDS)

	2017	2016	2015	2014
TOTAL PENSION LIABILITY:				
Service cost	\$ 3,843	\$ 3,808	\$ 3,697	\$ 3,590
Interest	15,179	14,744	13,426	12,900
Differences between expected and actual experience	(607)	1,629	(1,618)	-
Changes in assumptions	18,592	(3,417)	12,556	-
Benefit payments, including refunds of member contributions.....	<u>(10,679)</u>	<u>(11,291)</u>	<u>(9,952)</u>	<u>(9,232)</u>
NET CHANGE IN TOTAL PENSION LIABILITY.....	26,328	5,473	18,109	7,258
TOTAL PENSION LIABILITY - JULY 1.....	<u>203,788</u>	<u>198,315</u>	<u>180,206</u>	<u>172,948</u>
TOTAL PENSION LIABILITY - JUNE 30 (A).....	<u>\$ 230,116</u>	<u>\$ 203,788</u>	<u>\$ 198,315</u>	<u>\$ 180,206</u>
PLAN FIDUCIARY NET POSITION:				
Contributions - employer	\$ 3,761	\$ 4,056	\$ 4,964	\$ 4,935
Contributions - member	1,494	1,289	1,299	1,318
Net investment income	17,851	2,215	4,703	25,733
Benefit payments, including refunds of member contributions	(10,679)	(11,291)	(9,952)	(9,320)
Recovery expenses (Madoff).....	-	-	(28)	(205)
Administration.....	<u>(194)</u>	<u>(122)</u>	<u>(146)</u>	<u>(148)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION.....	12,233	(3,853)	840	22,313
PLAN FIDUCIARY NET POSITION - JULY 1.....	<u>178,995</u>	<u>182,848</u>	<u>182,008</u>	<u>159,695</u>
PLAN FIDUCIARY NET POSITION - JUNE 30 (B).....	<u>\$ 191,228</u>	<u>\$ 178,995</u>	<u>\$ 182,848</u>	<u>\$ 182,008</u>
NET PENSION LIABILITY (ASSET) - JUNE 30 (A)-(B).....	<u>\$ 38,888</u>	<u>\$ 24,793</u>	<u>\$ 15,467</u>	<u>\$ (1,802)</u>

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN

 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 LAST FOUR YEARS
 (THOUSANDS)

	2017	2016	2015	2014
TOTAL PENSION LIABILITY:				
Service cost	\$ 2,882	\$ 2,674	\$ 2,596	\$ 2,520
Interest	14,177	13,749	13,036	12,630
Differences between expected and actual experience	(3,510)	2,519	(4,108)	-
Changes in assumptions	9,630	(2,870)	8,308	-
Benefit payments, including refunds of member contributions.....	<u>(10,349)</u>	<u>(10,779)</u>	<u>(10,034)</u>	<u>(9,610)</u>
NET CHANGE IN TOTAL PENSION LIABILITY.....	12,830	5,293	9,798	5,540
TOTAL PENSION LIABILITY - JULY 1.....	<u>191,231</u>	<u>185,938</u>	<u>176,140</u>	<u>170,600</u>
TOTAL PENSION LIABILITY - JUNE 30 (A).....	<u>\$ 204,061</u>	<u>\$ 191,231</u>	<u>\$ 185,938</u>	<u>\$ 176,140</u>
PLAN FIDUCIARY NET POSITION:				
Contributions - employer	\$ 3,355	\$ 3,341	\$ 5,092	\$ 3,955
Contributions - member	741	770	623	589
Net investment income	16,471	2,054	4,475	24,665
Benefit payments, including refunds of member contributions.....	(10,349)	(10,779)	(10,034)	(9,616)
Recovery expenses (Madoff).....	-	-	(43)	(197)
Administration.....	<u>(175)</u>	<u>(113)</u>	<u>(152)</u>	<u>(133)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION.....	10,043	(4,727)	(39)	19,263
PLAN FIDUCIARY NET POSITION - JULY 1.....	<u>166,404</u>	<u>171,131</u>	<u>171,170</u>	<u>151,907</u>
PLAN FIDUCIARY NET POSITION - JUNE 30 (B).....	<u>\$ 176,447</u>	<u>\$ 166,404</u>	<u>\$ 171,131</u>	<u>\$ 171,170</u>
NET PENSION LIABILITY (ASSET) - JUNE 30 (A)-(B).....	<u>\$ 27,614</u>	<u>\$ 24,827</u>	<u>\$ 14,807</u>	<u>\$ 4,970</u>

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

EMPLOYEES' RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR YEARS
(THOUSANDS)**SCHEDULE OF NET PENSION LIABILITY**

	2017	2016	2015	2014
TOTAL PENSION LIABILITY.....	\$ 230,116	\$ 203,788	\$ 198,315	\$ 180,206
PLAN FIDUCIARY NET POSITION.....	<u>(191,228)</u>	<u>(178,995)</u>	<u>(182,848)</u>	<u>(182,008)</u>
NET PENSION LIABILITY (ASSET).....	<u>\$ 38,888</u>	<u>\$ 24,793</u>	<u>\$ 15,467</u>	<u>\$ (1,802)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY.....	<u>83.1%</u>	<u>87.8%</u>	<u>92.2%</u>	<u>101.0%</u>
COVERED PAYROLL.....	<u>\$ 30,790</u>	<u>\$ 32,713</u>	<u>\$ 32,922</u>	<u>\$ 34,865</u>
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL.....	<u>126.3%</u>	<u>75.8%</u>	<u>47.0%</u>	<u>(5.2%)</u>

SCHEDULE OF INVESTMENT RETURNS

	2017	2016	2015	2014
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE.....	<u>10.08%</u>	<u>1.21%</u>	<u>2.59%</u>	<u>16.07%</u>

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR YEARS
(THOUSANDS)**SCHEDULE OF NET PENSION LIABILITY**

	2017	2016	2015	2014
TOTAL PENSION LIABILITY.....	\$ 204,061	\$ 191,231	\$ 185,938	\$ 176,140
PLAN FIDUCIARY NET POSITION.....	<u>(176,447)</u>	<u>(166,404)</u>	<u>(171,131)</u>	<u>(171,170)</u>
NET PENSION LIABILITY (ASSET).....	<u>\$ 27,614</u>	<u>\$ 24,827</u>	<u>\$ 14,807</u>	<u>\$ 4,970</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY.....	<u>86.5%</u>	<u>87.0%</u>	<u>92.0%</u>	<u>97.2%</u>
COVERED PAYROLL.....	<u>\$ 16,319</u>	<u>\$ 15,905</u>	<u>\$ 14,072</u>	<u>\$ 14,283</u>
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL.....	<u>169.2%</u>	<u>156.1%</u>	<u>105.2%</u>	<u>34.8%</u>

SCHEDULE OF INVESTMENT RETURNS

	2017	2016	2015	2014
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE.....	<u>10.03%</u>	<u>1.19%</u>	<u>2.62%</u>	<u>16.05%</u>

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

EMPLOYEES' RETIREMENT PLAN

 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 LAST TEN YEARS
 (THOUSANDS)

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
2017	\$ 3,761	\$ 3,761	\$ -	\$ 30,790	12.22%
2016	4,056	4,056	-	32,713	12.40%
2015	4,964	4,964	-	32,922	15.08%
2014	4,935	4,935	-	34,865	14.15%
2013	2,961	3,772	811	34,856	10.82%
2012	3,936	3,936	-	35,062	11.23%
2011	2,887	2,887	-	33,826	8.53%
2010	1,569	1,569	-	31,806	4.93%
2009	-	-	-	33,094	0.00%
2008	-	-	-	31,313	0.00%

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 LAST TEN YEARS
 (THOUSANDS)

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
2017	\$ 3,355	\$ 3,355	\$ -	\$ 16,319	20.56%
2016	3,341	3,341	-	15,905	21.01%
2015	5,092	5,092	-	14,072	36.19%
2014	3,920	3,955	35	14,283	27.69%
2013	1,664	1,664	-	14,283	11.65%
2012	1,516	1,516	-	13,675	11.09%
2011	44	44	-	13,817	0.32%
2010	-	-	-	13,536	0.00%
2009	-	-	-	13,050	0.00%
2008	-	-	-	12,817	0.00%

TOWN OF FAIRFIELD, CONNECTICUT

EMPLOYEES' RETIREMENT PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR YEARS

Changes of benefit terms	None
Changes of assumptions	<p>2016 - Decreased the investment rate of return from 7.5% to 7.0%</p> <p>Increased the inflation rate from 2.5% to 2.75%</p> <p>Decreased the projected salary increases from 0.0% - 7.0% to 0.0% - 4.5%.</p> <p>Decreased the cost of living adjustment from 2.5% to 2.4%.</p>
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2016, one year prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage, closed
Remaining Amortization Period	25 Years
Asset Valuation Method	Fair value
Inflation	2.75%
Salary Increases	2.75% - 7.25%, average, including inflation
Investment Rate of Return	7.00%
Mortality Rate	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR YEARS

Changes of benefit terms	None
Changes of assumptions	<p>2016 - Decreased the investment rate of return from 7.5% to 7.0%</p> <p>Decreased the inflation rate from 3.0% to 2.75%</p> <p>Increased the projected salary increases from 0.0% - 3.5% to 0.5% - 10.0%.</p> <p>Increased the cost of living adjustment from 2.0% - 2.5% to 3.5% - 4.7%.</p>
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2016, one year prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage, closed
Remaining Amortization Period	25 Years
Asset Valuation Method	Fair value
Inflation	2.75%
Salary Increases	3.50% - 12.75%, average, including inflation
Investment Rate of Return	7.00%
Mortality Rate	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

TOWN OF FAIRFIELD, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST THREE YEARS
 (THOUSANDS)

JUNE 30, 2017

	2017	2016	2015
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with Town	<u>300,561</u>	<u>234,535</u>	<u>216,781</u>
Total	<u>\$ 300,561</u>	<u>\$ 234,535</u>	<u>\$ 216,781</u>
Town's covered-employee payroll	(2) <u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

SCHEDULE OF CONTRIBUTIONS
 LAST TWO YEARS

	2017	2016	2015
Contractually required contribution	(1) \$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	(2) <u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered-employee payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE YEARS

Changes of benefit terms	None
	2016:
	1. Reduce the inflation assumption from 3.00% to 2.75%.
	2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
	3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
	4. Slightly modify the merit portion of the salary scale.
	5. Reduce the payroll growth assumption from 3.75% to 3.25%.
	6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
	7. Increase normal retirement rates for females at most ages and prorable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
	8. Increase rates of withdrawal.
	9. Decrease rates of disability for males.
Changes of assumptions	
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	21.4 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.00%, average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

TOWN OF FAIRFIELD, CONNECTICUT

TOWN EMPLOYEES' OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITYJUNE 30, 2017
(THOUSANDS)

	2017
TOTAL OPEB LIABILITY:	
Service cost	\$ 1,297
Interest	4,361
Differences between expected and actual experience	(148)
Benefit payments, including refunds of member contributions.....	<u>(2,722)</u>
NET CHANGE IN TOTAL OPEB LIABILITY.....	2,788
TOTAL OPEB LIABILITY - JULY 1.....	<u>62,335</u>
TOTAL OPEB LIABILITY - JUNE 30 (A).....	<u>\$ 65,123</u>
PLAN FIDUCIARY NET POSITION:	
Contributions - employer	\$ 4,482
Net investment income	2,034
Benefit payments, including refunds of member contributions.....	(2,722)
Administration.....	<u>(14)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION.....	3,780
PLAN FIDUCIARY NET POSITION - JULY 1.....	<u>14,761</u>
PLAN FIDUCIARY NET POSITION - JUNE 30 (B).....	<u>\$ 18,541</u>
NET OPEB LIABILITY (ASSET) - JUNE 30 (A)-(B).....	<u>\$ 46,582</u>

Note: These schedules are intended to present information for 10 years.
Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITYJUNE 30, 2017
(THOUSANDS)

	2017
TOTAL OPEB LIABILITY:	
Service cost	\$ 1,449
Interest	4,830
Differences between expected and actual experience	204
Benefit payments, including refunds of member contributions.....	<u>(3,186)</u>
NET CHANGE IN TOTAL OPEB LIABILITY.....	3,297
TOTAL OPEB LIABILITY - JULY 1.....	<u>69,112</u>
TOTAL OPEB LIABILITY - JUNE 30 (A).....	<u>\$ 72,409</u>
PLAN FIDUCIARY NET POSITION:	
Contributions - employer	\$ 4,755
Contributions - member	520
Net investment income	1,609
Benefit payments, including refunds of member contributions.....	(3,186)
Administration.....	<u>(14)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION.....	3,684
PLAN FIDUCIARY NET POSITION - JULY 1.....	<u>13,260</u>
PLAN FIDUCIARY NET POSITION - JUNE 30 (B).....	<u>\$ 16,944</u>
NET OPEB LIABILITY (ASSET) - JUNE 30 (A)-(B).....	<u>\$ 55,465</u>

Note: These schedules are intended to present information for 10 years.
Additional years will be presented as they become available.

TOWN OF FAIRFIELD, CONNECTICUT

EMPLOYEES' OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO YEARS
(THOUSANDS)

SCHEDULE OF NET OPEB LIABILITY

	2017	2016
TOTAL OPEB LIABILITY.....	\$ 65,123	\$ 62,335
PLAN FIDUCIARY NET POSITION.....	<u>(18,541)</u>	<u>(14,761)</u>
NET OPEB LIABILITY (ASSET).....	<u>\$ 46,582</u>	<u>\$ 47,574</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY.....	<u>28.5%</u>	<u>23.7%</u>
COVERED PAYROLL.....	<u>\$ 19,447</u>	<u>\$ 18,744</u>
NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL.....	<u>239.53%</u>	<u>253.81%</u>

SCHEDULE OF INVESTMENT RETURNS

	2017	2016
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE.....	<u>11.81%</u>	<u>N/A</u>

Note: These schedules are intended to present information for 10 years.
Additional years will be presented as they become available.

N/A - Not available

TOWN OF FAIRFIELD, CONNECTICUT

POLICE AND FIRE EMPLOYEES' OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO YEARS
(THOUSANDS)**SCHEDULE OF NET PENSION LIABILITY**

	2017	2016
TOTAL OPEB LIABILITY.....	\$ 72,409	\$ 69,112
PLAN FIDUCIARY NET POSITION.....	<u>(16,944)</u>	<u>(13,260)</u>
NET OPEB LIABILITY (ASSET).....	<u>\$ 55,465</u>	<u>\$ 55,852</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY.....	<u>23.4%</u>	<u>19.2%</u>
COVERED PAYROLL.....	<u>\$ 16,905</u>	<u>\$ 16,294</u>
NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL.....	<u>328.1%</u>	<u>342.8%</u>

SCHEDULE OF INVESTMENT RETURNS

	2017	2016
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE.....	<u>11.81%</u>	<u>N/A</u>

Note: These schedules are intended to present information for 10 years.
Additional years will be presented as they become available.

N/A - Not available

TOWN OF FAIRFIELD, CONNECTICUT

OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN YEARS
(THOUSANDS)

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
<u>Employees' Plan</u>					
2008	\$ 4,707	\$ 1,938	\$ (2,769)	N/A	N/A
2009	4,842	3,194	(1,648)	N/A	N/A
2010	4,112	4,534	422	N/A	N/A
2011	4,218	3,653	(565)	16,893	21.62%
2012	4,338	3,924	(414)	N/A	N/A
2013	4,231	4,332	101	17,798	24.34%
2014	4,430	4,590	160	N/A	N/A
2015	4,633	4,777	144	17,851	26.76%
2016	4,282	4,534	252	18,744	24.19%
2017	4,482	4,482	-	19,447	23.05%
<u>Police and Fire Employees' Plan</u>					
2008	4,770	1,761	(3,009)	N/A	N/A
2009	4,909	3,167	(1,742)	N/A	N/A
2010	4,423	4,747	324	N/A	N/A
2011	4,998	3,880	(1,118)	13,817	28.08%
2012	4,503	4,078	(425)	N/A	N/A
2013	4,416	4,535	119	14,283	31.75%
2014	4,548	4,659	111	N/A	N/A
2015	4,750	4,861	111	14,607	33.28%
2016	4,549	4,747	198	16,294	29.13%
2017	4,755	5,275	520	16,905	31.20%
<u>Board of Education Plan</u>					
2008	1,643	1,183	(460)	N/A	N/A
2009	1,671	1,530	(141)	N/A	N/A
2010	1,629	611	(1,018)	N/A	N/A
2011	1,660	689	(971)	N/A	N/A
2012	1,364	894	(470)	N/A	N/A
2013	1,387	922	(465)	91,149	1.01%
2014	1,607	902	(705)	N/A	N/A
2015	1,634	1,043	(591)	92,198	1.13%
2016	1,850	1,297	(553)	N/A	N/A
2017	1,879	534	(1,345)	99,591	0.54%

N/A - Not available

TOWN OF FAIRFIELD, CONNECTICUT

TOWN AND POLICE AND FIRE EMPLOYEES'
OTHER POST-EMPLOYMENT BENEFIT PLANS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO YEARS

Changes of benefit terms	None
Changes of assumptions	<p>2016 - Changed the discount rate from 7.5% to 7.0% for the Town and Police and Fire Plans and from 4.5% to 3.5% for the Board of Education Plan. Changed the healthcare inflation rate from 9.0% - 5.0% to 7.75% to 4.75%.</p>

Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2016, one year prior to the end of the fiscal year in which contributions are reported.
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The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	25 years, closed
Asset Valuation Method	Fair value
Investment Rate of Return - Town, Police and Fire, and Board of Education	7.0%, 7.0% and 3.5%, respectively
Healthcare inflation rate - Initial	7.75%
Healthcare inflation rate - Ultimate	4.75%
Salary Increases	2.75% - 12.75%
Mortality Rate	Mortality rates were based on the RP-2014 adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2016.

TOWN OF FAIRFIELD, CONNECTICUT

BOARD OF EDUCATION OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 LAST SIX YEARS
 (THOUSANDS)

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$ -	\$ 24,559	\$ (24,559)	0.0%	\$ 91,149	(27%)
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	29,635	(29,635)	0.0%	92,198	(32.1%)
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	16,617	(16,617)	0.0%	99,591	(16.7%)
N/A - No valuation performed.						(Concluded)

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, buildings and grounds, planning and development, health and human services, library, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF FAIRFIELD, CONNECTICUT

GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016
(THOUSANDS)

	2017	2016
<u>ASSETS</u>		
Cash.....	\$ 5,129	\$ -
Investments.....	45,910	42,228
Restricted investments.....	4,145	3,387
Receivables, net:		
Property taxes.....	8,557	7,470
Intergovernmental.....	-	373
Other.....	1,162	679
Due from other funds.....	5,667	4,804
Other.....	281	-
TOTAL ASSETS.....	<u>\$ 70,851</u>	<u>\$ 58,941</u>
<u>LIABILITIES</u>		
Cash overdraft.....	\$ 2,068	\$ 603
Accounts payable.....	5,751	3,596
Accrued payroll.....	13,396	12,733
Due to other funds.....	37	-
Unearned revenue.....	-	34
Performance bonds.....	4,145	3,387
Other.....	1,338	1,251
TOTAL LIABILITIES.....	<u>26,735</u>	<u>21,604</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue:		
Property taxes.....	8,557	7,470
Advance property tax collections.....	6,066	1,541
Other charges.....	35	66
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>14,658</u>	<u>9,077</u>
<u>FUND BALANCES</u>		
Assigned.....	1,619	825
Unassigned.....	27,839	27,435
TOTAL FUND BALANCES	<u>29,458</u>	<u>28,260</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 70,851</u>	<u>\$ 58,941</u>

TOWN OF FAIRFIELD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017
 (THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>PROPERTY TAXES</u>				
Current year levy.....	\$ 266,814	\$ 266,814	\$ 268,386	\$ 1,572
Prior years levy.....	2,195	2,195	2,107	(88)
Interest on delinquent taxes.....	1,272	1,272	1,187	(85)
Telecommunications access lines.....	125	125	132	7
TOTAL PROPERTY TAXES.....	270,406	270,406	271,812	1,406
<u>INTERGOVERNMENTAL</u>				
State grants for education.....	3,590	3,590	1,096	(2,494)
School building grants.....	96	96	96	-
Other state grants.....	5,489	5,489	4,700	(789)
TOTAL INTERGOVERNMENTAL.....	9,175	9,175	5,892	(3,283)
<u>CHARGES FOR SERVICES</u>				
Licenses and permits.....	2,429	2,429	2,928	499
Fines.....	364	364	306	(58)
Department and other.....	9,493	9,493	9,778	285
Rents.....	1,147	1,147	1,308	161
TOTAL CHARGES FOR SERVICES.....	13,433	13,433	14,320	887
INCOME FROM INVESTMENTS.....	356	356	307	(49)
OTHER.....	141	141	209	68
TOTAL REVENUES.....	293,511	293,511	292,540	(971)
<u>OTHER FINANCING SOURCES</u>				
Cancellation of prior year encumbrances	-	219	64	(155)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 293,511	\$ 293,730	\$ 292,604	\$ (1,126)

TOWN OF FAIRFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>GENERAL GOVERNMENT</u>				
Administrative and general:				
Board of selectmen.....	\$ 477	\$ 599	\$ 580	\$ 19
Town clerk.....	541	541	518	23
Fair TV.....	59	59	58	1
Administrative services.....	102	105	105	-
Registrar of voters.....	230	254	254	-
Zoning board of appeals.....	5	5	4	1
Town planning and zoning commission.....	635	655	655	-
Probate court.....	28	28	28	-
Historical district commission.....	11	11	10	1
Conservation commission.....	948	929	848	81
Shellfish commission.....	9	9	8	1
Legal services.....	550	463	461	2
Miscellaneous contingencies.....	35	35	14	21
Retiree benefits.....	14,360	14,336	14,336	-
Human resources.....	5,408	5,386	5,341	45
Medical benefits.....	9,358	9,362	9,362	-
Economic development commission.....	238	242	230	12
Harbor management commission.....	24	24	24	-
Total Administrative and general.....	33,018	33,043	32,836	207
Miscellaneous:				
Private agencies.....	764	764	764	-
Private school transportation.....	1,463	1,446	1,445	1
Contingency.....	1,453	1	-	1
Total Miscellaneous.....	3,680	2,211	2,209	2
TOTAL GENERAL GOVERNMENT.....	36,698	35,254	35,045	209
CONTRIBUTION TO FUND BALANCE.....	550	550	-	550
<u>FINANCE</u>				
Finance.....	785	773	752	21
Purchasing.....	269	278	273	5
Assessor.....	753	671	650	21
Tax collector.....	610	611	576	35
Information systems.....	2,235	2,377	2,375	2
Board of finance.....	103	103	100	3
Unemployment compensation.....	205	149	149	-
TOTAL FINANCE.....	4,960	4,962	4,875	87

(Continued)

SCHEDULE 3
(2 of 2)

TOWN OF FAIRFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>PUBLIC SAFETY</u>				
Fire.....	\$ 13,032	\$ 12,841	\$ 12,764	\$ 77
Police.....	14,606	14,515	14,445	70
Animal control.....	395	353	339	14
Street lighting.....	685	723	723	-
Hydrant and water service.....	1,708	1,647	1,646	1
Emergency management.....	58	58	58	-
Emergency communications center.....	1,529	1,553	1,470	83
TOTAL PUBLIC SAFETY.....	32,013	31,690	31,445.00	245
<u>PUBLIC WORKS</u>				
Public works administration.....	513	535	528	7
Public works operations.....	15,988	16,521	16,498	23
Building.....	678	688	653	35
Engineering.....	699	726	686	40
TOTAL PUBLIC WORKS.....	17,878	18,470	18,365	105
<u>HEALTH AND WELFARE</u>				
Health.....	2,772	2,890	2,831	59
Welfare.....	142	111	111	-
Human services.....	651	654	629	25
Solid waste and recycling.....	3,587	3,470	3,466	4
TOTAL HEALTH AND WELFARE.....	7,152	7,125	7,037	88
<u>CULTURE AND RECREATION</u>				
Libraries.....	3,928	3,919	3,834	85
Penfield pavillion complex.....	85	85	80	5
Parks and recreation.....	715	728	656	72
Beaches and lifeguards.....	442	442	424	18
Golf courses.....	1,656	1,677	1,613	64
TOTAL CULTURE AND RECREATION.....	6,826	6,851	6,607	244
EDUCATION.....	163,659	163,659	163,657	2
DEBT SERVICE.....	23,641	23,054	23,054	-
TOTAL EXPENDITURES.....	293,377	291,615	290,085	1,530
<u>OTHER FINANCING USES</u>				
Transfers out.....	134	2,115	2,115	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 293,511	\$ 293,730	\$ 292,200	\$ 1,530

(Concluded)

TOWN OF FAIRFIELD, CONNECTICUT

GENERAL FUND
 BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017
 (THOUSANDS)

	ORIGINAL APPROPRIATION	TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
Salaries and wages:					
Teaching staff.....	\$ 71,065	\$ (899)	\$ 70,166	\$ 70,166	\$ -
Certified support staff.....	6,807	(191)	6,616	6,616	-
School administrative staff.....	6,025	(59)	5,966	5,966	-
Central administrative staff.....	1,098	(24)	1,074	1,074	-
Supervisor/managers.....	650	26	676	676	-
Secretarial/clerical staff.....	3,494	(87)	3,407	3,407	-
Paraprofessional staff.....	3,572	(47)	3,525	3,525	-
Custodian staff.....	4,031	(164)	3,867	3,867	-
Maintenance staff.....	1,004	8	1,012	1,012	-
Support staff.....	2,327	27	2,354	2,354	-
SE trainers.....	835	93	928	928	-
Part-time employment.....	2,690	599	3,289	3,289	-
Employee benefits.....	23,531	606	24,137	24,135	2
Instructional and other services.....	5,095	578	5,673	5,673	-
Utilities services.....	4,564	(188)	4,376	4,376	-
Maintenance services.....	4,833	(260)	4,573	4,573	-
Rentals.....	150	(21)	129	129	-
Student transportation.....	8,022	(105)	7,917	7,917	-
Conference and travel.....	318	(87)	231	231	-
Professional development.....	647	(91)	556	556	-
Personnel/recruitment expenses.....	26	(15)	11	11	-
Printing/copying/postage.....	398	(9)	389	389	-
Tuition.....	4,810	597	5,407	5,407	-
Instructional supplies.....	3,488	(253)	3,235	3,235	-
Office, custodial and other supplies.....	1,557	(2)	1,555	1,555	-
Textbook and library resources.....	15	(4)	11	11	-
Technology and capital outlay.....	2,525	(40)	2,485	2,485	-
Dues and fees.....	82	12	94	94	-
TOTAL.....	\$ 163,659	\$ -	\$ 163,659	\$ 163,657	\$ 2

TOWN OF FAIRFIELD, CONNECTICUT

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2016	CURRENT YEAR LEVY	LAWFUL CORRECTIONS			ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2017
			ADDITIONS	DEDUCTIONS	TRANSFERS TO SUSPENSE		NET TAXES COLLECTED	INTEREST, LIENS & OTHER FEES	TOTAL	
2000	\$ 3	\$	\$	\$ 3	\$	\$ -	\$	\$	\$ -	\$ -
2001	7					7			-	7
2002	8					8			-	8
2003	16					16			-	16
2004	15					15	1		1	14
2005	30					30	3	2	5	27
2006	39					39	6	6	12	33
2007	67					67	6	7	13	61
2008	138				2	136	14	31	45	122
2009	188				3	185	33	42	75	152
2010	333			1	80	252	37	44	81	215
2011	425			2	5	418	(9)	36	27	427
2012	902			3	5	894	131	89	220	763
2013	1,756		23	11	5	1,763	382	152	534	1,381
2014	3,543		24	45	10	3,512	1,599	287	1,886	1,913
TOTAL PRIOR YEARS	7,470	-	47	65	110	7,342	2,203	696	2,899	5,139
2015	-	272,072	462	914	33	271,587	268,169	529	268,698	3,418
TOTAL ALL YEARS	\$ 7,470	\$ 272,072	\$ 509	\$ 979	\$ 143	\$ 278,929	\$ 270,372	\$ 1,225	\$ 271,597	\$ 8,557

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Special Assessments	Sewer and beach assessments	Accumulation of resources for debt retirement
Community Development Block Grant	Federal grant	Town development programs
Special Education	State and Federal grant, custodial fees, continuing education and summer school programs	School related programs
Recreation	User fees	Recreation programs
Public Safety	State and Federal grants/ contributions	Public safety programs
Shellfish	Permit fees	Stocking shellfish beds
Public School Lunch	Sale of food and grants	School lunch program
Water Pollution Control Authority	Sewer use fees	Sanitary sewer operations
Miscellaneous	State and Federal grants, and public health administrative charges	Health, law enforcement, and public safety programs
Downtown Parking	Parking fees	Downtown employee parking and Fairfield Center improvements
Donations	Private donations	Various
Library	Trust income	Support and benefit of the Town's library

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest on long-term debt of the Town.

Permanent Funds

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

H. Smith Richardson Conservation Fund - established in 1971 and 1990 for conservation purposes.

Simeon and Carrie Pease Fund - established in 1980 for education purposes.

Library Fund - support and benefit of the Town's library.

TOWN OF FAIRFIELD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(THOUSANDS)

	SPECIAL REVENUE FUNDS					
	SPECIAL ASSESSMENTS	COMMUNITY DEVELOPMENT BLOCK GRANT	SPECIAL EDUCATION	RECREATION	PUBLIC SAFETY	SHELLFISH
ASSETS						
Cash.....	\$	\$	\$	\$	\$	\$
Investments.....	120	410	107	13	477	29
Receivables:						
Sewer, beach and sidewalk assessments.....	39					
Intergovernmental.....		362	283			
Loan.....		1,788				
Other.....				13	208	
Due from other funds.....						
Other.....						
TOTAL ASSETS.....	\$ 159	\$ 2,560	\$ 390	\$ 1,181	\$ 685	\$ 29
LIABILITIES						
Accounts payable.....	\$	\$	\$	\$	\$	\$
Accrued payroll.....		16	17	55	8	2
Due to other funds.....		530	4			
Unearned revenue.....			77	171		
TOTAL LIABILITIES.....	-	546	98	226	8	2
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Sewer assessment and use charges.....	39					
Other charges.....					208	
Loans.....		1,788				
TOTAL DEFERRED INFLOWS OF RESOURCES.....	39	1,788	-	-	208	-
FUND BALANCES						
Nonspendable.....						
Restricted.....	120	226				
Committed.....			292	955	469	27
Assigned.....						
TOTAL FUND BALANCES.....	120	226	292	955	469	27
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 159	\$ 2,560	\$ 390	\$ 1,181	\$ 685	\$ 29

(Continued)

TOWN OF FAIRFIELD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(THOUSANDS)

SPECIAL REVENUE FUNDS

	PUBLIC SCHOOL LUNCH	WATER POLLUTION CONTROL AUTHORITY	MISCELLANEOUS	DOWNTOWN PARKING	DONATIONS	LIBRARY	TOTAL SPECIAL REVENUE FUNDS
ASSETS							
Cash.....	\$ 219	\$ 3	\$	\$ 210	\$ 309	\$ 25	\$ 367
Investments.....	101	7,648	705	210	309	48	11,212
Receivables:							
Sewer, beach and sidewalk assessments.....		827					866
Intergovernmental.....	94		179				918
Loan.....							1,788
Other.....	92						313
Due from other funds.....	37						37
Other.....	26						26
TOTAL ASSETS.....	\$ 569	\$ 8,478	\$ 884	\$ 210	\$ 309	\$ 73	\$ 15,527
LIABILITIES							
Accounts payable.....	\$ 155	\$ 161	\$ 110	\$	\$ 2	\$	\$ 526
Accrued Payroll.....		172					172
Due to other funds.....							534
Unearned revenue.....	233		12				493
TOTAL LIABILITIES.....	388	333	122	-	2	-	1,725
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Sewer assessment and use charges.....		827					866
Other charges.....							208
Loans.....							1,788
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	827	-	-	-	-	2,862
FUND BALANCES							
Nonspendable.....							-
Restricted.....	181	7,318			307	73	8,225
Committed.....			762	210			2,715
Assigned.....							-
TOTAL FUND BALANCES.....	181	7,318	762	210	307	73	10,940
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 569	\$ 8,478	\$ 884	\$ 210	\$ 309	\$ 73	\$ 15,527

TOWN OF FAIRFIELD, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(THOUSANDS)

	PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE FUND	H. SMITH RICHARDSON CONSERVATION FUND	SIMEON AND CARRIE PEASE FUND	LIBRARY FUND	TOTAL PERMANENT FUNDS	
<u>ASSETS</u>						
Cash.....	\$	\$	\$	\$	\$ -	\$ 367
Investments.....	5,154				-	16,366
Restricted investments.....		410	20	23	453	453
Receivables:						
Sewer, beach and sidewalk assessments.....					-	866
Intergovernmental.....					-	918
Loan.....					-	1,788
Other.....					-	313
Due from other funds.....					-	37
Other.....					-	26
TOTAL ASSETS.....	\$ 5,154	\$ 410	\$ 20	\$ 23	\$ 453	\$ 21,134
<u>LIABILITIES</u>						
Accounts payable.....	\$	\$	\$	\$	\$ -	\$ 526
Accrued payroll.....					-	172
Due to other funds.....					-	534
Unearned revenue.....					-	493
TOTAL LIABILITIES.....	-	-	-	-	-	1,725
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue:						
Sewer assessment and use charges.....					-	866
Other charges.....					-	208
Loans.....					-	1,788
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	-	-	-	-	2,862
<u>FUND BALANCES</u>						
Nonspendable.....		30	20	20	70	70
Restricted.....		380		3	383	8,608
Committed.....					-	2,715
Assigned.....	5,154				-	5,154
TOTAL FUND BALANCES.....	5,154	410	20	23	453	16,547
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,154	\$ 410	\$ 20	\$ 23	\$ 453	\$ 21,134

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TOWN OF FAIRFIELD CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	SPECIAL REVENUE FUNDS					
	SPECIAL ASSESSMENTS	COMMUNITY DEVELOPMENT BLOCK GRANT	SPECIAL EDUCATION	RECREATION	PUBLIC SAFETY	SHELLFISH
REVENUES:						
Intergovernmental.....	\$	\$ 693	\$ 6,045	\$	\$ 138	\$
Charges for services.....		25	1,188	1,775	1,786	4
Sewer, beach and sidewalk assessments.....	34					
Income from investments.....						
Contributions.....						
TOTAL REVENUES.....	34	718	7,233	1,775	1,924	4
EXPENDITURES:						
Current:						
General government.....						6
Public safety.....					1,978	
Public works.....						
Health and welfare.....						
Culture and recreation.....		693		1,650		
Education.....			7,155			
Debt service.....						
TOTAL EXPENDITURES.....	-	693	7,155	1,650	1,978	6
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	34	25	78	125	(54)	(2)
OTHER FINANCING SOURCES (USES):						
Transfers in.....						
NET CHANGE IN FUND BALANCES.....	34	25	78	125	(54)	(2)
FUND BALANCES - JULY 1, 2016.....	86	201	214	830	523	29
FUND BALANCES - JUNE 30, 2017.....	\$ 120	\$ 226	\$ 292	\$ 955	\$ 469	\$ 27

(Continued)

TOWN OF FAIRFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	SPECIAL REVENUE FUNDS						TOTAL SPECIAL REVENUE FUNDS
	PUBLIC SCHOOL LUNCH	WATER POLLUTION CONTROL AUTHORITY	MISCELLANEOUS	DOWNTOWN PARKING	DONATIONS	LIBRARY	
REVENUES:							
Intergovernmental.....	\$ 768	\$	\$ 3,962	\$	\$	\$	\$ 11,606
Charges for services.....	2,215	6,519	91	105			13,708
Sewer, beach and sidewalk assessments.....							34
Income from investments.....	1						1
Contributions.....			125		124	32	281
TOTAL REVENUES.....	2,984	6,519	4,178	105	124	32	25,630
EXPENDITURES:							
Current:							
General government.....			44		2		52
Public safety.....			406		54		2,438
Public works.....		5,094	1,646	84			6,824
Health and welfare.....			2,202				2,202
Culture and recreation.....			6			26	2,375
Education.....	2,990						10,145
Debt service.....							-
TOTAL EXPENDITURES.....	2,990	5,094	4,304	84	56	26	24,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(6)	1,425	(126)	21	68	6	1,594
OTHER FINANCING SOURCES (USES):							
Transfers in.....			147				147
NET CHANGE IN FUND BALANCES.....	(6)	1,425	21	21	68	6	1,741
FUND BALANCES - JULY 1, 2016.....	187	5,893	741	189	239	67	9,199
FUND BALANCES - JUNE 30, 2017.....	\$ 181	\$ 7,318	\$ 762	\$ 210	\$ 307	\$ 73	\$ 10,940

(Continued)

TOWN OF FAIRFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(THOUSANDS)

	PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE FUND	H. SMITH RICHARDSON CONSERVATION FUND	SIMEON AND CARRIE PEASE FUND	LIBRARY FUND	TOTAL PERMANENT FUNDS	
REVENUES:						
Intergovernmental.....	\$	\$	\$	\$	\$ -	\$ 11,606
Charges for services.....	7				-	13,715
Sewer, beach and sidewalk assessments.....					-	34
Income from investments.....		28			28	29
Contributions.....		55			55	336
TOTAL REVENUES.....	7	83	-	-	83	25,720
EXPENDITURES:						
Current:						
General government.....					-	52
Public safety.....					-	2,438
Public works.....					-	6,824
Health and welfare.....					-	2,202
Culture and recreation.....					-	2,375
Education.....					-	10,145
Debt service.....	695				-	695
TOTAL EXPENDITURES.....	695	-	-	-	-	24,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(688)	83	-	-	83	989
OTHER FINANCING SOURCES (USES):						
Bond and BAN premiums.....	1,840				-	1,840
Transfers in.....	1,576				-	1,723
NET OTHER FINANCING SOURCES (USES).....	3,416	-	-	-	-	3,563
NET CHANGE IN FUND BALANCES.....	2,728	83	-	-	83	4,552
FUND BALANCES - JULY 1, 2016.....	2,426	327	20	23	370	11,995
FUND BALANCES - JUNE 30, 2017.....	\$ 5,154	\$ 410	\$ 20	\$ 23	\$ 453	\$ 16,547

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TOWN OF FAIRFIELD, CONNECTICUT

WATER POLLUTION CONTROL AUTHORITY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017
 (THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Charges for services.....	\$ 5,533	\$ 5,554	\$ 6,519	\$ 965
EXPENDITURES:				
Current:				
Public Works.....	5,490	5,511	5,152	359
Debt service:				
Principal retirement.....	42	42	42	-
Interest.....	1	1	1	-
TOTAL EXPENDITURES.....	5,533	5,554	5,195	359
NET CHANGE IN FUND BALANCES.....	\$ -	\$ -	1,324	\$ 1,324
FUND BALANCE - JULY 1, 2016.....			5,872	
FUND BALANCE - JUNE 30, 2017.....			\$ 7,196	
RECONCILIATION TO GAAP BASIS - SCHEDULE 7	EXPENDITURES		FUND BALANCE	
BALANCE, BUDGETARY BASIS - JUNE 30, 2017.....	\$ 5,195		\$ 7,196	
Encumbrances outstanding at June 30, 2016, liquidated during the year ended June 30, 2017.....	21		-	
Encumbrances outstanding at June 30, 2017 charged to budgetary expenditures.....	(122)		122	
BALANCE, GAAP BASIS - JUNE 30, 2017.....	\$ 5,094		\$ 7,318	

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Agency Fund

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

TOWN OF FAIRFIELD, CONNECTICUT

AGENCY FUND
 STUDENT ACTIVITY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITY
 FOR THE YEAR ENDED JUNE 30, 2017
 (THOUSANDS)

	BALANCE JULY 1, 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2017
<u>ASSETS</u>				
Cash	\$ 935	\$ 1,922	\$ 1,771	\$ 1,086
Investments.....	61			61
TOTAL ASSETS.....	<u>\$ 996</u>	<u>\$ 1,922</u>	<u>\$ 1,771</u>	<u>\$ 1,147</u>
<u>LIABILITY</u>				
Accounts payable.....	<u>\$ 996</u>	<u>\$ 1,922</u>	<u>\$ 1,771</u>	<u>\$ 1,147</u>

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 7)

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

DEBT CAPACITY (TABLES 8 - 11)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 15)

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

OPERATING INFORMATION (TABLES 16 - 17)

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF FAIRFIELD, CONNECTICUT

NET POSITION BY COMPONENT
 LAST TEN YEARS
 (THOUSANDS)
 (UNAUDITED)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$ 297,952	\$ 274,649	\$ 267,658	\$ 246,055	\$ 246,689	\$ 249,503	\$ 250,288	\$ 249,899	\$ 240,836	\$ 229,184
Restricted	8,678	7,043	6,225	4,909	3,990	4,056	3,833	3,282	379	452
Unrestricted	(95,397)	5,641	4,458	15,920	7,846	(4,379)	769	(1,548)	3,681	7,972
TOTAL NET POSITION	\$ 211,233	\$ 287,333	\$ 278,341	\$ 266,884	\$ 258,525	\$ 254,890	\$ 251,633	\$ 244,896	\$ 244,896	\$ 237,608

TOWN OF FAIRFIELD, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(THOUSANDS)
(UNAUDITED)

	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES:										
General government.....	\$ 27,256	\$ 26,112	\$ 29,673	\$ 27,542	\$ 26,427	\$ 24,980	\$ 19,381	\$ 17,098	\$ 15,865	\$ 10,002
Finance.....	6,195	5,928	5,997	4,833	4,581	5,903	4,977	4,815	2,404	3,696
Public safety.....	43,702	44,162	38,629	34,958	35,857	37,670	33,776	33,803	32,931	36,268
Public works.....	29,901	29,045	28,938	32,259	28,715	25,137	24,610	24,116	20,146	21,033
Health and welfare.....	10,524	10,111	7,794	7,693	8,142	8,470	8,224	8,214	8,172	9,987
Culture and recreation.....	10,748	10,574	7,951	9,424	9,470	10,331	8,907	8,631	8,468	8,576
Education.....	222,761	201,684	192,338	186,797	186,202	181,884	175,926	166,791	167,843	180,540
Railroad station project.....	-	-	31	26	2,268	13,514	26,237	-	-	-
Interest expense.....	3,928	5,622	6,566	6,916	8,902	7,612	8,638	8,743	8,109	10,146
Total expenses.....	355,015	333,238	317,917	310,448	310,564	310,676	310,676	272,211	263,938	280,248
PROGRAM REVENUES:										
Charges for services:										
General government.....	3,149	3,131	3,487	2,810	2,978	3,037	4,128	4,055	3,029	5,121
Finance.....	-	94	62	72	39	36	29	29	348	255
Public safety.....	9,082	8,268	8,682	7,738	7,049	8,800	6,105	5,441	5,254	4,916
Public works.....	4,644	3,949	3,413	5,134	3,819	4,465	4,878	5,184	4,699	4,344
Health and welfare.....	3,402	3,645	3,407	3,136	3,513	226	206	191	181	254
Culture and recreation.....	4,178	4,039	3,541	3,169	3,607	5,170	7,396	4,443	4,894	5,280
Education.....	3,403	3,256	3,482	3,969	3,798	4,007	3,785	4,001	4,202	4,211
Operating grants and contributions.....	46,104	33,483	30,912	32,428	32,636	30,577	26,094	25,217	22,649	49,319
Capital grants and contributions.....	15,151	6,332	2,603	4,842	6,256	7,830	26,055	887	1,316	525
Total program revenues.....	89,113	66,197	59,589	63,298	63,695	78,676	78,676	46,572	46,572	74,225
NET EXPENSES.....	(265,902)	(267,041)	(258,328)	(247,150)	(246,869)	(232,000)	(232,000)	(225,639)	(217,366)	(206,023)
GENERAL REVENUES:										
Property taxes.....	273,452	271,359	264,619	257,832	251,945	240,853	229,617	223,795	219,608	203,231
Grants and contributions not restricted to specific programs.....	3,696	3,073	3,753	3,860	3,526	3,237	4,322	4,462	3,919	3,962
Investment income.....	336	1,419	524	1,120	550	1,394	849	911	736	2,964
Miscellaneous.....	209	182	185	144	193	159	469	332	391	516
Total general revenues.....	277,693	276,033	269,081	262,956	256,214	235,257	235,257	224,654	224,654	210,673
EXTRAORDINARY ITEM - ASSET IMPAIRMENT GAIN, NET OF INSURANCE RECOVERY.....			704							
CHANGE IN NET POSITION.....	\$ 11,791	\$ 8,992	\$ 11,457	\$ 15,806	\$ 9,345	\$ 3,257	\$ 3,257	\$ 7,288	\$ 4,650	\$ 4,650

TOWN OF FAIRFIELD CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(THOUSANDS)
(UNAUDITED)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL FUND:										
Assigned.....	\$ 1,619	\$ 825	\$ 863	\$ 815	\$ 1,398	\$ 2,094	\$ 1,586	\$ 1,576	\$ 954	\$ 2,489
Unassigned.....	27,839	27,435	24,260	21,168	17,408	14,593	13,414	11,786	10,263	9,049
TOTAL GENERAL FUND.....	29,458	28,260	25,123	21,983	18,806	16,687	15,000	13,362	11,217	11,538
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable.....	70	70	70	70	70	70	70	70	70	70
Restricted.....	8,608	6,973	6,155	4,839	3,920	4,055	3,763	3,282	2,273	1,785
Committed.....	2,715	2,526	2,436	2,234	1,781	1,504	884	790		
Assigned.....	5,154	2,426	634	2,236	3,220	1,578	1,573	508	158	88
Unassigned.....	(7,695)	(10,205)	(13,165)	(814)	(12,092)	(47,585)	(20,150)	(11,077)	(11,693)	(9,289)
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	8,852	1,790	(3,870)	8,565	(3,101)	(40,378)	(13,860)	(6,427)	(9,111)	(7,334)
GRAND TOTAL.....	\$ 38,310	\$ 30,050	\$ 21,253	\$ 30,548	\$ 15,705	\$ (23,691)	\$ 1,140	\$ 6,935	\$ 2,106	\$ 4,204

TOWN OF FAIRFIELD CONNECTICUT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (THOUSANDS)
 (UNAUDITED)

	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES:										
Property taxes.....	\$ 271,812	\$ 270,365	\$ 263,941	\$ 256,634	\$ 250,020	\$ 240,615	\$ 228,868	\$ 224,354	\$ 218,781	\$ 202,652
Intergovernmental.....	54,671	42,933	36,393	41,328	42,686	39,835	52,419	30,895	28,178	54,234
Charges for services.....	28,069	26,861	26,209	26,609	24,820	26,030	23,582	23,337	22,539	24,452
Income from investments.....	336	1,419	524	1,120	550	1,394	849	908	1,301	2,559
Contributions.....	336	253	1,186	125	66	158	4,411	161	307	198
Other.....	209	182	185	144	193	159	469	332	391	516
TOTAL REVENUES.....	355,433	342,013	328,438	325,960	318,335	308,191	310,598	279,987	271,497	284,611
EXPENDITURES:										
Current:										
General government.....	35,012	35,251	38,064	-	26,490	24,102	19,289	16,599	15,451	12,288
Finance.....	4,850	4,920	5,044	4,653	4,478	4,545	4,649	4,487	3,579	3,385
Public safety.....	33,981	34,075	32,477	35,999	36,033	35,683	32,312	30,285	29,711	28,918
Public works.....	24,824	23,458	23,003	23,309	24,134	21,919	20,639	17,992	18,385	19,124
Health and welfare.....	9,157	9,128	6,994	7,841	8,258	8,475	8,563	7,826	8,047	9,243
Culture and recreation.....	8,985	8,938	8,276	8,933	8,303	8,594	8,281	7,902	7,959	8,005
Education.....	206,177	190,890	183,041	182,167	176,951	171,414	164,402	163,892	161,797	179,313
Capital outlay.....	13,425	22,917	21,908	5,654	12,040	36,896	51,940	11,398	10,086	9,182
Debt service:										
Principal.....	17,353	17,353	16,548	14,713	14,116	13,659	12,464	12,464	12,464	12,464
Interest.....	6,396	7,396	8,261	8,644	9,142	8,678	9,804	12,387	10,716	11,677
TOTAL EXPENDITURES.....	360,160	354,326	343,616	291,913	319,945	333,965	332,343	285,232	278,195	293,599
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,727)	(12,313)	(15,178)	34,047	(1,610)	(25,774)	(21,745)	(5,245)	(6,698)	(8,988)
OTHER FINANCING SOURCES (USES):										
Issuance of debt.....	11,147	20,311	3,312	8,188	37,600	-	14,895	10,105	4,600	24,245
Issuance of refunding bonds.....	-	26,840	24,240	10,555	-	26,775	-	19,410	-	46,230
Payment to refunded bond escrow agent.....	-	(29,246)	(25,924)	(11,074)	-	(31,509)	-	(22,576)	-	(49,251)
Premium.....	1,840	3,205	2,167	867	3,132	5,677	1,055	3,328	-	3,316
Capital lease.....	-	-	-	-	274	-	-	-	-	-
Insurance proceeds.....	-	-	2,088	-	-	-	-	-	-	-
Transfers in.....	2,128	1,700	3,339	4,685	3,700	2,292	2,465	4,398	4,862	4,714
Transfers out.....	(2,128)	(1,700)	(3,339)	(4,685)	(3,700)	(2,292)	(2,465)	(4,591)	(4,862)	(4,714)
NET OTHER FINANCING SOURCES (USES).....	12,987	21,110	5,883	8,536	41,006	943	15,950	10,074	4,600	24,540
NET CHANGE IN FUND BALANCES.....	\$ 8,260	\$ 8,797	\$ (9,295)	\$ 42,583	\$ 39,396	\$ (24,831)	\$ (5,795)	\$ 4,829	\$ (2,098)	\$ 15,552
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	7%	7%	8%	8%	7%	7%	7%	9%	8%	9%

TOWN OF FAIRFIELD, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(THOUSANDS)
(UNAUDITED)

YEAR ENDED JUNE 30	REAL ESTATE		PERSONAL PROPERTY		TOTAL		PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
	(1)	(2)	(3)	(4)	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2008	\$ 11,160,586	\$ 15,943,694	\$ 678,738	\$ 969,626	\$ 11,839,324	\$ 16,913,320	70.00%	17.41
2009	11,292,411	16,132,015	637,602	910,860	11,930,013	17,042,875	70.00%	18.58
2010	11,358,895	16,226,993	626,549	895,070	11,985,444	17,122,063	70.00%	18.90
2011	11,391,873	16,274,105	664,642	949,488	12,056,515	17,223,593	70.00%	19.27
2012	10,117,105	14,453,007	733,490	1,047,843	10,850,595	15,500,850	70.00%	22.47
2013	10,133,965	14,477,093	787,754	1,125,363	10,921,719	15,602,456	70.00%	23.37
2014	10,150,146	14,500,209	803,540	1,147,914	10,953,686	15,648,123	70.00%	23.93
2015	10,154,157	14,505,939	834,462	1,192,089	10,988,619	15,698,028	70.00%	24.40
2016	10,199,908	14,571,297	852,048	1,217,211	11,051,956	15,788,508	70.00%	24.79
2017	9,973,621	14,248,030	807,813	1,154,019	10,781,434	15,402,049	70.00%	25.45

Source: Town of Fairfield, Assessor's Office

Notes:

- (A) For fiscal year 7/1/2016 to 6/30/2017, real estate values are based on the 2015 reassessment.
 - (B) For fiscal year 7/1/2011 to 6/30/2016, real estate values are based on the 2010 reassessment.
 - (C) For fiscal year 7/1/2006 to 6/30/2011, real estate values are based on the 2005 reassessment.
 - (D) Personal property is carried at a constant 70% assessment ratio and does not include exempt properties.
 - (E) There are no overlapping tax rates for the Town of Fairfield.
-
- (1) Assessed values are net of exemptions; real property revalued as of October 2015 Grand List.
 - (2) Since real property is valued once every five years, sales ratios from the Office of Policy and Management are used to estimate current values.
 - (3) Includes personal property, motor vehicle and supplemental motor vehicle assessments.
 - (4) Assessment ratio, which is 70% of market value, is used to estimate market value since personal property is revalued every year.

TOWN OF FAIRFIELD, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

NAME	NATURE OF BUSINESS	2017			2008		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)
General Electric Company	Corporate Headquarters	\$ 68,845,720	1	0.63%	\$ 90,459,018	1	0.76%
Connecticut Light & Power aka Eversource	Public Utility	56,723,880	2	0.52%	15,929,724	10	0.13%
Aquarion Water Company	Water Utility	54,600,290	3	0.50%	52,983,688	3	0.45%
United Illuminating Company	Electric Utility	44,354,740	4	0.41%	-	-	0.00%
Southern Connecticut Gas Company	Gas Utility	28,500,810	5	0.26%	-	-	0.00%
Jack, Bradley & Karin	Residential Homeowner	21,772,310	6	0.20%	-	-	0.00%
T-C KINGS CROSSING LLC	Real Estate Developer & Mgr	18,115,790	7	0.17%	23,360,550	8	0.20%
Kings Highway Realty LLC	Real Estate Developer & Mgr	15,431,920	8	0.14%	-	-	0.00%
CAR UNI CT FAIR LLC	Real Estate Developer & Mgr	13,625,080	9	0.13%	-	-	0.00%
R-K Black Rock I LLC	Real Estate Developer & Mgr	13,322,470	10	0.12%	-	-	0.00%
Lenoci, Alfred et al	Real Estate Developer & Mgr	-	-	-	57,396,841	2	0.48%
Kleban & Regency-Kleban Properties LLC	Real Estate Developer & Mgr	-	-	-	40,302,490	4	0.34%
Roberts et al Properties	Real Estate Developer & Mgr	-	-	-	35,491,610	5	0.30%
Southport Village Partners	Real Estate Developer & Mgr	-	-	-	28,511,000	6	0.24%
Scinto, Robert et al	Real Estate Developer & Mgr	-	-	-	23,467,500	7	0.20%
Trust Realty et al	Real Estate Developer & Mgr	-	-	-	17,913,420	9	0.15%
TOTAL		<u>\$ 335,293,010</u>		<u>3.08%</u>	<u>\$ 385,815,841</u>		<u>3.25%</u>

Source: Assessor's Office, Town of Fairfield.

(1) Based on the October 2015 and October 2007 Net Taxable Grand lists of \$10,845,242,147 and \$11,874,286,362, respectively.

(2) Report is completed from QDS Top Taxpayer Report

TOWN OF FAIRFIELD, CONNECTICUT

TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(THOUSANDS)
(UNAUDITED)

YEAR ENDED JUNE 30	MILL RATE	(1) TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2007	16.67	\$ 191,857	\$ 190,021	99.04%	\$ 1,809	\$ 190,021	99.04%	\$ 27
2008	17.41	202,188	200,151	98.99%	2,004	202,137	99.97%	33
2009	18.58	218,377	215,786	98.81%	2,530	218,284	99.96%	61
2010	18.90	222,627	220,080	98.86%	2,425	220,080	98.86%	122
2011	19.27	228,518	226,012	98.90%	2,354	226,012	98.90%	152
2012	22.47	239,402	236,661	98.86%	2,526	238,953	99.81%	215
2013	23.37	250,603	247,576	98.79%	2,600	249,980	99.75%	427
2014	23.93	256,935	253,640	98.72%	2,532	253,640	98.72%	763
2015	24.40	263,352	259,688	98.61%	2,283	259,688	98.61%	1,381
2016	24.79	269,553	266,010	98.69%	125	266,010	98.69%	1,913
2017	25.45	271,587	268,169	98.74%	-	268,169	98.74%	3,418

(1) Adjusted tax levy equals the tax levy after lawful corrections, abatements and transfers to suspense.

There is no overlapping tax rates for the Town of Fairfield.

Source: Town of Fairfield Tax office.

TOWN OF FAIRFIELD, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN YEARS
 (THOUSANDS, EXCEPT PERSONAL INCOME AND PER CAPITA)
 (UNAUDITED)

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS & LONG-TERM NOTES	BOND PREMIUM	CLEAN WATER NOTES	CAPITAL LEASES	TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
2008	\$ 198,260	\$ 3,594	\$ 23,965	\$ 608	\$ 226,427	0.04%	\$ 3,935
2009	189,970	3,882	22,368	304	216,524	0.05%	3,809
2010	174,470	6,591	20,732	-	201,793	0.05%	3,569
2011	187,135	7,003	19,083	-	213,221	0.05%	3,769
2012	171,915	11,270	17,404	-	200,589	0.05%	3,345
2013	197,106	13,021	15,697	259	226,083	0.05%	3,806
2014	191,948	11,933	13,960	220	218,061	0.05%	3,660
2015	180,975	10,869	12,192	180	204,216	0.05%	3,395
2016	185,286	9,814	10,404	139	205,643	0.05%	3,387
2017	181,643	7,582	8,668	96	197,989	0.06%	3,243

TOWN OF FAIRFIELD, CONNECTICUT

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN YEARS
(THOUSANDS, EXCEPT PER CAPITA)
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL OBLIGATION DEBT OUTSTANDING				TOTAL	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS & LONG-TERM NOTES	BOND PREMIUM	(1) CLEAN WATER NOTES				
2008	\$ 198,260	\$ 3,594	\$ 23,965	\$ 225,819	1.27%	\$ 3,757	
2009	189,970	3,882	22,368	216,220	1.14%	3,502	
2010	174,470	6,591	20,732	201,793	1.24%	3,764	
2011	187,135	7,003	19,083	213,221	1.29%	3,470	
2012	171,915	11,270	17,404	200,589	1.45%	3,741	
2013	197,106	13,021	15,697	225,824	1.39%	3,674	
2014	191,948	11,933	13,960	217,841	1.30%	3,659	
2015	180,975	10,869	12,192	204,036	1.30%	3,659	
2016	185,286	9,814	10,404	205,504	1.30%	3,387	
2017	181,643	7,582	8,668	197,893	1.29%	3,243	

NOTES: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

All general obligation debt above is liquidated by general fund appropriations.

TOWN OF FAIRFIELD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
 CONNECTICUT STATUTES, SECTION 7-374(b)
 JUNE 30, 2017
 (THOUSANDS)
 (UNAUDITED)

<u>TAX BASE:</u>	
Total tax collections (including interest and lien fees).....	\$ 271,597
<u>REIMBURSEMENT OF REVENUE LOST ON:</u>	
Tax Relief for Elderly Freeze Grant.....	<u>2</u>
TOTAL BASE.....	<u>\$ 271,599</u>

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 611,098	\$	\$	\$	\$
4 1/2 times base.....		1,222,196			
3 3/4 times base.....			1,018,496		
3 1/4 times base.....				882,697	
3 times base.....					814,797
TOTAL DEBT LIMITATION.....	<u>611,098</u>	<u>1,222,196</u>	<u>1,018,496</u>	<u>882,697</u>	<u>814,797</u>

<u>INDEBTEDNESS:</u>					
Bonds.....	27,450	142,936	110		
Bond anticipation notes - short-term.....	9,145	140			
Bond anticipation notes - long-term.....	10,883	264			
Less: school building grants and other grants.....		(91)			
Less: sewer assessment receivable.....			(39)		
NET INDEBTEDNESS.....	<u>47,478</u>	<u>143,249</u>	<u>71</u>	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	<u>\$ 563,620</u>	<u>\$ 1,078,947</u>	<u>\$ 1,018,425</u>	<u>\$ 882,697</u>	<u>\$ 814,797</u>

The total net indebtedness above amounts to: \$ 190,798

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 1,901,193

There is no overlapping debt for the Town of Fairfield.

TOWN OF FAIRFIELD, CONNECTICUTLEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(THOUSANDS)
(UNAUDITED)

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2008	\$ 3,384,237	\$ 206,195	\$ 3,178,042	6.09%
2009	3,654,617	202,378	3,452,239	5.54%
2010	3,756,875	197,281	3,559,594	5.25%
2011	1,603,630	203,040	1,400,590	12.66%
2012	1,681,372	211,595	1,469,777	12.58%
2013	1,756,349	207,889	1,548,460	11.84%
2014	1,791,979	203,230	1,588,749	11.34%
2015	1,845,858	194,507	1,651,351	10.54%
2016	1,891,638	199,812	1,691,826	10.56%
2017	1,901,193	190,798	1,710,395	10.04%

TOWN OF FAIRFIELD, CONNECTICUT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	PERSONAL INCOME	(2) PER CAPITA INCOME	(1) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
2008	57,548	\$ 100,920	\$ 43,670	38.5	52% Bachelor Degree or more	9,709	4.50%
2009	56,852	100,920	49,702	38.5	55% Bachelor Degree or more	9,880	6.70%
2010	56,544	106,184	49,702	38.5	55% Bachelor Degree or more	10,032	7.50%
2011	56,577	103,754	43,670	41.0	55% Bachelor Degree or more	10,118	7.30%
2012	59,961	103,754	58,452	40.0	59% Bachelor Degree or more	10,287	7.10%
2013	59,404	100,920	55,733	40.0	59% Bachelor Degree or more	10,273	7.00%
2014	59,562	100,920	55,733	40.5	60% Bachelor Degree or more	10,250	5.00%
2015	60,126	100,920	58,576	40.9	60% Bachelor Degree or more	10,160	4.70%
2016	60,678	120,082	59,156	40.7	60% Bachelor Degree or more	10,058	4.60%
2017	61,016	122,306	60,155	40.8	60% Bachelor Degree or more	9,984	4.60%

(1) State Health Department.

(2) Fairfield Profile Wikipedia.

(3) Town of Fairfield, Board of Education.

(4) State Department of Labor.

TOWN OF FAIRFIELD, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2017			2008		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
Town of Fairfield	1,978	1	6.97%	1,821	1	6.91%
Sacred Heart University	836	2	2.94%	644	3	2.44%
Fairfield University	810	3	2.85%	816	2	3.09%
Carolton Hospital	350	4	1.23%	350	5	1.33%
Save The Children	305	5	1.07%	-	-	0.00%
Orthopedic Specialty Group	175	6	0.62%	-	-	0.00%
R. J. Bigelow Tea Co.	155	7	0.55%	212	8	0.80%
Ludlowe Center for Health and Rehab	133	8	0.47%	-	-	0.00%
Cambridge Health and Rehab	130	9	0.46%	-	-	0.00%
Fairview of Fairfield	104	10	0.37%	-	-	0.00%
General Electric	-	-	-	500	4	1.90%
Stop and Shop	-	-	-	313	6	1.19%
Home Depot	-	-	-	240	7	0.91%
Heim Universal	-	-	-	140	9	0.53%
BJ's Wholesale Club	-	-	-	135	10	0.51%
TOTAL	<u>4,976</u>		<u>17.53%</u>	<u>5,171</u>		<u>19.61%</u>

Source: Town of Fairfield, Office of Community and Economic Development.

TOWN OF FAIRFIELD, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Administrative and General Government</u>										
Board of Selectmen	4.00	4.00	4.00	4.00	4.85	4.85	4.85	5.00	4.00	5.00
Town Clerk	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Registrar of Voters	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Town Planning and Zoning	6.00	6.00	6.00	6.00	6.20	6.20	6.20	6.00	6.60	7.00
Conservation	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	8.00	10.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Community & Economic Development	1.75	1.75	1.75	1.75	1.75	1.00	1.00	1.00	1.00	1.00
<u>Finance</u>										
Finance	8.00	8.00	8.00	8.00	8.15	8.15	8.15	8.00	8.40	10.00
Purchasing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	7.00
Tax Collector	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	7.00
Information Systems	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	3.00
<u>Public Safety</u>										
Fire	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	95.00	97.00
Police	115.00	115.00	115.00	113.00	113.00	113.00	113.00	112.00	108.00	114.00
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Emergency Communications Center	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
<u>Public Works</u>										
Public Works Administration	3.85	3.85	3.85	3.85	3.85	3.85	3.85	4.00	4.00	5.00
Public Works Operations	72.00	74.00	74.00	74.00	76.00	76.00	76.00	76.00	70.00	79.00
Building	7.00	7.00	7.00	7.00	6.40	6.40	6.40	7.00	7.00	7.00
Engineering	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<u>Health, Social, Human Services</u>										
Health	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	32.00	34.00
Social and Human Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Solid Waste & Recycling	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<u>Libraries</u>										
Main	22.00	22.00	22.00	22.00	23.00	23.00	23.00	23.00	22.00	23.00
Fairfield Woods	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<u>Recreation</u>										
Parks and Recreation	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
South Pine Creek Golf Course	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
H. Smith Richardson Golf Course	4.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
GRAND TOTAL	459.60	463.60	463.60	461.60	465.20	464.45	464.45	465.40	446.00	474.00

Source: Town Finance Department.

TOWN OF FAIRFIELD, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>TOWN</u>										
Administrative and General Government....	30.75	30.75	30.75	30.75	31.80	31.05	31.05	32.00	30.60	34.00
Finance.....	30.00	30.00	30.00	30.00	30.15	30.15	30.15	30.40	27.40	30.00
Public Safety.....	231.00	231.00	231.00	229.00	229.00	229.00	229.00	228.00	221.00	229.00
Public Works.....	89.85	91.85	91.85	91.85	93.25	93.25	93.25	94.00	88.00	98.00
Health, Social, Human Services.....	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	36.00	39.00
Library.....	30.00	-	30.00	30.00	31.00	31.00	31.00	31.00	30.00	31.00
Recreation.....	11.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
TOTAL TOWN.....	459.60	433.60	463.60	461.60	465.20	464.45	464.45	465.40	446.00	474.00
<u>BOARD OF EDUCATION</u>										
Teaching Staff.....	944.15	954.55	954.60	944.15	944.15	920.95	915.00	906.35	906.35	886.80
Administration.....	44.8	46.80	46.80	44.80	44.80	44.80	44.25	44.80	44.80	44.80
Other Staff.....	394.10	408.20	407.70	385.30	383.05	408.50	427.90	426.10	426.10	410.70
TOTAL BOARD OF EDUCATION.....	1,383.05	1,409.55	1409.10	1,374.25	1,372.00	1,374.25	1,387.15	1,377.25	1,377.25	1,342.30
TOTAL.....	1,842.65	1,843.15	1872.80	1,835.85	1,837.20	1,838.70	1,851.60	1,842.65	1,377.25	1,816.30

Source: Town and Board of Education Human Resource Departments.

TOWN OF FAIRFIELD, CONNECTICUT
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS
 (UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public safety										
Fire										
Incidents	8,750	8,863	8,550	8,070	9,475	9,188	8,964	8,947	9,038	6,141
Unit responses	13,759	14,371	14,450	14,192	15,033	14,668	14,479	15,399	15,111	10,525
Fire Marshall Inspections	1,668	1,663	1,339	1,206	1,213	1,168	1,071	959	845	577
Police										
Criminal arrests	819	870	896	936	996	1,049	921	1,817	814	1,826
Parking violations	5,827	5,914	5,453	4,771	6,123	8,481	8,545	8,549	8,413	10,086
Citations	4,367	4,051	2,808	5,133	5,176	7,478	5,511	4,286	5,532	6,116
Public works										
Street resurfacing (paved miles)	8.13	6.47	4.40	7.40	5.98	8.22	10.30	7.19	9.59	11.96
Potholes repaired	1,533	940	1,186	696	1,752	1,883	4,433	4,554	2,875	2,260
Refuse collection										
Refuse collected (tons per day)	87.82	88.87	89.53	93.25	93.11	93.63	94.78	96.85	90.87	133.10
Recyclables collected (tons per day)	15.30	15.12	13.96	13.78	13.54	11.75	12.92	65.55	4.84	5.38
Parks and recreation										
Fitness Center daily admissions (avg)	130	132	161	154	152	143	145	142	126	162
Library										
Volumes in collection	265,278	284,640	309,171	323,335	342,905	343,981	347,650	349,377	353,279	N/A
Total volumes borrowed	817,626	868,639	917,067	956,435	932,572	1,012,755	1,010,788	1,004,417	996,000	933,948
Education										
School enrollment	9,984	10,058	10,160	10,250	10,273	10,287	10,118	10,032	9,880	9,709

Source: Various Town Departments.

N/A - Information not available.

TOWN OF FAIRFIELD, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
PARKS AND RECREATION:										
Playgrounds	28	28	28	25	25	25	25	25	24	24
Baseball/softball diamonds	25	25	25	25	25	24	24	24	24	24
Soccer/football fields	19	19	19	19	19	19	19	19	19	19
Community centers	2	2	2	1	1	1	1	1	1	1
PUBLIC SAFETY:										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	28	28	24	24	24	24	24	24	21	21
PUBLIC WORKS:										
<u>Highway department</u>										
Streets (miles)	274	274	274	274	274	274	273	273	273	273
Streetlights	4,198	4,192	4,191	4,186	4,181	4,179	4,176	4,172	4,172	4,171
<u>Wastewater</u>										
Sanitary sewers (miles)	187.46	187.46	187.19	187.19	187.17	187.17	187.16	187.16	187.00	187.00
Storm sewers (miles)	128.01	127.91	127.39	127.10	127.07	126.94	126.27	126.1	125.73	125.31
Treatment capacity (thousands of gallons/day)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
LIBRARIES:										
Number of public libraries	2	2	2	2	2	2	2	2	2	2
EDUCATION:										
High schools	2	2	2	2	2	2	2	2	2	2
Middle schools	3	3	3	3	3	3	3	3	3	3
Elementary schools	11	11	11	11	11	11	11	11	11	11

Source: Town capital asset records and various Town Departments.