

# **TOWN OF RIDGEFIELD, CONNECTICUT**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**of the**

**TOWN OF RIDGEFIELD,  
CONNECTICUT**

**FOR THE YEAR ENDED  
JUNE 30, 2017**

**PREPARED BY:**

**THE FINANCE DEPARTMENT  
*KEVIN F. REDMOND*, TOWN CONTROLLER**

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**JUNE 30, 2017**

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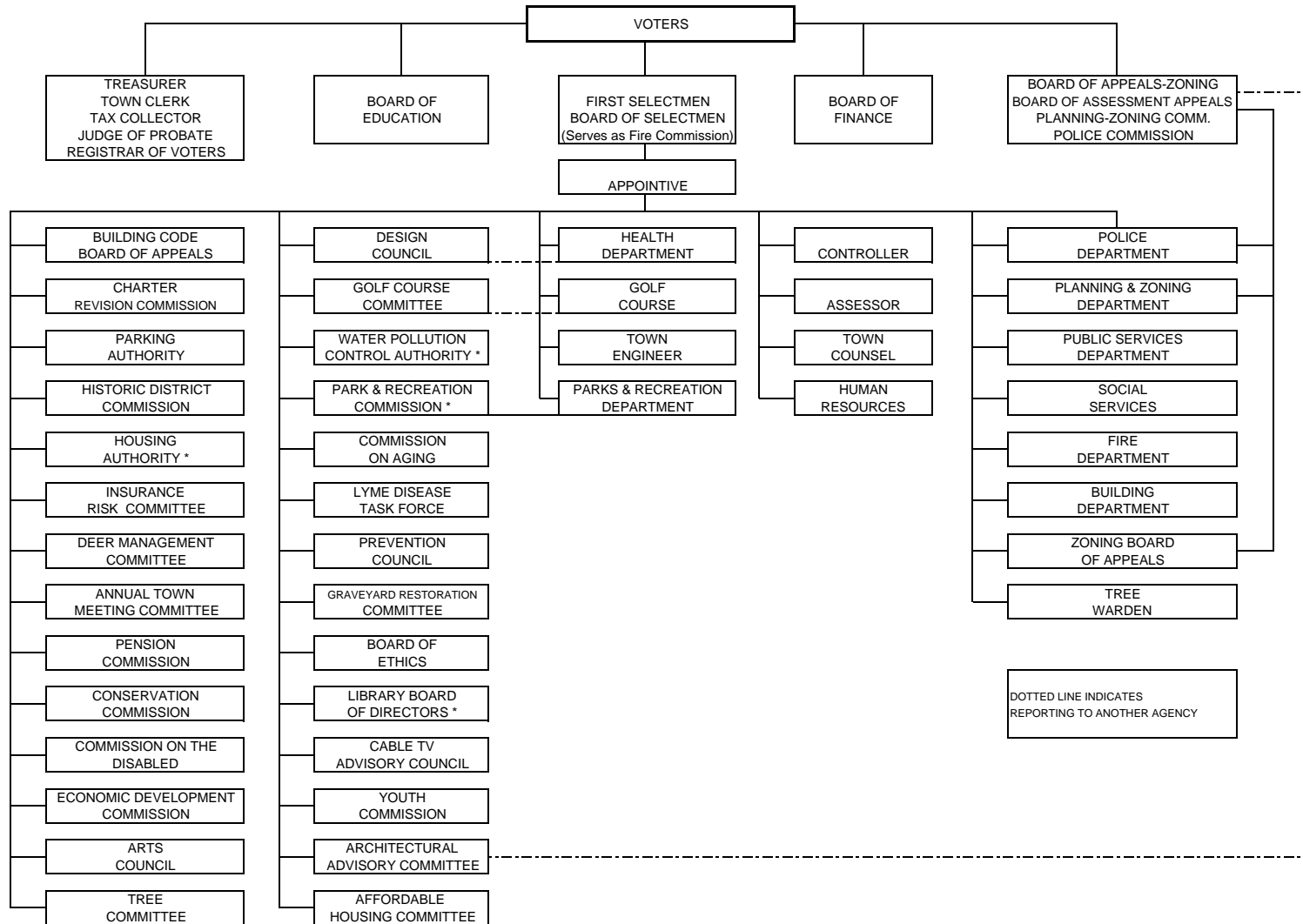
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## **Introductory Section**

# TOWN OF RIDGEFIELD, CONNECTICUT

## ORGANIZATIONAL CHART



\* Appointed by Board of Selectmen but no direct reporting control



# TOWN OF RIDGEFIELD

## Finance Department

December 19, 2017

Board of Finance  
Town of Ridgefield  
Ridgefield, Connecticut 06877

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Ridgefield, Connecticut, for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the Town of Ridgefield. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Ridgefield has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Ridgefield's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town of Ridgefield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Ridgefield's financial statements have been audited by Blum, Shapiro & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Ridgefield for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Ridgefield's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Profile of the Government**

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

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

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

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



## **Profile of the Government (continued)**

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

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

## **Factors Affecting Financial Condition**

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

**Local Economy.** Boehringer-Ingelheim, Ltd., a German drug research, development and manufacturing firm, owns 250 acres in the Town of Ridgefield. Facilities include an administrative office building, a research and development center, and an assessment and administrative support facility, totaling approximately 900,000 square feet.

Ridgefield has continued to see new commercial and retail development as new smaller retail establishments continue to locate here. Part of this trend is the development of mixed-use (commercial/residential) construction. Also, part of the development arena is the building of high end apartments for empty nesters, as well as one and two bedroom apartments that are meeting a specific demand. In addition, new commercial development continues to expand along Route 35 with plans being developed to revitalize the Branchville section of Route 7 and 35.

**Long-Term Financial Planning.** The cooperative relationship between Boehringer-Ingelheim and the Town is the model of future relationships envisioned by the Ridgefield Economic Development Commission. Boehringer-Ingelheim has initiated a multi-million dollar plan to expand its facilities in Ridgefield with upgrades to its manufacturing, research and development plant. To foster a favorable investment environment, the Town granted a seven-year tax incentive plan to Boehringer-Ingelheim upon obtaining its certificate of occupancy. The future tax benefit to Ridgefield will represent a significant increase to its commercial tax base.

Residential construction in the form of small to midsized multi-family dwellings is on the rise in and around the center of town. These developments are attractive to current residents as well as nearby communities because of Ridgefield's attractive Main Street and retail establishments that fill its side streets. These developments provide welcome growth to Ridgefield's Grand List.

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

**General Fund Balance.** The unassigned fund balance of the General Fund increased by 2.9% in 2017. The current undesignated fund balance provides the Town with the equivalence of approximately 34 working days of expenditures. This significantly reduces the likelihood of the Town entering the short-term debt market to pay for current operating expenditures.

**Pension Trust Fund Operations.** The net assets held in trust increased \$10,667,605 to \$108,051,107 at June 30, 2017 primarily as a result of current year contributions. The Pension Trust Fund experienced a trust yield of 11.64% on a time weighted market value basis for this same period. Additional information on the Town of Ridgefield's pension arrangements can be found in Note 4.A. of the notes to the basic financial statements.

## **Relevant Financial Policies**

**General Fund Balance.** The Town's Board of Finance has established a Fund Balance percentage guideline. The goal is to maintain an unassigned Fund Balance range at between 8% to 9% of the following years' expenditures. Fund Balances in excess of the high end of the range are generally used to supplement subsequent years' budgets.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Ridgefield for its Comprehensive Annual Financial Report for the year ended June 30, 2016. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department staff and assistance from the Treasurer. In addition, without the leadership and support of the First Selectman, Rudolph Marconi, the Board of Selectmen and Board of Finance, this report would not have been possible.

Sincerely yours,



Kevin F. Redmond  
Town Controller

## **TOWN OF RIDGEFIELD, CONNECTICUT**

### **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2017**

#### **BOARD OF SELECTMEN**

Rudolph Marconi, First Selectman  
Robert J. Herbert, Selectman  
Maureen Kozlark, Selectman  
Barbara Manners, Selectman  
Steven Zemo, Selectman

#### **BOARD OF FINANCE**

Dave Ulmer, Chairman  
Jessica Mancini, Vice Chairman  
Marty Heiser, Member  
Sean Connelly, Member  
Michael Raduazzo, Member

#### **TOWN DEPARTMENTS**

Molly McGeehin, Treasurer  
Kevin F. Redmond, Controller  
Alfred Garzi, Tax Assessor  
Jane Berendsen-Hill, Tax Collector  
Dr. Karen Balwin, Superintendent of Schools  
Paul Hendrickson, Business Manager of Schools  
Peter Hill, Superintendent of Highways  
Charles Fisher, Town Engineer  
Barbara Serfilippi, Town Clerk  
John Roche, Chief of Police  
Jerry Myers, Fire Chief  
William Reynolds, Building Official  
Richard Baldelli, Planning & Zoning  
Edward Briggs, Health Department  
Paul Roche, Parks & Recreation Director  
Tony Phillips, Social Services Director

#### **AUDITORS**

Blum, Shapiro & Company, P.C.



Government Finance Officers Association

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

Presented to

**Town of Ridgefield  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

## **Financial Section**



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Board of Finance  
Town of Ridgefield, Connecticut

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

## ***Opinions***

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

## ***Changes in Accounting Principles***

As discussed in Note 4 and Note 5 to the financial statements, during the fiscal year ended June 30, 2017, the Town adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on pages 65 through 67 and the pension and OPEB schedules on pages 68 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017 on our consideration of the Town of Ridgefield, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ridgefield, Connecticut's 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 Ridgefield, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 19, 2017



## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

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### Introduction

This Comprehensive Annual Financial Report (CAFR) incorporates the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. Fund statements measure and report the “operating results” of many funds by presenting the short-term performance of individual funds using the same measures governments use when financing current operations. Showing budgetary compliance is an important part of governmental accountability; therefore, we include the *original* budget as well as the final amended budget in this report.

Our objective is to provide a readable analysis of our financial performance for the year. Taken together, the following statements should enable you to assess whether the Town of Ridgefield's financial position has improved or deteriorated as a result of the year's operations. The CAFR includes government-wide financial statements prepared on the accrual basis for all of the Town's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year.

In summary, the government-wide financial statements will allow:

- The assessment of the finances of the Town in its entirety, including the year's operating results;
- Determination whether the overall financial position improved or deteriorated;
- Evaluation of whether current year revenues were sufficient to pay for current year services;
- Presentation of the costs of services the Town provides;
- Presentation of how each service is financed - through user fees and other program revenues versus general tax revenues;
- Understanding the extent to which your government has invested in capital assets, including roads, bridges, sewers, schools, parks, and other infrastructure assets.

### Overview of the Financial Statements

**Management Discussion and Analysis (MD&A)** - An introduction to the basic financial statements and an analytical overview of the Town's financial activities. The MD&A provides an objective and easily readable analysis of the Town's financial activities based on currently known facts, decisions, or conditions.

#### **Basic Financial Statements**

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of Ridgefield's finances in a manner similar to private-sector businesses. They include a *statement of net position* which presents information on all of the Town's assets and liabilities with the difference between the two 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 government's net position changed during the most recent fiscal year.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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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*. The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the legally separate Ridgefield Library and Historical Association, Inc. for which the Town is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

Fiduciary activities whose resources are not available to finance our governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net position is reported as net investment in capital assets, restricted, and unrestricted. Permanent endowments, or permanent fund principal amounts included in restricted net position, are shown as either expendable or nonexpendable.

Expenses are presented reduced by program revenues resulting in a measurement of “net (expense) revenue” for each of the government’s functions. Program expenses include all direct expenses. General revenues such as taxes, unrestricted grants and contributions, and investment income are reported separately, ultimately arriving at the change in net position for the period.

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

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

The Town maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital nonrecurring fund, the bonded projects fund, and the sewer bond repayment fund, all of which are considered to be major funds. Data from the other twelve special revenue governmental funds, two internal service funds, and one permanent fund are combined into single, aggregated presentations. Information for the permanent Ballard Park fund is presented separately. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Ridgefield adopts an annual appropriated budget for its general fund.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

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

### **Notes to Basic Financial Statements**

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

### **Required Supplementary Information (RSI)**

#### General Fund

Consists of MD&A and the Town of Ridgefield's schedule of Revenues and Other Financing Sources – Budget and Actual (RSI 1).

Schedule of Expenditures and Other Financing Uses - Budget and Actual (RSI – 2)

#### Pension Funds

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Town Pension Plan (RSI-3a).

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Firefighters Union Pension Plan (RSI-3b)

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Police Union Pension Plan (RSI-3c)

Schedule of Employer Contributions – Town Pension Plan (RSI-4a)

Schedule of Employer Contributions – Firefighters Union Pension Plan (RSI-4b)

Schedule of Employer Contributions – Police Union Pension Plan (RSI-4c)

Schedule of Investment Returns (RSI-5)

Schedule of the Town's Proportionate Share of the Net Pension Liability – Teachers' Retirement Plan (RSI-6)

#### OPEB Fund

Schedule of Changes in Net OPEB Liability and Related Ratios – OPEB Plan (RSI-7)

Schedule of Employer Contributions – OPEB Plan (RSI – 8)

Schedule of Investment Returns - OPEB Plan (RSI-9)

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

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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### **Financial Highlights**

- ❖ The assets of the Town of Ridgefield primary government exceeded its liabilities at the close of the most recent year by \$142,698,647 (net position). Of this amount, \$27,333,326 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position grew by \$2,519,027. This result was generated by the following components: a decrease in total government funds fund balances of \$2,377,852; an excess of depreciation over capital expenditures of \$2,880,362; sewer use assessments, and interest along with a change in deferred outflows related to pensions, in total, a net \$6,012,894 decrease; a net \$9,187,590 increase (reduced liabilities) from related debt transactions; and a net increase arising from a variety of pension, OPEB, and other debt related transactions amounting to \$4,675,701.
- ❖ As of the close of the current fiscal year, the Town's governmental funds reported combining ending fund balances of \$22,407,136, a decrease of \$2,377,852 as earlier noted in comparison with the prior year. Of this amount, \$14,111,564 is available for spending at the government's discretion (unassigned fund balance).
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,480,143, or 9.27% of total general fund revenues of \$156,210,401. Total general fund balance of \$17,478,813 represented 11.19% of total general fund revenues.
- ❖ Ridgefield issued no new bonds or notes in FY 2017 and retired \$8,905,000 of bond principal resulting in total outstanding bonded debt of \$69,455,000. We continued to reduce our 2% drinking water notes from \$390,928 to \$366,751.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Most of Ridgefield's net position (80.82%) reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1. Net Position

	Total Primary Government 2017	Total Primary Government 2016
Current and other assets	\$ 33,194,774	\$ 34,727,919
Capital assets	189,519,635	192,473,153
Total Assets	222,714,409	227,201,072
Deferred Outflows of Resources	6,458,823	12,482,175
Long-term liabilities	78,555,613	93,205,812
Other liabilities	6,701,253	5,759,495
Total Liabilities	85,256,866	98,965,307
Deferred Inflows of Resources	1,217,719	538,320
Net Position:		
Net investment in capital assets	115,335,703	111,173,490
Restricted	29,618	41,940
Unrestricted	27,333,326	28,964,190
Total Net Position	\$142,698,647	\$140,179,620

The balance of *unrestricted net position*, \$27,333,326, may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position both for the Town as a whole as well as for its separate governmental activities.

Governmental activities brought in net general revenues of \$127,128,401 which exceeded its net operating expenses of \$124,609,374 by the amount of the \$2,519,027 net asset increase. Gross expenses of \$159,127,215 were offset by \$13,314,772 in charges for services and \$21,203,069 in operating grants. Of the net expenses, \$91,941,271 was accounted for by the Board of Education. Public safety net expenses of \$12,315,774, public works net expenditures of \$7,864,245, general government net expenses of \$4,603,855, and interest expense of \$2,055,736 constituted the majority of the Town's net expenses. The majority of the Town's revenues, aside from grants and service charges detailed above, was \$126,062,965 in property tax collections. Other revenue sources were \$636,777 in unrestricted grants and contributions, \$216,887 in investment income, and \$211,772 of miscellaneous revenue.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

**Table 2. Changes in Net Position**

	<b>Total Primary Government 2017</b>	<b>Total Primary Government 2016</b>
Revenues:		
Program revenues:		
Charges for services	\$ 13,314,772	\$ 13,123,414
Operating grants and contributions	21,203,069	15,652,996
Capital grants and contributions	--	764,498
General revenues:		
Property taxes	126,062,965	121,686,269
Grants and contributions not restricted to a specific purpose	636,777	639,721
Unrestricted investment earnings	216,887	106,824
Gain on sale of capital assets	--	4,300,000
Miscellaneous	211,772	109,978
Total Revenues	161,646,242	156,383,700
Program Expenses:		
General government	6,770,190	6,326,206
Health and welfare	1,452,127	1,123,295
Recreation	7,767,589	7,395,346
Public safety	13,689,797	14,199,004
Public works	11,211,844	11,555,748
Education	114,269,477	102,626,124
Library	1,910,455	1,833,818
Interest	2,055,736	2,501,597
Total Program Expenses	159,127,215	147,561,138
Change in Net Position	2,519,027	8,822,562
Net Position – July 1	140,179,620	131,357,058
Net Position - June 30	<u>\$142,698,647</u>	<u>\$140,179,620</u>

Property tax collections rose \$4.377 million, or 3.6%, between fiscal year 2016 and 2017. The collection rate improved from 98.9% in fiscal 2016 to 99.1% this year. Operating grants and contributions increased substantially by \$5.550 million due almost entirely to an increase in education funding of \$5.081 million. Public works capital grants also dropped from 2016 levels by a modest \$49.8 thousand.

Overall, gross program expenses rose \$11.566 million (7.8%) with almost the entire increase attributed to education (\$11.643 million) related to "corrective adjustments" and mostly driven by Excess Cost Reimbursements for special education settlements and tuition which the Board of education has historically under-forecasted.

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

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

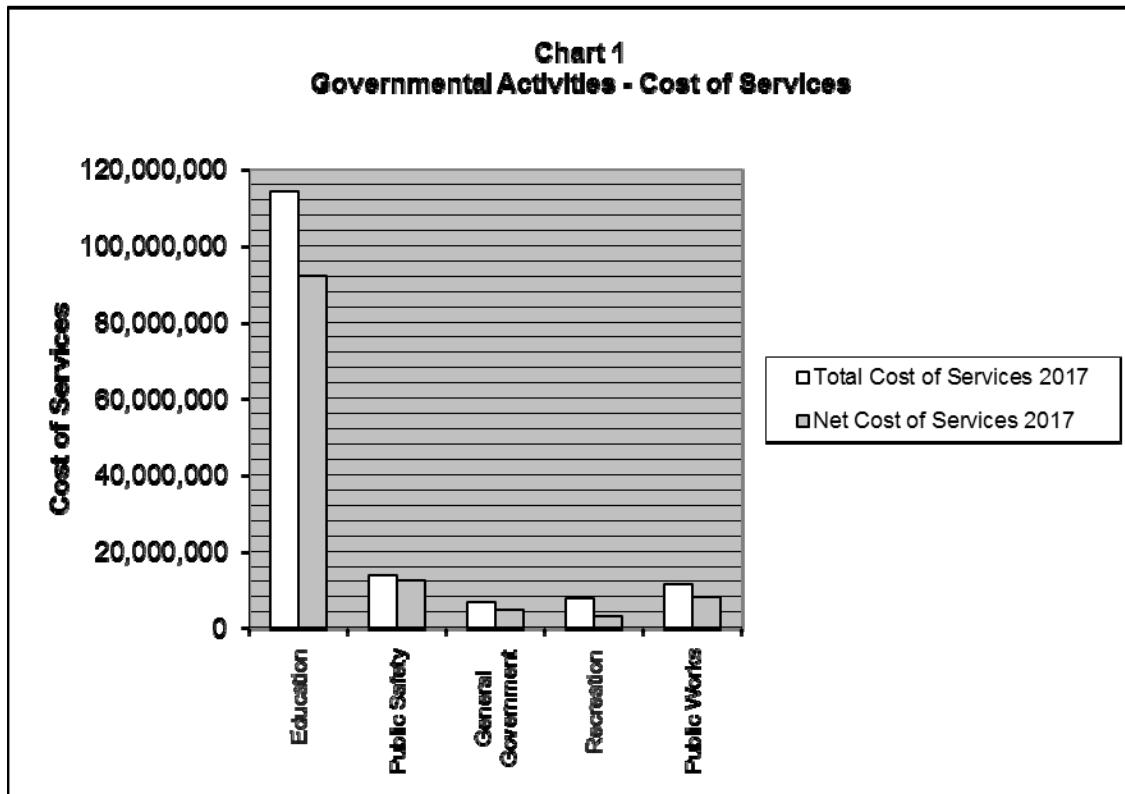
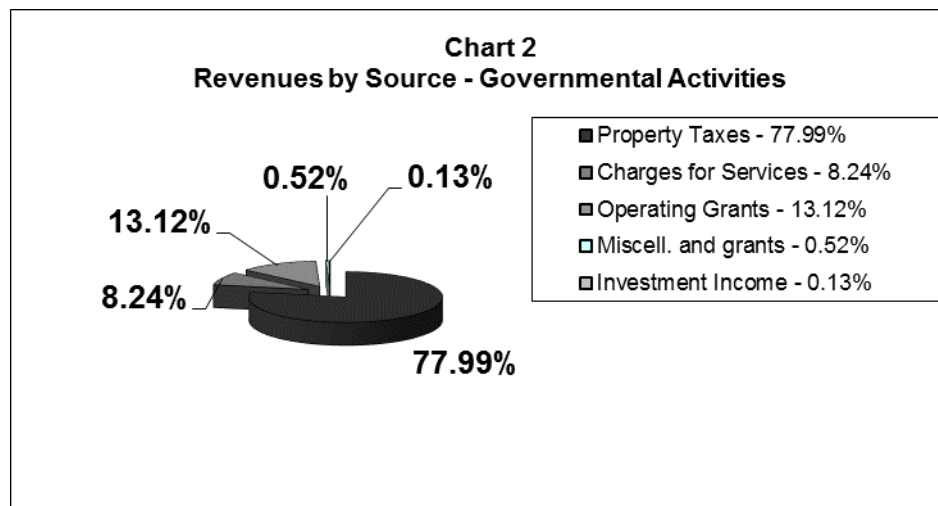


Chart 2 presents in five categories the most significant sources of revenues Ridgefield drew upon to fund its operations during the year and the percentage of total revenues represented by each.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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### **Financial Analysis of the Government's Funds**

As noted earlier, Ridgefield uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Town of Ridgefield's governmental activities financial position improved over last year with an increase in net position of \$2,519,027.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$22,407,136, a decrease of \$2,377,852 from the prior year's \$24,784,988. At June 30, 2017, \$14,111,564 of the governmental funds fund balance constitutes *unassigned fund balance* that is available for spending at the government's discretion. Included in the combined fund balances of *restricted, committed, and assigned* are \$6,427,443 of balances with restricted balances of \$1,864,968, committed balances in the amount of \$3,363,805, and assigned balances of \$1,198,670. Further detail on the allocation of these different categories may be found in Note 3.G. Fund Balance of the Notes to the Financial Statements herein.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the total general fund balance amounted to \$17,478,813, and the unassigned general fund balance was \$14,480,143. As a measure of the general fund's liquidity, it may be useful to compare both unassigned general fund balance and total general fund balance to total general fund revenues. Unassigned general fund balance of \$14,480,143 is 9.27% of general fund revenues of \$156,210,401 and total general fund balance of \$17,478,813 is 11.19% of general fund revenues.

The Town of Ridgefield's governmental funds fund balance decreased by \$2,377,852 during the current fiscal year. Key factors in this decrease are as follows:

- The General Fund realized revenues of \$156,210,401 and expenditures of \$154,204,004 for a positive operating result of \$2,006,397. Transfers out of \$1,658,037 to other funds and transfers in of \$55,439 generated a net other financing use of (\$1,602,598). The net change in fund balance for the general fund was an increase of \$403,799 to \$17,478,813.
- The capital nonrecurring fund reflects revenues of \$25,465 and capital outlays of \$908,882 resulting in a net excess of expenditures over revenues of (\$883,417). The inclusion of \$306,550 of capital lease proceeds and transfers in of \$700,000 was partially offset by transfers out of \$25,439 for a net other financing source of \$981,111. When combined with the operating deficit of \$883,417, this fund realized a net growth in fund balance of \$97,694 for and ending fund balance of \$284,909. We use this fund to account for our various capital projects.
- The bonded projects fund accounts for our debt transactions and capital outlays not paid for from the operating budget. This fund generated no revenue in FY 2017. We recorded \$3,383,804 of capital outlay and debt service of \$126,051 for capital projects for negative operating results of \$3,383,804. We added \$450,000 of transfers in for a net other financing source of \$450,000. When applied to the prior year fund balance of \$2,580,716, this fund ended the year with a negative fund balance of \$353,088. Fund balance fluctuations are expected due to the timing of bond issuances which serve to replenish negative fund balances.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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- The sewer bond repayment fund realized \$191,275 of revenues, mostly from service charges and experienced no direct disbursements. There were no expenditures nor transfers in, but we did show a transfer out of \$700,000 to the capital and nonrecurring fund for a drop in fund balance of \$508,725 for a closing fund balance of \$1,448,792.
- Other nonmajor governmental funds collectively realized total revenues of \$6,659,249 and total expenditures of \$7,209,102, the bulk of which was \$2.281 million for public works and \$4.327 million for education, generating a combined operating shortfall of (\$549,853). Coupled with a net other financing sources and uses input of \$1,113,037, the nonmajor governmental funds fund balance increased a total of \$563,184 to \$3,547,710. For additional detail on the nonmajor governmental funds, see Exhibits B-1 and B-2 on pages 80 - 83 of this report.

### **General Fund Budgetary Highlights**

During the year, there were \$100,000 of additional funds provided for the police department, and \$55,000 for parks and recreation increasing the original revenue budget of \$139,013,087 by \$155,000 to \$139,168,087. The police item represented police private duty revenue more than contemplated and the parks and recreation realization of higher activity fees. Total actual revenues of \$138,489,345 fell short of budgeted revenues by \$678,742 as a result of not applying a budgeted \$1,950,000 of general fund balance for a negative revenue variance of \$678,742.

On the expenditure side, general government expenditures were also increased by \$155,000 with several line item adjustments. Of note, public works added an extra \$117,100. Operationally, total expenditures generated a positive budget variance of \$976,747 with meaningful savings in general government (\$361,026), education (\$223,100), public safety (\$137,775), and public works (\$148,856).

There were multiple adjustments within the education budget that resulted in no net change to its original \$90,734,229 budget.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town of Ridgefield's investment in capital assets for its governmental assets includes land, buildings, and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Note 3.C. of Notes to the Financial Statements for June 30, 2017 details our capital asset additions (before depreciation) of \$1,814,823 during the fiscal year before dispositions of \$562,480 that result in a balance of \$276,371,615 (before depreciation of \$86,851,980). The total net increase (before depreciation) in the Town's investment in capital assets for the current fiscal year was a net \$1,252,343, a 0.46% increase for governmental activities.

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

- Building improvements - \$221 thousand:
  - ❖ Venus/VNA Window Replacement - \$69 thousand
  - ❖ Town Hall Annex Roof - \$152 thousand
- Machinery, Vehicles, and Equipment - \$1.516 million:
  - ❖ John Deere 5100M Tractor with Versa Boom (mower) - \$133 thousand
  - ❖ John Deere Loader 310SL - \$83 thousand
  - ❖ Town-wide New IP Telephone System - \$65 thousand
  - ❖ Highway, parks, and police vehicles - \$409 thousand
  - ❖ Refurbishment FD Engine 3 - \$220 thousand;
  - ❖ Miscellaneous vehicles and equipment - \$606 thousand

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Our dispositions amounted to \$562,480 of machinery and equipment that was either obsolete or fully depreciated.

**Table 3. Net Investment in Capital Assets at Year End (Depreciated)**

	<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 29,612,176	\$ 29,612,176
Land improvements	1,581,026	1,583,680
Buildings	117,869,695	120,013,180
Machinery and equipment	8,132,137	8,236,692
Infrastructure	29,251,652	29,957,478
Construction in progress	3,072,949	3,069,947
Total	<u>\$ 189,519,635</u>	<u>\$ 192,473,153</u>

Additional information on the Town of Ridgefield's capital assets can be found in Note 3.C., Capital Assets, in the Notes to Financial Statements, June 30, 2017 of this report.

**Long-term and Short-term Debt.** At the end of the current fiscal year, the Town of Ridgefield had outstanding \$69,455,000 of long-term bonded debt, 62.4% of which will be retired in five years. We also had outstanding \$366,751 of long-term water notes at 2%. We retired \$8,905,000 of bond principal through principal payments and \$24,177 of maturing long-term note principal. We also paid off \$450,000 of short-term notes. All our debt is a general obligation of the Town for which we pledge our full faith and credit for the payment of principal of and interest on our obligations.

**Table 4. Long-Term Debt**

	<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>
General Obligation		
Bonds	\$69,455,000	\$78,360,000
Notes Payable	366,751	390,928
Total	<u>\$69,821,751</u>	<u>\$78,750,928</u>

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

Connecticut General Statutes Section 7-374(b) limits the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees. For June 30, 2017, the maximum amount of borrowing permitted under the formula would be \$890,701,175. With net borrowings for debt limit purposes of \$73,100,563, which includes \$4,031,658 of public improvement debt authorized but unissued, the Town of Ridgefield's outstanding general obligation debt is \$817,600,612 below the maximum debt limitation (see Note 3.F. Long-term Debt in Notes to Financial Statements and Table 10, June 30, 2017 of this report).

The Town of Ridgefield has no overlapping debt.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for the Town of Ridgefield at June 30, 2017 was 4.4%, the same as a year ago. This compares favorably to the state's average unemployment rate of 5.1% and the national average rate of 4.5% for the same period (not seasonally adjusted).
- Inflationary trends in the region compare favorably to the national indices.

The FY 2017 – 18 budget rose \$2,535,343, or 1.82% over last year, to \$141,548,430. Town and infrastructure operations increased by 2.22% while school operations increased by 2.50%. The current year (FY 2018) property tax levy was up \$3,730,910 to \$129,222,703 or 2.97% above FY 2017's budget of \$125,491,793 which accounted for the bulk of the increase. Intergovernmental revenues were budgeted \$1,475,540 less reflecting cuts in State ECS and PILOT payments. With interest rates expected to rise, we budgeted a 150% increase in estimated investment income to \$165,000 up from \$66,000. The expected use of fund balance fell to \$1,800,000 down from the previous year's \$1,950,000 (which was not used).

While there were other modest increases and decreases in various revenue sources, in order to minimize the mill rate impact on the taxpayer as much as possible, we contemplate drawing down general fund balance by \$1,800,000 to complete balancing the budget as required by state law. We expected our ending general fund balance for FY 2017 to be \$17,478,813 and in the vicinity of 11.19% of general fund revenues, comparable for Fairfield County Aaa credits. To fund the new budget, the fiscal year 2018 mill rate rose to 27.21 mills from 26.69.

On the expenditure side, Town operations were budgeted at \$35,552,295 (before capital outlays and debt service), a \$848,757 or 2.45% increase from the prior year. School operations increased \$2,259,315 to \$92,633,544, a 2.50% rise over last fiscal year. Debt service fell \$537,729, or (4.46%) to \$11,522,591 as we continued to amortize our outstanding bond and note issues. Capital project expenditures for road paving and drainage were budgeted at \$1,840,000 (down \$35,000 from fiscal year 2017) in the operating budget as opposed to the capital budget.

Notable increases (or decreases) in existing Town functions are detailed below:

- ❖ Budgeted use of fund balance was decreased from \$1,950,000 in FY 2017 to \$1,800,000 in FY 2018;
- ❖ Intergovernmental revenues were dropped from \$2.786 million to \$1.310 million reflecting expected cutbacks in State funding;
- ❖ Planning and Zoning dropped 18.60% as a result of an eliminated position;
- ❖ General government employee medical insurance expenses rose \$417,720;
- ❖ Firefighting personnel services (overtime) were increased \$181,344 largely due to anticipated overtime needs as a result of a new minimum staffing initiative. (\$151,988).

All of these factors contributed to Ridgefield's budget for the 2018 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Ridgefield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, 400 Main Street, Ridgefield, CT 06877.

# Basic Financial Statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Ridgefield Library</b>
Assets:		
Cash and cash equivalents	\$ 27,009,191	\$ 276,925
Investments	338,996	3,725,763
Restricted investments		1,790,588
Receivables, net	4,625,571	210,073
Net pension asset	1,177,887	
Other assets	43,129	161,102
Capital assets:		
Assets not being depreciated	32,685,125	246,441
Assets being depreciated, net	156,834,510	18,943,314
Total assets	<u>222,714,409</u>	<u>25,354,206</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	2,182,523	
Deferred outflows related to pensions	4,276,300	
Total deferred outflows of resources	<u>6,458,823</u>	<u>-</u>
Liabilities:		
Accounts payable and accrued items	4,443,444	192,666
Interest payable	1,066,962	
Unearned revenue	1,127,252	
Other liabilities	63,595	
Noncurrent liabilities:		
Due within one year	10,651,904	
Due in more than one year	67,903,709	2,254,412
Total liabilities	<u>85,256,866</u>	<u>2,447,078</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>1,217,719</u>	<u>-</u>
Net Position:		
Net investment in capital assets	115,335,703	19,189,755
Restricted for:		
Endowments		1,885,386
Perpetual trust held by third party		1,790,588
Permanent Fund:		
Expendable	29,618	
Unrestricted	<u>27,333,326</u>	<u>41,399</u>
Total Net Position	<u>\$ 142,698,647</u>	<u>\$ 22,907,128</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Program Activities	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
Primary Government:						
Governmental Activities:						
General government	\$ 6,770,190	\$ 1,639,907	\$ 526,428	\$	\$ (4,603,855)	\$
Health and welfare	1,452,127	84,938	292,710		(1,074,479)	
Recreation	7,767,589	4,876,052	47,978		(2,843,559)	
Public safety	13,689,797	1,260,201	113,822		(12,315,774)	
Public works	11,211,844	2,968,188	379,411		(7,864,245)	
Education	114,269,477	2,485,486	19,842,720		(91,941,271)	
Library	1,910,455				(1,910,455)	
Interest on long-term debt	2,055,736				(2,055,736)	
Total Primary Government	<u>\$ 159,127,215</u>	<u>\$ 13,314,772</u>	<u>\$ 21,203,069</u>	<u>\$ -</u>	<u>(124,609,374)</u>	
Component Unit:						
Ridgefield Library Association, Inc.	<u>\$ 3,548,279</u>	<u>\$ 49,983</u>	<u>\$ 2,610,095</u>	<u>\$ 188,368</u>		<u>(699,833)</u>
General Revenues:						
Property taxes					126,062,965	
Grants and contributions not restricted to specific programs					636,777	
Investment income					216,887	474,317
Miscellaneous					211,772	32,817
Total General Revenues					<u>127,128,401</u>	<u>507,134</u>
Change in Net Position					2,519,027	(192,699)
Net Position at Beginning of Year					<u>140,179,620</u>	<u>23,099,827</u>
Net Position at End of Year					<u>\$ 142,698,647</u>	<u>\$ 22,907,128</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Bonded Projects</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21,317,602	\$ 101,821	\$	\$ 959,076	\$ 4,298,360	\$ 26,676,859
Investments	308,258				30,738	338,996
Receivables, net	3,155,856	792,721		377,426	105,869	4,431,872
Due from other funds	339,956	825,000		1,189,716		2,354,672
Other assets					43,129	43,129
Total Assets	<u>\$ 25,121,672</u>	<u>\$ 1,719,542</u>	<u>\$ -</u>	<u>\$ 2,526,218</u>	<u>\$ 4,478,096</u>	<u>\$ 33,845,528</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2,987,179	\$ 298,136	\$ 139,661	\$	\$ 162,774	\$ 3,587,750
Accrued payroll	850,786					850,786
Due to other funds		976,289	213,427	700,000	464,956	2,354,672
Unearned revenue	911,807				215,445	1,127,252
Other	63,595					63,595
Total liabilities	<u>4,813,367</u>	<u>1,274,425</u>	<u>353,088</u>	<u>700,000</u>	<u>843,175</u>	<u>7,984,055</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,829,492					2,829,492
Unavailable revenue - special assessments		160,208		377,426		537,634
Unavailable revenue - other receivables					87,211	87,211
Total deferred inflows of resources	<u>2,829,492</u>	<u>160,208</u>	<u>-</u>	<u>377,426</u>	<u>87,211</u>	<u>3,454,337</u>
Fund balances:						
Nonspendable					68,129	68,129
Restricted		284,909			1,580,059	1,864,968
Committed				1,448,792	1,915,013	3,363,805
Assigned	2,998,670					2,998,670
Unassigned	14,480,143		(353,088)		(15,491)	14,111,564
Total fund balances	<u>17,478,813</u>	<u>284,909</u>	<u>(353,088)</u>	<u>1,448,792</u>	<u>3,547,710</u>	<u>22,407,136</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,121,672</u>	<u>\$ 1,719,542</u>	<u>\$ -</u>	<u>\$ 2,526,218</u>	<u>\$ 4,478,096</u>	<u>\$ 33,845,528</u>

(Continued on next page)

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**

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

Fund balances - total governmental funds (Exhibit III)	\$	22,407,136
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	276,371,615
Less accumulated depreciation	<u>(86,851,980)</u>	189,519,635
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property tax, sewer use and sewer assessment interest and lien accrual		248,669
Property tax, sewer use, sewer assessment and loan receivable - accrual basis change		3,454,337
Interest and lien allowance for doubtful accounts		(54,970)
Net pension asset		1,177,887
Deferred outflows related to pensions		4,276,300
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		327,424
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(69,455,000)
Notes payable		(366,751)
Bond premium		(5,949,384)
Deferred charge on refunding		2,182,523
Net OPEB obligation		(681,000)
Net pension liability		(352,044)
Deferred inflows related to pensions		(1,217,719)
Interest payable on bonds		(1,066,962)
Compensated absences		(1,156,114)
Lease obligations		<u>(595,320)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u>142,698,647</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Bonded Projects</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 127,337,222	\$	\$	\$	\$	\$ 127,337,222
Intergovernmental	19,732,568				1,607,008	21,339,576
Charges for services	8,750,551			191,275	4,502,370	13,444,196
Contributions					536,737	536,737
Income from investments	208,199	8,481			207	216,887
Other	181,861	16,984			12,927	211,772
Total revenues	<u>156,210,401</u>	<u>25,465</u>	<u>-</u>	<u>191,275</u>	<u>6,659,249</u>	<u>163,086,390</u>
Expenditures:						
Current:						
General government	11,476,278				172,300	11,648,578
Health and welfare	449,397				290,054	739,451
Community grants	248,935					248,935
Recreation	5,740,133				115,588	5,855,721
Public safety	9,433,266				23,161	9,456,427
Public works	6,380,446				2,280,879	8,661,325
Education	106,929,345				4,327,120	111,256,465
Library	1,910,455					1,910,455
Debt service	11,635,749		126,051			11,761,800
Capital outlay		908,882	3,257,753			4,166,635
Total expenditures	<u>154,204,004</u>	<u>908,882</u>	<u>3,383,804</u>	<u>-</u>	<u>7,209,102</u>	<u>165,705,792</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,006,397</u>	<u>(883,417)</u>	<u>(3,383,804)</u>	<u>191,275</u>	<u>(549,853)</u>	<u>(2,619,402)</u>
Other Financing Sources (Uses):						
Issuance of capital lease		306,550				306,550
Transfers in	55,439	700,000	450,000		1,143,037	2,348,476
Transfers out	(1,658,037)	(25,439)		(700,000)	(30,000)	(2,413,476)
Net other financing sources (uses)	<u>(1,602,598)</u>	<u>981,111</u>	<u>450,000</u>	<u>(700,000)</u>	<u>1,113,037</u>	<u>241,550</u>
Net Change in Fund Balances	403,799	97,694	(2,933,804)	(508,725)	563,184	(2,377,852)
Fund Balances at Beginning of Year	<u>17,075,014</u>	<u>187,215</u>	<u>2,580,716</u>	<u>1,957,517</u>	<u>2,984,526</u>	<u>24,784,988</u>
Fund Balances at End of Year	<u>\$ 17,478,813</u>	<u>\$ 284,909</u>	<u>\$ (353,088)</u>	<u>\$ 1,448,792</u>	<u>\$ 3,547,710</u>	<u>\$ 22,407,136</u>

(Continued on next page)

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (2,377,852)

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	1,814,823
Less current year depreciation	(4,695,185)

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 increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(73,156)

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

Decrease in property tax, sewer use, sewer assessment and loan receivable - accrual basis change	(1,092,995)
Decrease in property tax, sewer use and sewer assessment interest and lien revenue	(350,022)
Decrease in property tax and sewer use allowance for doubtful accounts	3,968
Change in net pension asset	1,177,887
Change in deferred outflows related to pensions	(5,751,732)

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:

Issuance of capital leases	(306,550)
Payments on general obligations bonds	8,905,000
Payments on notes payable	24,177
Payments on capital leases	564,963

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:

Change in OPEB obligation	373,000
Change in compensated absences	129,787
Change in accrued interest	176,746
Amortization of deferred charge on refunding	(271,620)
Bond premium amortization	871,761
Change in net pension liability	4,088,061
Change in deferred inflows related to pension	(679,399)

The net revenue of the activities of the Internal Service Fund is reported with governmental activities. (12,635)

Change in Net Position of Governmental Activities (Exhibit II) \$ 2,519,027

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Assets:	
Cash and cash equivalents	\$ 332,332
Liabilities:	
Accounts payable	4,908
Net Position:	
Unrestricted	\$ 327,424

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Operating Revenues:	
Insurance proceeds	\$ 8,397
Operating Expenses:	
Claims incurred	<u>86,032</u>
Operating Income	(77,635)
Transfers in	<u>65,000</u>
Change in Net Position	(12,635)
Net Position at Beginning of Year	<u>340,059</u>
Net Position at End of Year	\$ <u><u>327,424</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received as insurance proceeds	\$ 8,397
Cash paid for benefits, claims and administration	(81,124)
Net cash provided by (used in) operating activities	<u>(72,727)</u>
Cash Flows Provided by Noncapital Financing Activities:	
Transfers in	<u>65,000</u>
Net Increase (Decrease) in Cash	(7,727)
Cash and Cash Equivalents at Beginning of Year	<u>340,059</u>
Cash and Cash Equivalents at End of Year	<u>\$ 332,332</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (77,635)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase in accounts payable	<u>4,908</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (72,727)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
Assets:		
Cash and cash equivalents	\$ <u>90,865</u>	\$ <u>1,723,458</u>
Investments - at fair value:		
Mutual funds:		
Equity	111,650,130	
Certificates of deposit		246,853
Total investments	<u>111,650,130</u>	<u>246,853</u>
Other Assets:		
Accounts receivable	6,516	
Prepaid benefits	304,308	
Total other assets	<u>310,824</u>	<u>-</u>
Total assets	112,051,819	\$ <u><u>1,970,311</u></u>
Liabilities:		
Accounts payable and due to others	<u>22,538</u>	\$ <u><u>1,970,311</u></u>
Net Position Restricted for Pensions and Other Postemployment Benefits	\$ <u><u>112,029,281</u></u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 4,611,433
Plan members	789,769
Total contributions	<u>5,401,202</u>
Net investment income:	
Net change in fair value of investments	8,591,452
Interest and dividends	3,108,386
	<u>11,699,838</u>
Less investment expense	<u>(97,766)</u>
Net investment income	<u>11,602,072</u>
Total additions	<u>17,003,274</u>
Deductions:	
Benefits	5,471,410
Administration	90,977
Total deductions	<u>5,562,387</u>
Change in Net Position	11,440,887
Net Position at Beginning of Year	<u>100,588,394</u>
Net Position at End of Year	<u>\$ 112,029,281</u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Financial Reporting Entity**

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

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

#### **Discretely Presented Component Unit**

The Ridgefield Library Association, Inc., a nonprofit, is included in the Town's reporting entity as a component unit because the Town appoints a voting majority of the Library's board and provides significant operating subsidies. The Ridgefield Library Association, Inc., operates a free public library for the Town residents. The Town appoints 9 of the 12 board members and subsidizes approximately 75% of operations.

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

### **B. Basis of Presentation**

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

#### **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 primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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



**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, excluding agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes, which are only considered available when collected during the fiscal year.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded when payment is due.

The Town reports the following major governmental funds:

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

The *Capital Nonrecurring Fund* accounts for the major capital improvements and acquisition of equipment for nonfinancial sources. Capital outlays are financed by the issuance of capital leases and capital grants.

The *Bonded Projects Fund* is used to account for the financial revenues to be used for major capital asset construction and/or purchases. Capital outlays are financed by the issuance of general obligation bonds and capital grants.

The *Sewer Bond Repayment Fund* accounts for assessments for new sewer connections. The major source of revenue for this fund is sewer assessment charges.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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Additionally, the government reports the following fund types:

The *Internal Service Funds* account for risk financing activities for insurance claims and deductibles as allowed by GASB Statement No. 10 as well as claims involving heart and hypertension compensation under Connecticut General Statutes.

The *Pension and Other Employee Benefit Trust Funds* account for the activities of the Ridgefield Retirement System and Ridgefield Retiree Health Plan, which accumulates resources for pension benefit payments to qualified employees and for health benefit payments to qualified retired employees, respectively.

*Agency Funds* account for monies held as custodian for outside student and municipal groups and agencies.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the internal service fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

### **Component Unit**

The financial statements of the Ridgefield Library Association, Inc., have been prepared on the accrual basis.

### **C. Cash Equivalents**

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less.

### **D. Investments**

Investments are stated at fair value.

### **E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans).

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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All trade, property tax, sewer use and sewer assessment receivables, including those of its component unit, are shown net of an allowance for uncollectibles. The allowance for uncollectibles is based on an analysis of amounts that are not expected to be collected at June 30, 2017.

**F. Restricted Assets**

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

**G. Capital Assets**

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

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

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

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

**Component Unit**

**Inexhaustible Collections and Books**

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

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over

the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs, and changes in projected investment earnings. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

#### **I. Compensated Absences**

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

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

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

#### **J. Net Pension Asset / Liability**

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

#### **K. Net OPEB Obligation**

The net other post employment benefit (OPEB) obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as a noncurrent liability in the government-wide financial statements.

#### **L. 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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

#### **M. Equity**

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

##### **Invested in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

##### **Restricted Net Position**

Net position restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

##### **Unrestricted Net Position**

This component consists of net position that does not meet the definition of "restricted" or "Invested in Capital Assets."

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

##### **Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

##### **Restricted Fund Balance**

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

##### **Committed Fund Balance**

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

**Assigned Fund Balance**

This includes amounts constrained to be used for a specific purpose by Executive Management or the Board of Finance, which have been delegated authority to assign amounts by the Town Charter. For the General Fund, this includes the designations of fund balance for subsequent year's budget. The Board of Finance approves the assignment of fund balance for subsequent year's budget through a resolution.

**Unassigned Fund Balance**

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

**N. Property Taxes**

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

**O. Accounting Estimates**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

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

- In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget for the year commencing July 1. The budget includes proposed expenditures and the means of financing them.
- The Board of Finance submits their final proposed budget to the annual Town Meeting, which is held on the first Monday in May. Those in attendance at the annual Town Meeting may comment on the proposed budget before it is forwarded to a referendum vote. Appropriations may not be increased. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting. The Board of Selectmen is responsible for establishing the hours of voting. This process is repeated, if necessary, until a budget is approved.

**TOWN OF RIDGEFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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- The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one department's appropriation to another. Management may not authorize any additional appropriations. The Board of Finance may provide any single requesting agency with a special appropriation from General Fund unassigned fund balance a sum not to exceed \$50,000 cumulative and/or \$250,000 in the aggregate to all requesting agencies in any fiscal year. Special appropriations in excess of \$3,000,000 must be taken to referendum. During the year ended June 30, 2017, there was an additional appropriation of \$155,000.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$50,000, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI-2) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Deficit Fund Equity**

The following individual funds had deficit fund balances at June 30, 2017:

Major Funds:		
Bonded Projects	\$	353,088
Nonmajor governmental funds:		
Solid Waste		15,491

The deficit in the Solid Waste will be funded by future operating transfers from the General Fund. The deficit in Bonded Projects will be funded by future long-term financing.

**C. Donor Restricted Endowments**

The Town has received an endowment for the maintenance of Ballard Park. The amounts are reflected in net position as non-spendable and restricted for permanent funds. The investment income (including appreciation, if any) is approved for expenditure by the Board of Directors of the Friends of Ballard Park.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**D. Capital Projects Authorizations**

The following is a summary of bonded projects and capital nonrecurring projects at June 30, 2017:

<u>Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2017</u>
School buildings	\$ 8,183,873	\$ 1,045,040	\$ 7,246,039	\$ 937,834
Sewer	3,605,000	607,957	3,510,168	94,832
Infrastructure	37,793,531	441,678	36,043,966	1,749,565
Municipal buildings	4,643,921	450,154	4,147,182	496,739
Motor vehicles	3,018,180	598,453	2,958,297	59,883
Machinery and equipment	<u>7,199,818</u>	<u>741,152</u>	<u>6,507,013</u>	<u>692,805</u>
Total	\$ <u>64,444,323</u>	\$ <u>3,884,434</u>	\$ <u>60,412,665</u>	\$ <u>4,031,658</u>

**3. DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

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

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

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



**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$15,529,696 of the Town's bank balance of \$16,997,342 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,851,726
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,677,970</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 15,529,696</u>

At June 30, 2017, the entire balance of the component unit's deposits was covered by federal depository insurance.

**Cash Equivalents**

At June 30, 2017, the Town's cash equivalents amounted to \$13,397,511. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u><b>Standard &amp; Poor's</b></u>
Money Market Funds*	
State Short-Term Investment Fund (STIF)	AAAm
*Not rated	

At June 30, 2017, the component unit's cash equivalents include money market funds of \$276,925 with no rating.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Investments**

At June 30, 2017, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificates of deposit	*	\$ 585,849	\$ 90,847	\$ 246,853	\$ 248,149
Total		585,849	\$ 90,847	\$ 246,853	\$ 248,149
Other investments:					
Mutual funds		111,650,130			
Total Investments		\$ 112,235,979			

\*Subject to coverage by Federal Depository Insurance and collateralization.

At June 30, 2017, the component unit's investments include mutual funds of \$302,362 with no rating or maturity, equity securities of \$1,109,393 with no rating or maturity, exchange traded funds of \$1,390,385 with no rating or maturity, fixed income securities of \$795,765 with no rating or maturity, hedge funds of \$127,858 with no rating or maturity and \$1,790,588 beneficial interest in a perpetual trust.

**Interest Rate Risk**

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

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of Credit Risk**

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments. No more than 5% of the Town's investments were invested in any one issuer.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2017, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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The Town's investment policy, in conformity with applicable Connecticut General Statutes, authorizes investment in the State Treasurer's Short-Term Investment Fund (STIF) and Cutwater Asset Management Class Plus Investment. The value of the position in the pools is the same as the value of the pool shares. Regulatory oversight for the State Treasurer's Short-Term Investment Fund is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Regulatory oversight for Cutwater Asset Management - Connecticut CLASS Plus Investment is provided by an investment advisory council consisting of members appointed by the municipalities. Other authorized investments include pooled and joint investments meeting the requirements of the policy, excluding those pools investing in "derivative" securities, certificates of deposit, repurchase agreements and obligations of the United States and agencies of the federal government.

The Pension Trust Fund is also authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2017:

	<b>June 30, 2017</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
Mutual funds	\$ <u>111,650,130</u>	\$ <u>111,650,130</u>	\$ <u>-</u>	\$ <u>-</u>

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Town holds no Level 2 or Level 3 inputs.

On June 30, 2017, the component unit held \$3,088,861 in Level 1 investments, \$509,044 in Level 2 investments and \$1,790,588 in Level 3 investments. In addition the component unit held investments of \$127,858 measured at fair value using the net asset value per share (or its equivalent) as a practical expedient.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**B. Receivables**

Receivables as of June 30, 2017 for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Non- Recurring</u>	<u>Sewer Bond Repayment</u>	<u>Nonmajor and Other</u>	<u>Total</u>
Receivables:					
Property taxes*	\$ 3,022,673	\$	\$	\$	\$ 3,022,673
Assessments/use charges*			386,095	89,709	475,804
Intergovernmental		632,513		18,570	651,083
Loans receivable		160,208			160,208
Other	<u>204,502</u>			<u>88</u>	<u>204,590</u>
Gross receivables	<u>3,227,175</u>	<u>792,721</u>	<u>386,095</u>	<u>108,367</u>	<u>4,514,358</u>
Less allowance for uncollectibles**	<u>71,319</u>		<u>8,669</u>	<u>2,498</u>	<u>82,486</u>
Net Total Receivables	<u>\$ 3,155,856</u>	<u>\$ 792,721</u>	<u>\$ 377,426</u>	<u>\$ 105,869</u>	<u>\$ 4,431,872</u>

\* Does not include accrued interest on property taxes of \$233,565 and use charges of \$15,104.

\*\* Does not include allowance for uncollectibles on accrued interest on property taxes of \$57,239 and use charges of \$1,699.

Ridgefield Library, the component unit, has recorded contributions receivable in the amount of \$235,076. Ridgefield Library expects \$115,965 to be collected within one year and \$119,111 to be collected within one to five years. The allowance for uncollectibles was \$16,900. A rate of 1.25% was used for contributions expected to be received in more than one year, resulting in discounts to net present value of \$8,103.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 29,612,176	\$	\$	\$ 29,612,176
Construction in progress	3,069,947	3,002		3,072,949
Total capital assets not being depreciated	<u>32,682,123</u>	<u>3,002</u>	<u>-</u>	<u>32,685,125</u>
Capital assets being depreciated:				
Land improvements	6,540,205	74,634		6,614,839
Buildings	153,911,128	221,630		154,132,758
Machinery and equipment	34,376,763	1,515,557	562,480	35,329,840
Infrastructure	47,609,053			47,609,053
Total capital assets being depreciated	<u>242,437,149</u>	<u>1,811,821</u>	<u>562,480</u>	<u>243,686,490</u>
Less accumulated depreciation for:				
Land improvements	4,956,525	77,288		5,033,813
Buildings	33,897,948	2,365,115		36,263,063
Machinery and equipment	26,140,071	1,546,956	489,324	27,197,703
Infrastructure	17,651,575	705,826		18,357,401
Total accumulated depreciation	<u>82,646,119</u>	<u>4,695,185</u>	<u>489,324</u>	<u>86,851,980</u>
Total capital assets being depreciated, net	<u>159,791,030</u>	<u>(2,883,364)</u>	<u>73,156</u>	<u>156,834,510</u>
Governmental Activities Capital Assets, Net	<u>\$ 192,473,153</u>	<u>\$ (2,880,362)</u>	<u>\$ 73,156</u>	<u>\$ 189,519,635</u>

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

General government	\$ 467,269
Health and welfare	8,080
Public safety	395,006
Public works	1,111,964
Recreation	480,485
Education	<u>2,232,381</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,695,185</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Component Unit**

Activity for the Ridgefield Library Association, Inc., for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 246,441	\$	\$	\$ 246,441
Capital assets being depreciated:				
Buildings	19,487,635	27,815		19,515,450
Furnishings and equipment	1,182,767	89,000		1,271,767
Total capital assets being depreciated	<u>20,670,402</u>	<u>116,815</u>	<u>-</u>	<u>20,787,217</u>
Less accumulated depreciation for:				
Buildings	862,991	391,545		1,254,536
Furnishings and equipment	422,566	166,801		589,367
Total accumulated depreciation	<u>1,285,557</u>	<u>558,346</u>	<u>-</u>	<u>1,843,903</u>
Total capital assets being depreciated, net	<u>19,384,845</u>	<u>(441,531)</u>	<u>-</u>	<u>18,943,314</u>
Ridgefield Library Association, Inc.,				
Capital Assets, Net	<u>\$ 19,631,286</u>	<u>\$ (441,531)</u>	<u>\$ -</u>	<u>\$ 19,189,755</u>

**D. Interfund Receivables, Payables and Transfers**

Interfund balances are a result of timing differences between the dates payments occurred for various activities. The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 339,956
Capital Nonrecurring Fund	Nonmajor governmental funds	125,000
Sewer Bond Repayment	Capital Nonrecurring Fund	976,289
Sewer Bond Repayment	Bonded Projects	213,427
Capital Nonrecurring Fund	Sewer Bond Repayment	<u>700,000</u>
		<u>\$ 2,354,672</u>

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

	<b>Transfers In</b>					<b>Total Transfers Out</b>
	<b>General Fund</b>	<b>Capital Nonrecurring Fund</b>	<b>Bonded Projects</b>	<b>Internal Service Funds</b>	<b>Nonmajor Govern- mental Funds</b>	
Transfers out:						
General Fund	\$	\$	\$ 450,000	\$ 65,000	\$ 1,143,037	\$ 1,658,037
Capital Nonrecurring Fund	25,439					25,439
Sewer Bond Repayment		700,000				700,000
Nonmajor Governmental	<u>30,000</u>					<u>30,000</u>
Total Transfers In	<u>\$ 55,439</u>	<u>\$ 700,000</u>	<u>\$ 450,000</u>	<u>\$ 65,000</u>	<u>\$ 1,143,037</u>	<u>\$ 2,413,476</u>

**E. Short-Term Obligations - Bond Anticipation Notes**

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Bond anticipation note transactions for the year ended June 30, 2017 were as follows:

Outstanding, July 1, 2016	\$ 450,000
New borrowings	
Repayments	<u>(450,000)</u>
Outstanding, June 30, 2017	<u>\$ -</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**F. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 78,360,000	\$	\$ 8,905,000	\$ 69,455,000	\$ 9,085,000
Unamortized bond premiums	6,821,145		871,761	5,949,384	
Total bonds payable	85,181,145	-	9,776,761	75,404,384	9,085,000
Notes payable	390,928		24,177	366,751	24,680
Compensated absences	1,285,901	221,022	350,809	1,156,114	1,156,114
Net pension liability	4,440,105		4,088,061	352,044	
OPEB obligation	1,054,000		373,000	681,000	
Lease obligations	853,733	306,550	564,963	595,320	386,110
Total Governmental Activities Long-Term Liabilities	<u>\$ 93,205,812</u>	<u>\$ 527,572</u>	<u>\$ 15,177,771</u>	<u>\$ 78,555,613</u>	<u>\$ 10,651,904</u>

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

**General Obligation Bonds**

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

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.



**TOWN OF RIDGEFIELD, CONNECTICUT**  
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General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2017</u>
General purpose:		
General obligation - improvement	1.75-5%	\$ 689,492
General obligation - refunding	2.25-5%	15,375,000
General obligation - refunding	2.375-5%	4,514,869
General obligation - refunding	2-5%	3,695,408
General obligation - improvement	2-4%	6,983,400
General obligation - improvement	3.0-4.0%	6,265,263
General obligation - refunding	2.0-5.0%	4,927,143
General obligation - improvement	2.0-4.0%	7,235,240
Total general purpose		<u>49,685,815</u>
School:		
School improvement - improvement	1.75-5%	3,475,508
School improvement - refunding	2.25-5%	1,640,000
School improvement - refunding	2.375-5%	5,909,523
School improvement - refunding	2-5%	379,592
School improvement - improvement	2-4%	1,376,600
School improvement - improvement	3.0-4.0%	614,737
School improvement - refunding	2.0-5.0%	3,267,000
School improvement - improvement	2.0-4.0%	2,094,760
Total school		<u>18,757,720</u>
Sewer:		
Sewer - refunding	2.375-5%	810,608
Sewer - refunding	2.0-5.0%	200,857
		<u>1,011,465</u>
Total Outstanding		<u>\$ 69,455,000</u>

**Notes Payable**

**Water Main Payable**

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

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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Annual debt service requirements to maturity for general obligation bonds and notes payable are as follows:

	<b>General Obligation Bonds</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2018	\$ 9,085,000	\$ 2,550,324	\$ 24,680	\$ 7,323
2019	8,985,000	2,149,576	25,193	6,810
2020	9,105,000	1,762,869	25,718	6,286
2021	8,560,000	1,376,014	26,252	5,751
2022	7,595,000	1,019,664	26,798	5,205
2023-2027	15,005,000	2,818,603	142,585	17,430
2028-2032	9,115,000	1,149,143	95,525	3,148
2033-2035	<u>2,005,000</u>	<u>124,824</u>		
Total	<u>\$ 69,455,000</u>	<u>\$ 12,951,017</u>	<u>\$ 366,751</u>	<u>\$ 51,953</u>

**Capital Lease**

The Town has entered into lease agreements as lessee for financing the acquisition of computers and various pieces of equipment. The lease agreements qualify as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through the capital leases are as follows:

	<b>Governmental Activities</b>
Asset:	
Equipment	\$ 7,204,099
Less accumulated depreciation	<u>5,829,971</u>
Total	<u>\$ 1,374,128</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2018	\$ 395,148
2019	212,344
Total minimum lease payments	<u>607,492</u>
Less amount representing interest	<u>12,172</u>
Present Value of Minimum Lease Payments	\$ <u><u>595,320</u></u>

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2017 is \$4,031,658. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Statutory Debt Limitation**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 286,296,806	\$ 53,717,473	\$ 232,579,333
Schools	572,593,613	18,757,720	553,835,893
Sewers	477,161,344	625,370	476,535,974
Urban renewal	413,539,831		413,539,831
Pension deficit	381,729,075		381,729,075

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$890,701,175.

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.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**G. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

	General Fund	Major Capital Project Funds Capital Nonrecurring Fund	Bonded Projects Fund	Major Special Revenue Fund Sewer Bond Repayment Fund	Nonmajor Governmental Funds	Total
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 43,129	\$ 43,129
Endowment					25,000	25,000
Restricted for:						
Grants					1,297,569	1,297,569
Parks and recreation - donations					148,086	148,086
Branchville Railroad Station					25,514	25,514
Public safety - donations					108,890	108,890
Capital projects		284,909				284,909
Committed to:						
Sewer assessment				1,448,792		1,448,792
Sewer operations					1,401,886	1,401,886
Education					513,127	513,127
Assigned:						
Town - encumbrances	426,114					426,114
Education - encumbrances	772,556					772,556
Subsequent year's budget	1,800,000					1,800,000
Unassigned	14,480,143		(353,088)		(15,491)	14,111,564
Total Fund Balances	\$ 17,478,813	\$ 284,909	\$ (353,088)	\$ 1,448,792	\$ 3,547,710	\$ 22,407,136

Encumbrances of \$1,198,670 at June 30, 2017 are contained in the above table in the assigned category of the General Fund.

**H. Operating Lease**

In 1997, the Town signed a lease with the State of Connecticut Department of Transportation Branchville Railroad Station Parking Lot for a 20-year period of time commencing on October 1, 1995 to and including September 30, 2015, with the option to renew for two additional successive five-year periods of time. The Town renewed this lease on July 1, 2016 for five additional years.

In lieu of an annual lease payment, the Town must reinvest all surplus revenue derived from rail parking and rail-related leases into the improvement and maintenance of rail station buildings, rail station parking and mutually agreed upon rail station services. The Town set up a Parking Fund, which collected \$43,902 in fees and permits and spent \$45,683 in parking expenditures during fiscal year ended June 30, 2017. Fund balance at June 30, 2017 is \$25,514.

#### **4. EMPLOYEE RETIREMENT PLANS**

##### **A. Pension Plan**

###### **Summary**

The Town administers three single employer, defined benefit pension plans (Town of Ridgefield Pension Plan, Town of Ridgefield Police Union Pension Plan and Town of Ridgefield Firefighters Union Pension Plan). The plans were established through an ordinance adopted May 7, 1964 and most recently amended and restated July 1, 1993 for the Police and Fire Fighters plans and September 1, 2016 for the Town plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Separate, stand-alone reports are not issued.

Management of the plans rests with the Town's Pension Commission, which consists of seven appointed members, each serving three-year terms.

###### **Summary of Significant Accounting Policies and Plan Asset Matters**

###### **Basis of Accounting**

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

###### **Valuation of Investments**

Investments are valued at fair value. Securities traded on a national exchange are valued at June 30, 2017 quoted market price. The assets of the plan are invested in a well-diversified portfolio in accordance with the plan's investment policy statement. There are no investments of 5% or greater in any one organization.

###### **Plan Description and Benefits Provided**

###### **Benefit Provisions**

The plans' membership is closed except for certain employees of the Board of Education. Administrative costs are financed from investment earnings.

###### **Employer Contributions**

Recommended contributions to each of the three plans are determined each year as part of the actuarial valuation using the entry age normal method. The contributions for the year ended June 30, 2017 represent 12.86% of covered payroll.

###### **Employee Contributions**

General employees of the Town have no required contribution. The contribution requirements of other departments are as follows (expressed as a percentage of annual compensation): Police 6%, Fire 5.5%, Highway 4%, Town UPSEU 3% and Board of Education Secretaries 2%.

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At June 30, 2017, plan membership consisted of the following:

	<b>Town Pension Plan</b>	<b>Police Union Pension Plan</b>	<b>Firefighters Union Pension Plan</b>
Retirees and beneficiaries currently receiving benefits	191	37	22
Vested terminated employees	120	1	1
Active plan members	<u>345</u>	<u>35</u>	<u>25</u>
Total Participants	<u>656 *</u>	<u>73</u>	<u>48</u>

\* The participants in the Town Pension Plan are comprised of 469 employees from the Board of Education and 187 employees from the Town.

## **Investments**

### **Investment Policy**

The Pension Commission is responsible for investing the assets of the pension plans. To that end, it has hired Vanguard Institutional Advisory Services (Vanguard) to determine the asset allocation and the specific assets in which the pension funds will be invested. The Pension Commission oversees Vanguard's allocations and investments and provides it with comments during quarterly meetings. The Commission's goal is to have a broadly diversified portfolio of assets allocated in a manner that that is intended to achieve the stated return objective. The Pension Commission is responsible for allocations among asset classes, and other investment characteristics, including expected return, risk, correlation and the assets' overall role in the portfolio.

The following is Vanguard's and the Pension Commission's asset allocation policy and long-term expected real rate of return as of June 30, 2017:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>	<b>Return Contributor</b>
U.S. Equities	28.00%	5.90%	1.65%
Non- U.S. Equities (unhedged)	28.00%	6.30%	1.76%
U.S. Bonds	6.00%	1.60%	0.10%
Non- U.S. Bonds	6.00%	1.10%	0.07%
Intermediate- Term Credit Bonds	7.00%	2.20%	0.15%
Short-Term Credit Bonds	12.00%	1.90%	0.23%
TIPS - Short-Term	5.00%	0.70%	0.04%
REITs	<u>8.00%</u>	<u>4.70%</u>	<u>0.38%</u>
Total Portfolio	100.00%		4.38%
Diversification Effect			0.59%
Long-Term Inflation Expectation			1.90%
Long-Term Expected Nominal Return			6.86%

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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The long-term expected rate of return on pension plan investments is determined by assigning an expected long-term (30 year) return from Vanguard's Capital Market Assumptions to each asset class and then weighting that return by the percentage of the assets targeted to be in that asset class. This product is determined for each asset class, summed, and then adjusted for inflation and additional return expected due to the diversification of the plans' assets as shown in the chart above.

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension (Asset) Liability**

The components of the net pension (asset) liability of the Town at June 30, 2017, were as follows:

	<b>Town Pension Plan</b>	<b>Firefighters Union Pension Plan</b>	<b>Police Union Pension Plan</b>
Total pension liability	\$ 57,001,996	\$ 18,713,898	\$ 30,950,249
Plan fiduciary net position	<u>57,978,936</u>	<u>18,914,845</u>	<u>30,598,205</u>
Net Pension (Asset) Liability	<u>\$ (976,940)</u>	<u>\$ (200,947)</u>	<u>\$ 352,044</u>
Plan fiduciary net position as a percentage of the total pension liability	101.71%	101.07%	98.86%

**Actuarial Assumptions**

The total pension (asset) liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	1.9%
Salary increases	3.25% for police and fire fighters, all other members 3.0%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Male and Female Pre- and Post-Retirement Mortality Tables projected generationally using the MP-2016 projection scales.

The demographic assumptions used in the July 1, 2015 valuation Represent the actuary's best estimate based on plan experience and published actuarial studies. The mortality table used was the latest available, based on large population studies of retirement plan participants with appropriate mortality improvement projections. Experience studies were not performed for demographic assumptions because the results would not be credible due to the small size of the plans' populations. Retirement age assumptions are chosen to represent our best estimate of each participant's expected retirement age, given the type of employment and the available benefits, as well as our historical knowledge of retirement trends for this plan's population.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. 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.

**Changes in the Net Pension (Asset) Liability**

<b>Town Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension (Asset) Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2016	\$ 53,638,291	\$ 51,843,863	\$ 1,794,428
Changes for the year:			
Service cost	1,439,793		1,439,793
Interest on total pension liability	3,661,312		3,661,312
Differences between expected and actual experience	798,073		798,073
Changes in assumptions	(862,615)		(862,615)
Employer contributions		1,507,842	(1,507,842)
Member contributions		249,239	(249,239)
Net investment income		6,099,575	(6,099,575)
Benefit payments, including refund to employee contributions	(1,672,858)	(1,672,858)	-
Administrative expenses		(48,725)	48,725
Net changes	3,363,705	6,135,073	(2,771,368)
Balances as of June 30, 2017	\$ 57,001,996	\$ 57,978,936	\$ (976,940)

<b>Firefighters Union Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension (Asset) Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2016	\$ 18,106,143	\$ 17,229,499	\$ 876,644
Changes for the year:			
Service cost	297,527		297,527
Interest on total pension liability	1,219,442		1,219,442
Differences between expected and actual experience	(78,254)		(78,254)
Changes in assumptions	(155,226)		(155,226)
Employer contributions		271,519	(271,519)
Member contributions		105,470	(105,470)
Net investment income		2,000,068	(2,000,068)
Benefit payments, including refund to employee contributions	(675,734)	(675,734)	-
Administrative expenses		(15,977)	15,977
Net changes	607,755	1,685,346	(1,077,591)
Balances as of June 30, 2017	\$ 18,713,898	\$ 18,914,845	\$ (200,947)



**TOWN OF RIDGEFIELD, CONNECTICUT**  
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<b>Police Union Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension</b>	<b>Plan Fiduciary</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Net Position</b>	<b>Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2016	\$ 29,605,280	\$ 27,836,247	\$ 1,769,033
Changes for the year:			
Service cost	536,936		536,936
Interest on total pension liability	1,995,723		1,995,723
Differences between expected and actual experience	219,291		219,291
Changes in assumptions	(255,090)		(255,090)
Employer contributions		507,570	(507,570)
Member contributions		201,517	(201,517)
Net investment income		3,230,569	(3,230,569)
Benefit payments, including refund to employee contributions	(1,151,891)	(1,151,891)	-
Administrative expenses		(25,807)	25,807
Net changes	1,344,969	2,761,958	(1,416,989)
Balances as of June 30, 2017	\$ 30,950,249	\$ 30,598,205	\$ 352,044

Amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 Blue Collar Male and Female Pre- and Post-Retirement Mortality Tables for purposes of developing mortality rates. The salary increase assumption for the Town Plan decreased from 3.25% to 3.00%.

**Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate**

The following presents the net pension (asset) liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

<b>Net Pension (Asset) Liability</b>	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
Town Pension Plan	\$ 4,656,788	\$ (976,940)	\$ (6,959,096)
Firefighters Union Plan	1,934,814	(200,947)	(2,084,794)
Police Union Plan	4,177,882	352,044	(2,828,521)

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the Town recognized pension expense of \$4,212,165 (\$2,316,815, \$311,534 and \$823,767 for the Town Pension Plan, Firefighters Union Pension Plan and Police Union Pension Plan, respectively). At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Town Pension Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,756,592	\$
Changes of assumptions		611,716
Net difference between projected and actual earning on pension plan investments	<u>1,083,834</u>	<u></u>
Total	<u>\$ 2,840,426</u>	<u>\$ 611,716</u>

	<b>Firefighters Union Pension Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 85,743
Changes of assumptions		149,765
Net difference between projected and actual earning on pension plan investments	<u>408,276</u>	<u></u>
Total	<u>\$ 408,276</u>	<u>\$ 235,508</u>

	<b>Police Union Pension Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 340,448	\$
Changes of assumptions		370,495
Net difference between projected and actual earning on pension plan investments	<u>687,150</u>	<u></u>
Total	<u>\$ 1,027,598</u>	<u>\$ 370,495</u>

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	<b>Totals</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,097,040	\$ 85,743
Changes of assumptions		1,131,976
Net difference between projected and actual earning on pension plan investments	2,179,260	
Total	<u>\$ 4,276,300</u>	<u>\$ 1,217,719</u>

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

<b><u>Year Ending June 30,</u></b>	<b><u>Town Pension Plan</u></b>	<b><u>Firefighters Union Pension Plan</u></b>	<b><u>Police Union Pension Plan</u></b>
2018	\$ 1,038,007	\$ 95,600	\$ 449,359
2019	1,038,007	180,703	369,810
2020	443,666	54,169	87,539
2021	(279,332)	(157,704)	(249,605)
2022	(10,581)		

**B. Elected Officials**

**Plan Description**

The Town administers a single employer, defined contribution plan, which is included in the Town's financial statements in the pension trust fund. The plan, established in July 1983, requires the employer to contribute 9% of each participant's compensation. The Town contributed \$27,084 during the year ended June 30, 2017. Officials are not required to contribute, but can make voluntary contributions up to 10% of annual compensation. At June 30, 2017, the net position available for benefits include \$555,899 of assets designated for this plan.

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

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

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

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**C. Plan Financial Statements**

Financial statements for each individual pension plan as of and for the year ended June 30, 2017 are as follows:

	<b>Town Pension Plan</b>	<b>Firefighters Union Pension Plan</b>	<b>Police Union Pension Plan</b>	<b>Elected Officials Pension Plan</b>	<b>Total Pension Trust Funds</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 47,726	\$ 15,570	\$ 25,187	\$ 460	\$ 88,943
Investments - at fair value:					
Mutual funds:					
Equity	57,776,519	18,848,809	30,491,381	557,169	107,673,878
Other assets:					
Accounts receivable	3,496	1,141	1,845	34	6,516
Prepaid benefits	163,289	53,270	86,174	1,575	304,308
Total other assets	166,785	54,411	88,019	1,609	310,824
Total assets	57,991,030	18,918,790	30,604,587	559,238	108,073,645
<b>Liabilities:</b>					
Due to others	12,094	3,945	6,382	117	22,538
<b>Net Position:</b>					
Net Position Restricted for Pension Benefits	\$ 57,978,936	\$ 18,914,845	\$ 30,598,205	\$ 559,121	\$ 108,051,107
	<b>Town Pension Plan</b>	<b>Firefighters Union Pension Plan</b>	<b>Police Union Pension Plan</b>	<b>Elected Officials Pension Plan</b>	<b>Total Pension Trust Funds</b>
<b>Additions:</b>					
Contributions:					
Employer	\$ 1,507,842	\$ 271,519	\$ 507,570	\$ 27,084	\$ 2,314,015
Plan members	249,239	105,470	201,517		556,226
Total contributions	1,757,081	376,989	709,087	27,084	2,870,241
Net investment income:					
Net appreciation in fair value of investments	4,539,289	1,488,446	2,404,182	43,618	8,475,535
Interest and dividends	1,611,320	528,356	853,417	15,484	3,008,577
	6,150,609	2,016,802	3,257,599	59,102	11,484,112
Less investment expense	(51,034)	(16,734)	(27,030)	(490)	(95,288)
Net investment income	6,099,575	2,000,068	3,230,569	58,612	11,388,824
Net additions	7,856,656	2,377,057	3,939,656	85,696	14,259,065
<b>Deductions:</b>					
Benefits	1,672,858	675,734	1,151,891		3,500,483
Administration	48,725	15,977	25,807	468	90,977
Total deductions	1,721,583	691,711	1,177,698	468	3,591,460
Change in Net Position	6,135,073	1,685,346	2,761,958	85,228	10,667,605
Net Position at Beginning of Year	51,843,863	17,229,499	27,836,247	473,893	97,383,502
Net Position at End of Year	\$ 57,978,936	\$ 18,914,845	\$ 30,598,205	\$ 559,121	\$ 108,051,107

## **D. Teachers' Retirement**

### **Plan Description**

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

### **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 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 with reduced benefit amounts.

### **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.

### **Contributions**

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 approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

#### *Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, 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.

#### *Employees*

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

**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, 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 amount 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>149,296,449</u>
Total	\$ <u>149,296,449</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 June 30, 2016. At June 30, 2017, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$16,281,314 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**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 increase	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 RPH-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, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	100.0%	

**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 State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### **Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The 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.

### **Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

### **E. Postemployment Healthcare Plan - Retiree Health Plan**

#### **Plan Description**

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town of Ridgefield. The RHP provides medical insurance benefits to eligible retirees and their spouses. Certain employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. As in prior years, all expenses for postemployment benefits were paid out of the general fund during fiscal year ended June 30, 2017. The plan does not issue a stand-alone financial report.

At July 1, 2015, plan membership consisted of the following:

	<b>Retiree Health Plan</b>
Retired members	144
Spouses of retired members	
Active plan members	<u>833</u>
Total Participants	<u><u>977</u></u>

### **Funding Policy**

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

#### **Board of Education - Certified Employees (Teachers and Administrators)**

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

#### **Town Employees**

The cost per month for the Town employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.



**TOWN OF RIDGEFIELD, CONNECTICUT**  
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**Police Employees**

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

**Board of Education - Non-Certified Employees**

The cost per month for Board of Education employees receiving medical coverage is \$960 per month for retiree only coverage and \$1,838 per month for retiree and spouse coverage to age 65, and \$247 and \$494 per month, respectively, thereafter.

**Employer Contributions**

Employer contributions to the plan of \$2,297,000 were made in accordance with actuarially determined requirements. Of this amount \$1,737,000 represents premium payments and \$560,000 was contributed to prefund benefits.

**Investments**

**Investment Policy**

The RHP Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Commission who has responsibility for selecting and hiring investment organizations and monitoring their results. The Pension Commission's goal is to have a broadly diversified portfolio of assets allocated in a manner that that is intended to achieve the stated return objective. The Pension Commission is responsible for investing the assets of the RHP. To that end, it has hired Vanguard Institutional Advisory Services (Vanguard) to determine the asset allocation and the specific assets in which the RHP funds will be invested. The Pension Commission oversees Vanguard's allocations and investments and provides it with comments during quarterly meetings.

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 5.74%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

During the year, the Town implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The components of the net OPEB liability of the Town at June 30, 2017, were as follows:

Total OPEB liability	\$	26,587,986
Plan fiduciary net position		<u>3,978,174</u>
Net OPEB Liability	\$	<u><u>22,609,812</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		14.96%

The Town's net OPEB liability will be required to be recorded on the government-wide financial statement of net position at June 30, 2018.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2015 (and rolled forward to June 30, 2017) using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Salary increases	3%, average, including inflation
Investment rate of return	6.75%
Healthcare cost trend rates	8.00% (decreasing 0.5% each year)

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table to the measurement date with Scale MP-2015.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2015.

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 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equities	28.00%	5.90%
Non-U.S. Equities (unhedged)	28.00%	6.30%
U.S. Bonds	6.00%	1.60%
Non-U.S. Bonds (hedged)	6.00%	1.10%
Intermediate-Term Credit Bonds	7.00%	2.20%
Short-Term Credit Bonds	12.00%	1.90%
TIPS - Short-Term	5.00%	0.70%
REITs	8.00%	4.70%
Total	100.00%	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. 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.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
Net OPEB liability as of June 30, 2017	\$ 25,759,104	\$ 22,609,812	\$ 19,961,739

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (9.00 percent increasing to 6.00 percent) than the current healthcare cost trend rates:

	<b>1% Decrease in (7.00% decreasing to 4.00%)</b>	<b>Health cost Trend Rates Current (8.00% decreasing to 5.00%)</b>	<b>1% Increase in (9.00% decreasing to 6.00%)</b>
Net OPEB liability as of June 30, 2017	\$ 19,254,237	\$ 22,609,812	\$ 26,647,894

**Annual OPEB Cost and Net OPEB Obligations**

The Town of Ridgefield's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

	<b>Retiree Health Plan</b>
Annual required contribution (ARC)	\$ 1,921,000
Interest on net OPEB obligation	71,000
Adjustment to annual required contribution	<u>(68,000)</u>
Annual OPEB cost (expense)	1,924,000
Contributions made	<u>2,297,000</u>
Change in net OPEB obligation	(373,000)
Net OPEB obligation, beginning of year	<u>1,054,000</u>
Net OPEB Obligation, End of Year	<u><u>\$ 681,000</u></u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2017, 2016 and 2015 are presented below.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 1,884,000	\$ 1,898,000	100.74	\$ 1,253,000
6/30/2016	1,961,000	2,160,000	110.15	1,054,000
6/30/2017	1,924,000	2,297,000	119.00	681,000

**Schedule of Funding Progress**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2011	\$ 629,000	\$ 21,844,000	\$ 21,215,000	\$ 2.88 %	\$ 52,746,000	40.22%
7/1/2013	1,746,000	23,054,000	21,308,000	7.57	57,316,000	37.18%
7/1/2015	2,732,000	25,057,000	22,325,000	10.90	61,700,000	36.18%

**Schedule of OPEB Net Position**

	<u>OPEB Trust Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,922
Investments	<u>3,976,252</u>
Total assets	<u>3,978,174</u>
Net Position	<u>\$ 3,978,174</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**Schedule of Changes in OPEB Net Position**

Additions:	
Contributions:	
Employer	\$ 2,297,418
TRB Subsidy	<u>233,543</u>
Total additions	<u>2,530,961</u>
Net investment income:	
Net change in fair value of investments	115,917
Interest and dividends	<u>99,809</u>
	215,726
Less investment expense	<u>(2,478)</u>
Net investment income	<u>213,248</u>
Total additions	2,744,209
Deductions:	
Benefits	<u>1,970,927</u>
Change in Net Position	773,282
Net Position at Beginning of Year	<u>3,204,892</u>
Net Position at End of Year	<u>\$ 3,978,174</u>

**5. TAX ABATEMENTS**

In accordance with Title XII Section 12-65b of the Connecticut General Statutes, the Town of Ridgefield provides abatements on assessment increases attributable to construction or improvements to real property or air space within the Town. The property must be not less than 500,000 square feet of office and/or manufacturing space and construction costs or improvements shall not have a value less than \$75,000,000 or personal property purchases less than \$50,000,000. The abatement received will be 85% of the increased assessment for a period not to exceed 7 years. On June 13, 2017 the Town entered into one agreement under this program. The amount of revenue reduced during the fiscal year for this abatement was \$1,052,306.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**6. OTHER INFORMATION**

**A. Risk Management**

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

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

A schedule of changes in the claims liability for heart and hypertension and workers' compensation judgments for the years ended June 30, 2017 and 2016, is presented below:

		<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>		<b>Accrued Liability Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
2017-16	\$	-	\$ 86,032	\$	86,032	\$	-
2016-15		-	57,778		57,778		-

**B. Commitments and Litigation**

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

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

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

## **Required Supplementary Information**

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:					
Property taxes	\$ 125,041,793	\$	\$ 125,041,793	\$ 126,422,043	\$ 1,380,250
Interest and lien fees	450,000		450,000	836,318	386,318
Telephone tax	77,000		77,000	78,861	1,861
Total property taxes	<u>125,568,793</u>	<u>-</u>	<u>125,568,793</u>	<u>127,337,222</u>	<u>1,768,429</u>
Intergovernmental:					
Education cost sharing	1,990,475		1,990,475	1,116,985	(873,490)
School transportation grants	1,994		1,994		(1,994)
Elderly circuit freeze	60,000		60,000	55,022	(4,978)
Mashantucket/Mohegan fund grant	14,180		14,180	14,143	(37)
Paid in lieu of taxes				2,087	2,087
Municipal revenue sharing bonus pool	561,986		561,986	561,986	-
Miscellaneous	80,000		80,000	80,597	597
Total intergovernmental	<u>2,708,635</u>	<u>-</u>	<u>2,708,635</u>	<u>1,830,820</u>	<u>(877,815)</u>
Charges for Services:					
Town Clerk's fees including conveyance taxes	957,000		957,000	1,080,628	123,628
Building, plumbing and electrical permits	526,000		526,000	470,028	(55,972)
Planning and zoning commission	85,000		85,000	58,404	(26,596)
Water and septic permits and fees	50,000		50,000	53,432	3,432
Highway permits	7,000		7,000	5,500	(1,500)
Solid waste facility	15,000		15,000	6,620	(8,380)
Parking Authority	52,500		52,500	58,400	5,900
Police Department	185,000	100,000	285,000	342,804	57,804
Fire Department	828,000		828,000	849,365	21,365
Golf course	1,325,000		1,325,000	1,343,157	18,157
Parks and recreation	3,172,302	55,000	3,227,302	3,296,900	69,598
Out of town tuition	140,000		140,000	120,236	(19,764)
Utilities and fuel	237,000		237,000	225,569	(11,431)
Rental of Town property	854,857		854,857	839,508	(15,349)
Total charges for services	<u>8,434,659</u>	<u>155,000</u>	<u>8,589,659</u>	<u>8,750,551</u>	<u>160,892</u>
Investment Income	<u>66,000</u>		<u>66,000</u>	<u>207,024</u>	<u>141,024</u>
Miscellaneous	<u>255,000</u>		<u>255,000</u>	<u>333,728</u>	<u>78,728</u>
Total revenues	<u>137,033,087</u>	<u>155,000</u>	<u>137,188,087</u>	<u>138,459,345</u>	<u>1,271,258</u>
Other Financing Sources:					
Utilization of fund balance	1,950,000		1,950,000		(1,950,000)
Transfers in:					
Sewer operating fund	30,000		30,000	30,000	-
Total other financing sources	<u>1,980,000</u>	<u>-</u>	<u>1,980,000</u>	<u>30,000</u>	<u>(1,950,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 139,013,087</u>	<u>\$ 155,000</u>	<u>\$ 139,168,087</u>	<u>138,489,345</u>	<u>\$ (678,742)</u>

Budgetary revenues are different than GAAP revenues because:

Turf field fund revenues not budgeted for - combination of fund for GASB 54 purposes	1,175
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	16,281,314
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.	(151,867)
Transfers in to the capital nonrecurring funds that were budgeted as a credit to debit service expenditures	25,439
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	1,620,434

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

\$ 156,265,840



**TOWN OF RIDGEFIELD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual			Variance with Final Budget
				Expenditures	Encumbrances	Total	
General Government:							
Selectmen	\$ 384,301	\$	\$ 384,301	\$ 382,243	\$	\$ 382,243	\$ 2,058
Board of Finance	81,896		81,896	79,206		79,206	2,690
Legal counsel	199,800	50,000	249,800	248,294		248,294	1,506
Administrative support services	266,700		266,700	264,259		264,259	2,441
Department of Finance	450,881		450,881	431,853		431,853	19,028
Data processing	464,636		464,636	464,536		464,536	100
Registrars	133,434	16,000	149,434	148,154		148,154	1,280
Assessor	380,400		380,400	374,633		374,633	5,767
Tax Collector	224,128		224,128	218,453		218,453	5,675
Town Treasurer	30,891		30,891	30,647		30,647	244
Town Clerk	270,901		270,901	249,164		249,164	21,737
Planning and zoning	345,722		345,722	318,642		318,642	27,080
Zoning board of appeals	73,664		73,664	69,229		69,229	4,435
Building Department	222,098		222,098	222,097		222,097	1
Probate court	6,620		6,620	5,266		5,266	1,354
Conservation Commission	33,847		33,847	32,020		32,020	1,827
Commissions and Committees	57,150		57,150	55,772		55,772	1,378
Insurance and benefits	7,906,107		7,906,107	7,643,682		7,643,682	262,425
Miscellaneous	26,000		26,000	26,000		26,000	-
Total general government	11,559,176	66,000	11,625,176	11,264,150	-	11,264,150	361,026
Health and Welfare:							
Health department	240,874		240,874	228,993		228,993	11,881
Social services	220,608		220,608	220,404		220,404	204
Total health and welfare	461,482	-	461,482	449,397	-	449,397	12,085
Community Grants	248,935		248,935	248,935		248,935	-
Parks and Recreation:							
Parks and recreation	3,578,375	15,000	3,593,375	3,590,254		3,590,254	3,121
Tree care	262,343		262,343	261,950		261,950	393
Golf course	1,036,244		1,036,244	1,010,635		1,010,635	25,609
Athletic fields	505,795		505,795	448,861		448,861	56,934
School grounds	435,571		435,571	428,433		428,433	7,138
Total parks and recreation	5,818,328	15,000	5,833,328	5,740,133	-	5,740,133	93,195
Public Safety:							
Police Department	5,266,827	(43,100)	5,223,727	5,109,886		5,109,886	113,841
Fire Department	4,210,106		4,210,106	4,205,707		4,205,707	4,399
Parking Authority	39,483		39,483	34,899		34,899	4,584
Emergency management	5,000		5,000	4,972		4,972	28
Animal control	92,057		92,057	77,134		77,134	14,923
Total public safety	9,613,473	(43,100)	9,570,373	9,432,598	-	9,432,598	137,775
Public Works:							
Highway Department	2,946,617	15,000	2,961,617	2,844,968		2,844,968	116,649
Roads/ADA - CP Financing	1,875,000		1,875,000	1,459,883	413,438	1,873,321	1,679
Town buildings	789,087	25,000	814,087	798,754		798,754	15,333
Utilities	873,735	77,100	950,835	937,153		937,153	13,682
Solid waste	61,750		61,750	60,416		60,416	1,334
School buildings	55,800		55,800	55,621		55,621	179
Total public works	6,601,989	117,100	6,719,089	6,156,795	413,438	6,570,233	148,856

(Continued on next page)

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual			Variance with Final Budget
				Expenditures	Encumbrances	Total	
Contingency	\$ 61,200	\$ -	\$ 61,200	\$ 47,824	\$ 12,676	\$ 60,500	\$ 700
Education:							
Certified salaries	45,010,635	(497,907)	44,512,728	44,518,392		44,518,392	(5,664)
Noncertified salaries	10,551,358	49,764	10,601,122	10,600,743		10,600,743	379
Fringe benefits	17,239,511	(506,974)	16,732,537	16,639,690	2,579	16,642,269	90,268
Professional services	3,047,396	512,856	3,560,252	3,408,356	97,740	3,506,096	54,156
Utility services - sewer and water	161,103	12,051	173,154	165,481	7,673	173,154	
Equipment repair and maintenance	552,986	112,705	665,691	514,997	116,421	631,418	34,273
Building repairs	1,514,911	158,948	1,673,859	1,522,721	143,844	1,666,565	7,294
Transportation services	5,183,425	(262,150)	4,921,275	4,862,483	38,303	4,900,786	20,489
Insurance - property and liability	343,194	36,276	379,470	379,470		379,470	
Communications - telephone	294,641	(26,255)	268,386	242,184	25,992	268,176	210
Advertising services	8,000	(4,364)	3,636	3,636		3,636	
Printing services	37,642	(18,135)	19,507	14,255	5,252	19,507	
Food management services	37,000		37,000	12,409	21,081	33,490	3,510
Travel, mileage and training	145,497	(16,567)	128,930	119,660	5,817	125,477	3,453
Other purchased services	23,216	(2,416)	20,800	18,943	2,790	21,733	(933)
Tuition - out of district facilities	1,074,581	410,299	1,484,880	1,402,077	76,701	1,478,778	6,102
Supplies and materials	1,323,931	45,488	1,369,419	1,285,572	74,728	1,360,300	9,119
Energy - electricity, gas and fuel	1,995,807	(120,062)	1,875,745	1,876,369	5,202	1,881,571	(5,826)
Books	459,213	(25,841)	433,372	396,410	33,437	429,847	3,525
Equipment	171,131	199,380	370,511	253,704	114,431	368,135	2,376
Dues and fees - memberships	94,051	(26,145)	67,906	67,906		67,906	
Miscellaneous	89,963	(30,951)	59,012	58,078	565	58,643	369
Athletics program	1,015,037		1,015,037	1,015,037		1,015,037	
Total education	90,374,229	-	90,374,229	89,378,573	772,556	90,151,129	223,100
Library	1,910,455		1,910,455	1,910,455		1,910,455	-
Debt Service	12,060,320		12,060,320	12,060,310		12,060,310	10
Total expenditures	138,709,587	155,000	138,864,587	136,689,170	1,198,670	137,887,840	976,747
Other Financing Uses:							
Transfers out:							
Tiger Hollow Fund	63,000		63,000	63,000		63,000	-
Heart and Hypertension Fund	65,000		65,000	65,000		65,000	-
Youth Barn	65,000		65,000	65,000		65,000	-
Revaluation Fund	110,500		110,500	110,500		110,500	-
Total other financing uses	303,500	-	303,500	303,500	-	303,500	-
Total Expenditures and Other Financing Uses	\$ 139,013,087	\$ 155,000	\$ 139,168,087	\$ 136,992,670	\$ 1,198,670	138,191,340	\$ 976,747

Budgetary expenditures are different than GAAP expenditures because:

Revaluation fund expenses not budgeted for - combination of fund for GASB 54 purposes	164,304
Transfers to the revaluation and turf field funds that are collapsed under GASB 54 - not a GAAP expenditure	(110,500)
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	16,281,314
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for GAAP financial reporting purposes.	(1,198,670)
Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes.	888,380
Transfers in to the capital nonrecurring funds that were budgeted as a credit to debit service expenditures.	25,439
The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	1,620,434

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

\$ 155,862,041

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**TOWN PENSION PLAN**  
**SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS**  
**LAST FOUR FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability:				
Service cost	\$ 1,447,332	\$ 1,469,904	\$ 1,543,202	\$ 1,439,793
Interest	2,840,427	3,122,207	3,092,338	3,661,312
Differences between expected and actual experience	221	1,585,644	329,208	798,073
Changes of assumptions		711,684	(436,794)	(862,615)
Benefit payments, including refunds of member contributions	<u>(1,288,272)</u>	<u>(1,384,009)</u>	<u>(1,475,202)</u>	<u>(1,672,858)</u>
Net change in total pension liability	2,999,708	5,505,430	3,052,752	3,363,705
Total pension liability - beginning	<u>42,080,401</u>	<u>45,080,109</u>	<u>50,585,539</u>	<u>53,638,291</u>
Total pension liability - ending	<u>45,080,109</u>	<u>50,585,539</u>	<u>53,638,291</u>	<u>57,001,996</u>
Plan fiduciary net position:				
Contributions - employer	1,550,489	1,594,234	1,709,440	1,507,842
Contributions - member	240,371	253,567	249,518	249,239
Net investment income	7,963,970	433,446	300,620	6,099,575
Benefit payments, including refunds of member contributions	<u>(1,288,272)</u>	<u>(1,384,009)</u>	<u>(1,475,202)</u>	<u>(1,672,858)</u>
Administrative expense	<u>(33,036)</u>	<u>(30,601)</u>	<u>(37,252)</u>	<u>(48,725)</u>
Other	<u>390,274</u>			
Net change in plan fiduciary net position	8,823,796	866,637	747,124	6,135,073
Plan fiduciary net position - beginning	<u>41,406,306</u>	<u>50,230,102</u>	<u>51,096,739</u>	<u>51,843,863</u>
Plan fiduciary net position - ending	<u>50,230,102</u>	<u>51,096,739</u>	<u>51,843,863</u>	<u>57,978,936</u>
Net Pension (Asset) Liability - Ending	\$ <u>(5,149,993)</u>	\$ <u>(511,200)</u>	\$ <u>1,794,428</u>	\$ <u>(976,940)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.42%	101.01%	96.65%	101.71%
Covered-employee payroll	\$ 14,309,518	\$ 14,219,170	\$ 13,301,228	\$ 13,160,842
Net pension (asset) liability as a percentage of covered-employee payroll	-35.99%	-3.60%	13.49%	-7.42%

Notes to Schedule:

*Changes of assumptions.* In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

*Changes of assumptions.* In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 Blue Collar Male and Female Pre- and Post-Retirement Mortality Tables for purposes of developing mortality rates.

*Changes of assumptions.* In 2017, salary increases were reduced from 3.25% to 3.00%

This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT  
FIREFIGHTERS UNION PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS  
LAST FOUR FISCAL YEARS**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total pension liability:				
Service cost	\$ 279,175	\$ 287,805	\$ 305,631	\$ 297,527
Interest	1,062,259	1,118,848	1,175,734	1,219,442
Differences between expected and actual experience	24,583	(160,952)	29,731	(78,254)
Changes of assumptions		127,273	(243,324)	(155,226)
Benefit payments, including refunds of member contributions	(520,379)	(568,834)	(548,575)	(675,734)
Net change in total pension liability	845,638	804,140	719,197	607,755
Total pension liability - beginning	15,737,168	16,582,806	17,386,946	18,106,143
Total pension liability - ending	16,582,806	17,386,946	18,106,143	18,713,898
Plan fiduciary net position:				
Contributions - employer	427,271	391,809	353,931	271,519
Contributions - member	107,813	110,292	108,610	105,470
Net investment income	2,745,052	146,879	100,180	2,000,068
Benefit payments, including refunds of member contributions	(520,379)	(568,834)	(548,575)	(675,734)
Administrative expense	(11,387)	(10,369)	(12,414)	(15,977)
Net change in plan fiduciary net position	2,748,370	69,777	1,732	1,685,346
Plan fiduciary net position - beginning	14,409,620	17,157,990	17,227,767	17,229,499
Plan fiduciary net position - ending	17,157,990	17,227,767	17,229,499	18,914,845
Net Pension (Asset) Liability - Ending	\$ (575,184)	\$ 159,179	\$ 876,644	\$ (200,947)
Plan fiduciary net position as a percentage of the total pension liability	103.47%	99.08%	95.16%	101.07%
Covered-employee payroll	\$ 1,631,953	\$ 1,691,743	\$ 1,655,514	\$ 1,662,933
Net pension (asset) liability as a percentage of covered-employee payroll	-35.25%	9.41%	52.95%	-12.08%

**Notes to Schedule:**

*Changes of assumptions.* In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

*Changes of assumptions.* In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 Blue Collar Male and Female Pre- and Post-Retirement Mortality Tables for purposes of developing mortality rates.

This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**POLICE UNION PENSION PLAN**  
**SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS**  
**LAST FOUR FISCAL YEARS**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total pension liability:				
Service cost	\$ 522,253	\$ 525,652	\$ 526,306	\$ 536,936
Interest	1,744,572	1,825,216	1,929,739	1,995,723
Differences between expected and actual experience	(258,928)	344,394	160,007	219,291
Changes of assumptions		198,703	(505,637)	(255,090)
Benefit payments, including refunds of member contributions	(1,043,728)	(1,073,671)	(1,135,109)	(1,151,891)
Net change in total pension liability	964,169	1,820,294	975,306	1,344,969
Total pension liability - beginning	25,845,511	26,809,680	28,629,974	29,605,280
Total pension liability - ending	26,809,680	28,629,974	29,605,280	30,950,249
Plan fiduciary net position:				
Contributions - employer	700,325	666,957	661,629	507,570
Contributions - member	194,230	197,840	195,006	201,517
Net investment income	4,548,876	239,025	162,498	3,230,569
Benefit payments, including refunds of member contributions	(1,043,728)	(1,073,671)	(1,135,109)	(1,151,891)
Administrative expense	(18,870)	(16,874)	(20,136)	(25,807)
Other	(390,274)		-	
Net change in plan fiduciary net position	3,990,559	13,277	(136,112)	2,761,958
Plan fiduciary net position - beginning	23,968,523	27,959,082	27,972,359	27,836,247
Plan fiduciary net position - ending	27,959,082	27,972,359	27,836,247	30,598,205
Net Pension (Asset) Liability - Ending	\$ <u>(1,149,402)</u>	\$ <u>657,615</u>	\$ <u>1,769,033</u>	\$ <u>352,044</u>
Plan fiduciary net position as a percentage of the total pension liability	104.29%	97.70%	94.02%	98.86%
Covered-employee payroll	\$ 2,786,130	\$ 2,725,530	\$ 2,824,325	\$ 2,753,273
Net pension (asset) liability as a percentage of covered-employee payroll	-41.25%	24.13%	62.64%	12.79%

Notes to Schedule:

*Changes of assumptions.* In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

*Changes of assumptions.* In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 Blue Collar Male and Female Pre- and Post-Retirement Mortality Tables for purposes of developing mortality rates.

This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - TOWN PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 1,426,783	\$ 1,693,900	\$ 1,452,534	\$ 1,468,009	\$ 1,454,663	\$ 1,522,605	\$ 1,573,625	\$ 1,556,663	\$ 1,399,891	\$ 1,208,388
Contributions in relation to the actuarially determined contribution	<u>1,507,842</u>	<u>1,709,440</u>	<u>1,594,234</u>	<u>1,550,489</u>	<u>1,589,725</u>	<u>1,553,553</u>	<u>1,523,632</u>	<u>1,543,653</u>	<u>1,270,216</u>	<u>1,176,732</u>
Contribution Deficiency (Excess)	<u>\$ (81,059)</u>	<u>\$ (15,540)</u>	<u>\$ (141,700)</u>	<u>\$ (82,480)</u>	<u>\$ (135,062)</u>	<u>\$ (30,948)</u>	<u>\$ 49,993</u>	<u>\$ 13,010</u>	<u>\$ 129,675</u>	<u>\$ 31,656</u>
Covered-employee payroll	\$ 13,160,842	\$ 13,301,228	\$ 14,219,170	\$ 14,309,518	\$ 14,251,512	\$ 13,535,316	\$ 13,748,035	\$ 13,617,621	\$ 13,459,105	\$ 13,317,463
Contributions as a percentage of covered-employee payroll	11.46%	12.85%	11.21%	10.84%	11.15%	11.48%	11.08%	11.34%	9.44%	8.84%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2017  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	20 years on initial 2014 unfunded liability plus 10-20 for losses thereafter
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	3.00%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Retirement age: Normal Retirement Date

Mortality - Actives / Retirees: RP-2014 Male and Female Pre and Post Retirement Mortality Tables projected generationally using the MP-2016 projection scales

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS UNION PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 274,287	\$ 353,931	\$ 395,562	\$ 392,478	\$ 415,095	\$ 385,234	\$ 418,651	\$ 385,142	\$ 303,518	\$ 256,045
Contributions in relation to the actuarially determined contribution	<u>271,519</u>	<u>350,713</u>	<u>391,809</u>	<u>427,271</u>	<u>436,433</u>	<u>412,385</u>	<u>391,172</u>	<u>367,843</u>	<u>282,314</u>	<u>250,194</u>
Contribution Deficiency (Excess)	<u>\$ 2,768</u>	<u>\$ 3,218</u>	<u>\$ 3,753</u>	<u>\$ (34,793)</u>	<u>\$ (21,338)</u>	<u>\$ (27,151)</u>	<u>\$ 27,479</u>	<u>\$ 17,299</u>	<u>\$ 21,204</u>	<u>\$ 5,851</u>
Covered-employee payroll	\$ 1,662,933	\$ 1,655,514	\$ 1,691,743	\$ 1,631,953	\$ 1,585,620	\$ 1,642,192	\$ 1,716,216	\$ 1,820,999	\$ 1,689,935	\$ 1,710,044
Contributions as a percentage of covered-employee payroll	16.33%	21.18%	23.16%	26.18%	27.52%	25.11%	22.79%	20.20%	16.71%	14.63%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2017  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	20 years on initial 2014 unfunded liability plus 10-20 for losses thereafter
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	3.25%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Date
Mortality - Actives / Retirees	RP-2014- Blue collar adjustment projected generationally with MP-2016

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE UNION PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 547,767	\$ 655,614	\$ 559,327	\$ 643,297	\$ 650,407	\$ 592,451	\$ 658,822	\$ 647,992	\$ 591,988	\$ 533,454
Contributions in relation to the actuarially determined contribution	<u>507,570</u>	<u>661,629</u>	<u>666,957</u>	<u>700,325</u>	<u>683,842</u>	<u>724,062</u>	<u>615,578</u>	<u>618,886</u>	<u>512,470</u>	<u>482,959</u>
Contribution Deficiency (Excess)	<u>\$ 40,197</u>	<u>\$ (6,015)</u>	<u>\$ (107,630)</u>	<u>\$ (57,028)</u>	<u>\$ (33,435)</u>	<u>\$ (131,611)</u>	<u>\$ 43,244</u>	<u>\$ 29,106</u>	<u>\$ 79,518</u>	<u>\$ 50,495</u>
Covered-employee payroll	\$ 2,753,273	\$ 2,824,325	\$ 2,725,530	\$ 2,786,130	\$ 2,772,407	\$ 2,719,721	\$ 2,701,960	\$ 2,950,860	\$ 3,068,170	\$ 2,937,107
Contributions as a percentage of covered-employee payroll	18.44%	23.43%	24.47%	25.14%	24.67%	26.62%	22.78%	20.97%	16.70%	16.44%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2017  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	20 years on initial 2014 unfunded liability plus 10-20 for losses thereafter
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	3.25%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Date
Mortality - Actives / Retirees	RP-2014- Blue collar adjustment projected generationally with MP-2016



**TOWN OF RIDGEFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
DEFINED BENEFIT PENSION PLANS  
LAST FOUR FISCAL YEARS**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense*	18.83%	0.85%	0.62%	11.64%

\*The annual money-weighted rate of return, net of investment expense is identical for the Town, Firefighters and Police Union Pension plans.

This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>149,296,449</u>	<u>112,430,005</u>	<u>103,919,009</u>
Total	<u>\$ 149,296,449</u>	<u>\$ 112,430,005</u>	<u>\$ 103,919,009</u>
Town's covered-employee payroll	\$ 45,168,781	\$ 43,138,957	\$ 39,494,735
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms  
Changes of assumptions

None

During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

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

Actuarial cost method  
Amortization method  
Remaining amortization period  
Asset valuation method  
Investment rate of return

Entry age  
Level percent of salary, closed  
20.4 years  
4-year smoothed market  
8.50%, net of investment related expense

This schedule is intended to show information for ten years.  
Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT  
 RETIREE HEALTH PLAN  
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
 LAST FISCAL YEAR**

	<u><b>2017</b></u>
Total pension liability:	
Service cost	\$ 419,244
Interest	1,724,956
Differences between expected and actual experience	609,405
Benefit payments, including refunds of member contributions	<u>(1,970,927)</u>
Net change in total pension liability	782,678
Total pension liability - beginning	<u>25,805,308</u>
Total pension liability - ending	<u>26,587,986</u>
Plan fiduciary net position:	
Contributions - employer	2,297,418
Contributions - TRB subsidy	233,543
Net investment income	213,248
Benefit payments, including refunds of member contributions	<u>(1,970,927)</u>
Net change in plan fiduciary net position	773,282
Plan fiduciary net position - beginning	<u>3,204,892</u>
Plan fiduciary net position - ending	<u>3,978,174</u>
Net Pension Liability - Ending	<u><u>\$ 22,609,812</u></u>
Plan fiduciary net position as a percentage of the total pension liability	14.96%
Covered-employee payroll	\$ 63,551,000
Net pension liability as a percentage of covered-employee payroll	35.58%

**Notes to Schedule:**

This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF RIDGEFIELD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
RETIREE HEALTH PLAN  
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 1,921,000	\$ 1,942,000	\$ 1,869,000	\$ 2,193,000	\$ 2,059,000	\$ 1,876,000	\$ 1,784,000	\$ 1,630,300	\$ 1,550,400	\$ N/A
Contributions in relation to the actuarially determined contribution	<u>2,297,418</u>	<u>2,160,000</u>	<u>1,898,000</u>	<u>1,780,000</u>	<u>2,105,000</u>	<u>1,774,000</u>	<u>1,578,438</u>	<u>1,382,440</u>	<u>1,213,920</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>\$ (376,418)</u>	<u>\$ (218,000)</u>	<u>\$ (29,000)</u>	<u>\$ 413,000</u>	<u>\$ (46,000)</u>	<u>\$ 102,000</u>	<u>\$ 205,562</u>	<u>\$ 247,860</u>	<u>\$ 336,480</u>	<u>\$ N/A</u>
Covered-employee payroll	\$ 63,551,000	\$ 61,700,000	\$ 61,700,000	\$ 57,316,000	\$ 57,216,000	\$ 52,746,000	\$ 52,746,000	\$ 18,389,480	\$ 18,217,210	\$ N/A
Contributions as a percentage of covered-employee payroll	4%	4%	3%	3%	4%	3%	3%	8%	7%	N/A

N/A Not Available

**TOWN OF RIDGEFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
RETIREE HEALTH PLAN  
LAST FISCAL YEAR**

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**2017**

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Annual money-weighted rate of return, net of investment expense

5.74%

This schedule is intended to show information for ten years.  
Additional information will be added as it becomes available.

## **General Fund**

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

**TOWN OF RIDGEFIELD, CONNECTICUT  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2017**

Grand List Year	Uncollected Taxes July 1, 2016	Current Year Levy	Lawful Corrections		Transfer to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2017
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2000 and prior	\$ 40,420	\$	\$	\$	\$	\$ 40,420	\$ 3,801	\$ 2,978	\$ 6,779	\$ 36,619
2001	23,143			637		22,506	10,057	5,780	15,837	12,449
2002	30,048					30,048	10,994	5,864	16,858	19,054
2003	40,429					40,429	14,727	7,458	22,185	25,702
2004	51,832					51,832	15,258	7,110	22,368	36,574
2005	54,891		82	82		54,891	12,713	5,336	18,049	42,178
2006	89,107					89,107	23,408	11,030	34,438	65,699
2007	106,742					106,742	29,513	15,541	45,054	77,229
2008	115,179					115,179	19,535	11,983	31,518	95,644
2009	187,327					187,327	66,796	33,409	100,205	120,531
2010	289,803					289,803	147,413	94,121	241,534	142,390
2011	325,656		109		866	324,899	162,924	90,516	253,440	161,975
2012	501,285		2,204	1,135	91,434	410,920	224,011	89,641	313,652	186,909
2013	673,092		23,843	24,756	824	671,355	311,493	108,460	419,953	359,862
2014	1,309,924		35,150	96,223	5,058	1,243,793	714,237	109,949	824,186	529,556
Suspense			27,418			27,418	27,418	29,647	57,065	-
Total Prior Year	3,838,878	-	88,806	122,833	98,182	3,706,669	1,794,298	628,823	2,423,121	1,912,371
2015		125,688,724	477,636	451,926	46,769	125,667,665	124,557,363	207,519	124,764,882	1,110,302
Grand Total	\$ 3,838,878	\$ 125,688,724	\$ 566,442	\$ 574,759	\$ 144,951	\$ 129,374,334	\$ 126,351,661	\$ 836,342	\$ 127,188,003	\$ 3,022,673

# Nonmajor Governmental Funds

## **Special Revenue Funds**

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

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

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

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

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

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

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

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

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



## **Nonmajor Governmental Funds (Continued)**

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

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

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

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

## **Permanent Fund**

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

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

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue Funds						
	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous	Tiger Hollow
<b>ASSETS</b>							
Cash and cash equivalents	\$ 553,915	\$ 1,517,872	\$ 113,960	\$ 578,039	\$ 10,760	\$ 344,089	\$ 268,468
Investments							
Receivables, net		87,211		18,658			
Due from other funds							
Other assets				43,129			
Total Assets	<u>\$ 553,915</u>	<u>\$ 1,605,083</u>	<u>\$ 113,960</u>	<u>\$ 639,826</u>	<u>\$ 10,760</u>	<u>\$ 344,089</u>	<u>\$ 268,468</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 5,309	\$ 115,986	\$ 5,070	\$ 339,956	\$	\$	\$ 125,000
Due to other funds				95,098	10,760		
Unearned revenue				435,054	10,760		
Total liabilities	<u>5,309</u>	<u>115,986</u>	<u>5,070</u>	<u>435,054</u>	<u>10,760</u>	<u>-</u>	<u>125,000</u>
Deferred Inflows of Resources:							
Unavailable revenue - other receivables		87,211					
Fund Balances:							
Nonspendable				43,129			
Restricted	548,606		108,890				143,468
Committed		1,401,886		161,643		344,089	
Unassigned							
Total fund balances	<u>548,606</u>	<u>1,401,886</u>	<u>108,890</u>	<u>204,772</u>	<u>-</u>	<u>344,089</u>	<u>143,468</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 553,915</u>	<u>\$ 1,605,083</u>	<u>\$ 113,960</u>	<u>\$ 639,826</u>	<u>\$ 10,760</u>	<u>\$ 344,089</u>	<u>\$ 268,468</u>

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**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue Funds					Permanent Fund Ballard Park Fund	Interfund Elimination	Total Nonmajor Governmental Funds
	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Parking Fund			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,431	\$ 322,924	\$ 554,955	\$ 876	\$ 25,071	\$	\$	\$ 4,298,360
Investments						30,738		30,738
Receivables, net								105,869
Due from other funds					1,120		(1,120)	-
Other assets								43,129
Total Assets	<u>\$ 7,431</u>	<u>\$ 322,924</u>	<u>\$ 554,955</u>	<u>\$ 876</u>	<u>\$ 26,191</u>	<u>\$ 30,738</u>	<u>\$ (1,120)</u>	<u>\$ 4,478,096</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 36	\$ 12,179	\$ 7,150	\$ 16,367	\$ 677	\$	\$	\$ 162,774
Due to other funds						1,120	(1,120)	464,956
Unearned revenue		109,587						215,445
Total liabilities	<u>36</u>	<u>121,766</u>	<u>7,150</u>	<u>16,367</u>	<u>677</u>	<u>1,120</u>	<u>(1,120)</u>	<u>843,175</u>
Deferred Inflows of Resources:								
Unavailable revenue - other receivables								87,211
Fund Balances:								
Nonspendable						25,000		68,129
Restricted		201,158	547,805		25,514	4,618		1,580,059
Committed	7,395							1,915,013
Unassigned				(15,491)				(15,491)
Total fund balances	<u>7,395</u>	<u>201,158</u>	<u>547,805</u>	<u>(15,491)</u>	<u>25,514</u>	<u>29,618</u>	<u>-</u>	<u>3,547,710</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,431</u>	<u>\$ 322,924</u>	<u>\$ 554,955</u>	<u>\$ 876</u>	<u>\$ 26,191</u>	<u>\$ 30,738</u>	<u>\$ (1,120)</u>	<u>\$ 4,478,096</u>

**TOWN OF RIDGEFIELD, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds						
	Town Aid Road	Sewer Operating I, II, and III	Public Safety Donations	Cafeteria	Education Grants	School Miscellaneous	Tiger Hollow
Revenues:							
Intergovernmental	\$ 379,411	\$	\$	\$ 168,871	\$ 978,058	\$	\$
Charges for services		2,019,723		1,911,378		228,303	
Contributions			30,289			189,906	40,516
Income from investments							
Other		12,927					
Total revenues	<u>379,411</u>	<u>2,032,650</u>	<u>30,289</u>	<u>2,080,249</u>	<u>978,058</u>	<u>418,209</u>	<u>40,516</u>
Expenditures:							
Current:							
General government							
Health and welfare							
Parks and recreation							83,860
Public safety			20,930				
Public works	248,437	1,737,289					
Education				1,931,506	978,058	1,417,556	
Total expenditures	<u>248,437</u>	<u>1,737,289</u>	<u>20,930</u>	<u>1,931,506</u>	<u>978,058</u>	<u>1,417,556</u>	<u>83,860</u>
Excess (Deficiency) of Revenues over Expenditures	130,974	295,361	9,359	148,743	-	(999,347)	(43,344)
Other Financing Sources (Uses):							
Transfers in						1,015,037	63,000
Transfers out		(30,000)					
Net other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,037</u>	<u>63,000</u>
Net Change in Fund Balances	130,974	265,361	9,359	148,743	-	15,690	19,656
Fund Balances at Beginning of Year	<u>417,632</u>	<u>1,136,525</u>	<u>99,531</u>	<u>56,029</u>	<u>-</u>	<u>328,399</u>	<u>123,812</u>
Fund Balances at End of Year	<u>\$ 548,606</u>	<u>\$ 1,401,886</u>	<u>\$ 108,890</u>	<u>\$ 204,772</u>	<u>\$ -</u>	<u>\$ 344,089</u>	<u>\$ 143,468</u>

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**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					Permanent Fund Ballard Park Fund	Total Nonmajor Governmental Funds
	Youth Barn	Miscellaneous Grants	Social Services	Solid Waste	Parking Fund		
Revenues:							
Intergovernmental	\$	\$ 45,096	\$ 35,572	\$	\$	\$	\$ 1,607,008
Charges for services		49,339	26,006	223,719	43,902		4,502,370
Contributions	1,329	46,782	227,915				536,737
Income from investments						207	207
Other							12,927
Total revenues	<u>1,329</u>	<u>141,217</u>	<u>289,493</u>	<u>223,719</u>	<u>43,902</u>	<u>207</u>	<u>6,659,249</u>
Expenditures:							
Current:							
General government		159,771				12,529	172,300
Health and welfare	56,766	29,274	204,014				290,054
Parks and recreation		9,102	22,626				115,588
Public safety		2,231					23,161
Public works				249,470	45,683		2,280,879
Education							4,327,120
Total expenditures	<u>56,766</u>	<u>200,378</u>	<u>226,640</u>	<u>249,470</u>	<u>45,683</u>	<u>12,529</u>	<u>7,209,102</u>
Excess (Deficiency) of Revenues over Expenditures	(55,437)	(59,161)	62,853	(25,751)	(1,781)	(12,322)	(549,853)
Other Financing Sources (Uses):							
Transfers in	65,000						1,143,037
Transfers out							(30,000)
Net other financing sources (uses)	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,113,037</u>
Net Change in Fund Balances	9,563	(59,161)	62,853	(25,751)	(1,781)	(12,322)	563,184
Fund Balances at Beginning of Year	<u>(2,168)</u>	<u>260,319</u>	<u>484,952</u>	<u>10,260</u>	<u>27,295</u>	<u>41,940</u>	<u>2,984,526</u>
Fund Balances at End of Year	<u>\$ 7,395</u>	<u>\$ 201,158</u>	<u>\$ 547,805</u>	<u>\$ (15,491)</u>	<u>\$ 25,514</u>	<u>\$ 29,618</u>	<u>\$ 3,547,710</u>

**TOWN OF RIDGEFIELD, CONNECTICUT  
SCHEDULE OF SEWER USE CHARGES  
DISTRICT I  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Year</u>	<u>Uncollected Sewer Use Charges July 1, 2016</u>	<u>Current Year Charges</u>	<u>Adjustments</u>	<u>Adjusted Amount Collectible</u>	<u>Collections</u>	<u>Uncollected Sewer Use Charges June 30, 2017</u>
2007	\$ 293	\$	\$	\$ 293	\$ 293	\$ -
2008	292			292	292	-
2009	389			389	389	-
2010	4,635			4,635	4,635	-
2011	6,971			6,971	6,965	6
2012	8,847			8,847	8,763	84
2013	12,214			12,214	10,814	1,400
2014	16,282		25	16,307	14,105	2,202
2015	17,736			17,736	13,871	3,865
2016	56,065		148	56,213	38,789	17,424
2017		1,518,374	4,587	1,522,961	1,460,079	62,882
Total	\$ 123,724	\$ 1,518,374	\$ 4,760	\$ 1,646,858	\$ 1,558,995	\$ 87,863

**SCHEDULE OF SEWER USE CHARGES  
DISTRICT II  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Year</u>	<u>Uncollected Sewer Use Charges July 1, 2016</u>	<u>Current Year Charges</u>	<u>Adjustments</u>	<u>Adjusted Amount Collectible</u>	<u>Collections</u>	<u>Uncollected Sewer Use Charges June 30, 2017</u>
2011	\$ 166	\$	\$	\$ 166	\$ 166	\$ -
2012	350			350	350	-
2013	700			700	700	-
2014	700			700	700	-
2015	1,212			1,212	1,212	-
2016	2,400			2,400	2,400	-
2017		333,740		333,740	332,284	1,456
Total	\$ 5,528	\$ 333,740	\$ -	\$ 339,268	\$ 337,812	\$ 1,456

**SCHEDULE OF SEWER USE CHARGES  
DISTRICT III  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Year</u>	<u>Uncollected Sewer Use Charges July 1, 2016</u>	<u>Current Year Charges</u>	<u>Adjustments</u>	<u>Adjusted Amount Collectible</u>	<u>Collections</u>	<u>Uncollected Sewer Use Charges June 30, 2017</u>
2015	\$ (49)	\$	\$	\$ (49)	\$ (49)	\$ -
2016	700			700	700	-
2017		27,690		27,690	27,300	390
Total	\$ 651	\$ 27,690	\$ -	\$ 28,341	\$ 27,951	\$ 390

# Internal Service Funds

Internal service funds are used to account for claims involving risk financing activities under GASB Statement No. 10.

**Property and Casualty** - is used to account for property and casualty insurance claims.

**Heart and Hypertension** - is used to account for claims involving heart and hypertension compensation under Connecticut General Statutes.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2017**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Property and Casualty</b>	<b>Heart and Hypertension</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 127,396	\$ 204,936	\$ 332,332
Liabilities:			
Accounts payable	4,549	359	4,908
Net Position:			
Unrestricted	\$ <u>122,847</u>	\$ <u>204,577</u>	\$ <u>327,424</u>



**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Property and Casualty</b>	<b>Heart and Hypertension</b>	<b>Total</b>
Operating Revenues:			
Insurance proceeds	\$ 8,397	\$	\$ 8,397
Operating Expenses:			
Claims incurred	<u>76,694</u>	<u>9,338</u>	<u>86,032</u>
Operating Income (Loss)	(68,297)	(9,338)	(77,635)
Transfers in	<u></u>	<u>65,000</u>	<u>65,000</u>
Change in Net Position	(68,297)	55,662	(12,635)
Net Position at Beginning of Year	<u>191,144</u>	<u>148,915</u>	<u>340,059</u>
Net Position at End of Year	<u>\$ 122,847</u>	<u>\$ 204,577</u>	<u>\$ 327,424</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Property and Casualty</b>	<b>Heart and Hypertension</b>	<b>Total</b>
Cash Flows from Operating Activities:			
Cash received as insurance proceeds	\$ 8,397	\$	\$ 8,397
Cash paid for benefits, claims and administration	<u>(72,145)</u>	<u>(8,979)</u>	<u>(81,124)</u>
Net cash provided by (used in) operating activities	<u>(63,748)</u>	<u>(8,979)</u>	<u>(72,727)</u>
Cash Flows Provided by Noncapital Financing Activities:			
Transfers in	<u></u>	<u>65,000</u>	<u>65,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(63,748)	56,021	(7,727)
Cash and Cash Equivalents at Beginning of Year	<u>191,144</u>	<u>148,915</u>	<u>340,059</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 127,396</u></u>	<u><u>\$ 204,936</u></u>	<u><u>\$ 332,332</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (68,297)	\$ (9,338)	\$ (77,635)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Increase in accounts payable	<u>4,549</u>	<u>359</u>	<u>4,908</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (63,748)</u></u>	<u><u>\$ (8,979)</u></u>	<u><u>\$ (72,727)</u></u>

# Fiduciary Funds

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

## **Trust Funds**

Trust funds are used to account for assets and resources held by the Town in a trust.

**Pension Trust Fund** - The Pension Trust Fund is used to account for the accumulation of resources for pension benefit payments to qualified public employees.

**OPEB Trust Fund** - The OPEB Trust Fund is used to account for the accumulation of resources for other postemployment benefit payments to qualified public employees.

## **Agency Fund**

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

**Student Activities** - is used to account for the public school students' extracurricular activities.

**Performance Bonds** - is used to account for the full performance of contractual obligation bonds.

**Contractor's Driveway Bonds** - is used to account for the full performance of contractual obligations for approved driveway plan bonds.

**Ridgebury Cemetery** - is used to account for the Ridgebury Cemetery organizational funds.

**Open Space Conservation Commission** - is used to account for the Ridgefield Conservation Commission organizational funds.

**Holiday Trust** - is used to account for contributions to support annual holiday events.

**Welcome to Ridgefield Fund** - is used to account for contributions to support the beautification of Main Street landscape.

**McKeon Farm Preservation Trust** - is used to account for contributions to support the effort to preserve McKeon Farm as open space.

**Flexible Spending Account** - is used to account for that portion of employees' earnings that are deducted and used to pay for qualified medical costs on a pre-tax basis.

**Tiger Hollow Scholarship Fund** - is used to account for funds related to college scholarships granted by Tiger Hollow.

**Miscellaneous** - is used to account for various Town organizations with minor activities and account balances.

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**JUNE 30, 2017**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 88,943	\$ 1,922	\$ 90,865
Investments - at fair value:			
Mutual funds:			
Equity	107,673,878	3,976,252	111,650,130
Accounts receivable	6,516		6,516
Other assets:			
Prepaid benefits	<u>304,308</u>		<u>304,308</u>
Total assets	108,073,645	3,978,174	112,051,819
Accounts payable	<u>22,538</u>		<u>22,538</u>
Net Position	<u>\$ 108,051,107</u>	<u>\$ 3,978,174</u>	<u>\$ 112,029,281</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 2,314,015	\$ 2,297,418	\$ 4,611,433
Plan members and other	556,226	233,543	789,769
Total contributions	<u>2,870,241</u>	<u>2,530,961</u>	<u>5,401,202</u>
Net investment income:			
Net change in fair value of investments	8,475,535	115,917	8,591,452
Interest and dividends	3,008,577	99,809	3,108,386
	<u>11,484,112</u>	<u>215,726</u>	<u>11,699,838</u>
Less investment expense	(95,288)	(2,478)	(97,766)
Net investment income	<u>11,388,824</u>	<u>213,248</u>	<u>11,602,072</u>
Total additions	<u>14,259,065</u>	<u>2,744,209</u>	<u>17,003,274</u>
Deductions:			
Benefits	3,500,483	1,970,927	5,471,410
Administration	90,977		90,977
Total deductions	<u>3,591,460</u>	<u>1,970,927</u>	<u>5,562,387</u>
Change in Net Position	10,667,605	773,282	11,440,887
Net Position at Beginning of Year	<u>97,383,502</u>	<u>3,204,892</u>	<u>100,588,394</u>
Net Position at End of Year	<u>\$ 108,051,107</u>	<u>\$ 3,978,174</u>	<u>\$ 112,029,281</u>

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS</b>				
Cash and cash equivalents:				
Student Activities	\$ 477,368	\$ 1,415,581	\$ 1,297,057	\$ 595,892
Performance Bonds	506,721	96,655	290,564	312,812
Contractor's Driveway Bonds	75,000	33,100	31,100	77,000
Open Space Conservation Commission	278,731	34,437		313,168
Holiday Trust Fund	22,048	21,764	25,047	18,765
Welcome to Ridgefield Fund	(3,164)	34,997	38,526	(6,693)
McKeon Farm Preservation Trust	14,111			14,111
Flexible Spending Account	27,090	22,173	26,053	23,210
Tiger Hollow Scholarship Fund	5,100	4		5,104
Miscellaneous	376,665	402,730	409,306	370,089
Total cash and cash equivalents	<u>1,779,670</u>	<u>2,061,441</u>	<u>2,117,653</u>	<u>1,723,458</u>
Investments:				
Ridgebury Cemetery	<u>246,859</u>	<u>2,420</u>	<u>2,426</u>	<u>246,853</u>
Total Assets	<u>\$ 2,026,529</u>	<u>\$ 2,063,861</u>	<u>\$ 2,120,079</u>	<u>\$ 1,970,311</u>
<b>LIABILITIES</b>				
Due to others:				
Student Activities	\$ 477,368	\$ 1,415,581	\$ 1,297,057	\$ 595,892
Performance Bonds	506,721	96,655	290,564	312,812
Contractor's Driveway Bonds	75,000	33,100	31,100	77,000
Ridgebury Cemetery	246,859	2,420	2,426	246,853
Open Space Conservation Commission	278,731	34,437		313,168
Holiday Trust Fund	22,048	21,764	25,047	18,765
Welcome to Ridgefield Fund	(3,164)	34,997	38,526	(6,693)
McKeon Farm Preservation Trust	14,111			14,111
Flexible Spending Account	27,090	22,173	26,053	23,210
Tiger Hollow Scholarship Fund	5,100	4		5,104
Miscellaneous	376,665	402,730	409,306	370,089
Total Liabilities	<u>\$ 2,026,529</u>	<u>\$ 2,063,861</u>	<u>\$ 2,120,079</u>	<u>\$ 1,970,311</u>

## Statistical Section

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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

TABLE 1

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net investment in capital assets	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434	\$ 92,535,842	\$ 93,277,534	\$ 102,182,274	\$ 111,173,490	\$ 115,335,703
Restricted for:										
Permanent fund:										
Expendable	48,444	42,869	41,674	57,753	54,475	41,682	41,773	41,861	41,940	29,618
Unrestricted	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426	19,051,251	20,978,070	29,132,923	28,964,190	27,333,326
Total Governmental Activities										
Net Position	\$ <u>81,418,217</u>	\$ <u>86,094,480</u>	\$ <u>91,421,730</u>	\$ <u>96,010,505</u>	\$ <u>108,401,335</u>	\$ <u>111,628,775</u>	\$ <u>114,297,377</u>	\$ <u>131,357,058</u>	\$ <u>140,179,620</u>	\$ <u>142,698,647</u>
Primary Government:										
Net investment in capital assets	\$ 62,909,126	\$ 68,136,764	\$ 75,686,053	\$ 79,350,980	\$ 82,564,434	\$ 92,535,842	\$ 93,277,534	\$ 102,182,274	\$ 111,173,490	\$ 115,335,703
Restricted	48,444	42,869	41,674	57,753	54,475	41,682	41,773	41,861	41,940	29,618
Unrestricted	18,460,647	17,914,847	15,694,003	16,601,772	25,782,426	19,051,251	20,978,070 *	29,132,923 *	28,964,190	27,333,326
Total Primary Government										
Net Position	\$ <u>81,418,217</u>	\$ <u>86,094,480</u>	\$ <u>91,421,730</u>	\$ <u>96,010,505</u>	\$ <u>108,401,335</u>	\$ <u>111,628,775</u>	\$ <u>114,297,377</u>	\$ <u>131,357,058</u>	\$ <u>140,179,620</u>	\$ <u>142,698,647</u>

\* As restated



TABLE 2

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 4,980,763	\$ 7,001,880	\$ 7,558,307	\$ 4,485,127	\$ 5,080,033	\$ 5,547,382	\$ 7,239,708	\$ 5,292,556	\$ 6,326,206	\$ 6,770,190
Health and welfare	1,076,389	946,811	814,918	813,904	854,954	766,590	1,128,544	754,921	1,123,295	1,452,127
Recreation	6,973,383	6,742,497	6,299,705	6,904,437	7,062,174	7,270,110	7,558,077	7,377,584	7,395,346	7,767,589
Public safety	11,351,722	10,781,037	10,891,047	12,266,773	12,233,586	12,854,341	13,142,993	13,044,414	14,199,004	13,689,797
Public works	8,926,118	8,824,842	7,346,310	9,522,503	9,208,835	8,536,286	9,551,580	11,059,992	11,555,748	11,211,844
Education	104,833,414	87,303,629	91,142,573	91,081,269	94,281,327	96,137,658	99,372,877	101,157,259	102,626,124	114,269,477
Library	1,610,000	1,642,400	1,642,400	1,682,300	1,685,946	1,584,665	6,716,725	1,789,091	1,833,818	1,910,455
Interest expense	5,361,558	4,810,322	3,914,351	4,014,647	3,655,086	3,304,355	2,813,682	2,512,839	2,501,597	2,055,736
Total Primary Government Expenses	145,113,347	128,053,418	129,609,611	130,770,960	134,061,941	136,001,387	147,524,186	142,988,656	147,561,138	159,127,215
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,839,287	1,235,053	1,346,634	1,405,011	1,880,008	1,648,127	1,780,912	1,652,541	1,473,010	1,639,907
Health and welfare	129,035	151,158	158,125	76,415	73,145	78,782	80,556	84,006	86,723	84,938
Recreation	4,205,128	3,968,287	3,826,202	3,981,291	4,047,108	4,194,262	4,535,460	4,829,262	4,869,215	4,876,052
Public safety	1,153,373	1,272,191	1,213,883	1,101,760	1,137,401	1,213,322	1,384,985	1,371,383	1,347,556	1,260,201
Public works	3,299,671	2,769,637	2,912,354	2,610,381	2,639,730	2,843,994	2,812,681	2,813,339	2,893,823	2,968,188
Education	2,207,114	2,348,860	2,161,821	2,595,245	3,485,665	2,825,214	2,535,127	2,871,106	2,453,087	2,485,486
Operating grants and contributions	31,536,057	11,075,194	12,724,035	13,100,693	13,728,634	15,679,679	17,836,669	15,113,715	15,652,996	21,203,069
Capital grants and contributions	365,589	445,243	121,219	690,743				596,919	764,498	
Total Primary Government Program Revenues	44,735,254	23,265,623	24,464,273	25,561,539	26,991,691	28,483,380	30,966,390	29,332,271	29,540,908	34,517,841
Net Expenses:										
Governmental activities	(100,378,093)	(104,787,795)	(105,145,338)	(105,209,421)	(107,070,250)	(107,518,007)	(116,557,796)	(113,656,385)	(118,020,230)	(124,609,374)
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	104,397,451	107,950,909	109,369,264	112,078,692	114,105,779	113,078,138	117,235,686	122,270,035	121,686,269	126,062,965
Grants and contributions not restricted to specific programs	845,721	690,850	744,776	731,357	867,242	706,590	241,212	758,791	639,721	636,777
Gain on sale of capital assets		42,734		25,549					4,300,000	
Investment income	911,853	295,397	90,470	79,161	69,732	49,688	68,309	67,400	106,824	216,887
Miscellaneous	178,566	65,864	313,640	148,443	4,418,333	48,768	1,681,191	207,702	109,978	211,772
Total governmental activities	106,333,591	109,045,754	110,518,150	113,063,202	119,461,086	113,883,184	119,226,398	123,303,928	126,842,792	127,128,401
Change in Net Position	\$ 5,955,498	\$ 4,257,959	\$ 5,372,812	\$ 7,853,781	\$ 12,390,836	\$ 6,365,177	\$ 2,668,602	\$ 9,647,543	\$ 8,822,562	\$ 2,519,027

TABLE 3

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

	FISCAL YEAR									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
General fund:										
Reserved	\$ 799,156	\$ 762,120	\$ 419,421	\$	\$	\$	\$	\$	\$	\$
Designated for subsequent year's budget	1,200,000	1,000,000	450,000							
Unreserved and undesignated	7,904,484	7,826,306	8,417,747							
Assigned				1,226,175	4,116,077	2,941,188	3,158,728	3,228,924	3,000,480	2,998,670
Unassigned				9,048,490	11,507,184	11,709,896	12,897,561	13,270,579	14,074,534	14,480,143
Total General Fund	<u>\$ 9,903,640</u>	<u>\$ 9,588,426</u>	<u>\$ 9,287,168</u>	<u>\$ 10,274,665</u>	<u>\$ 15,623,261</u>	<u>\$ 14,651,084</u>	<u>\$ 16,056,289</u>	<u>\$ 16,499,503</u>	<u>\$ 17,075,014</u>	<u>\$ 17,478,813</u>
All other governmental funds:										
Reserved	\$ 1,147,242	\$ 1,620,451	\$ 1,916,393	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	1,870,865	1,586,791	1,376,629							
Capital projects funds	(719,392)	(3,544,178)	(5,967,946)							
Permanent funds	23,444	15,368	15,938							
Nonspendable						23,886	36,568	32,258	42,709	68,129
Restricted				1,128,427	1,079,006	1,630,657	1,647,461	1,441,636	4,208,672	1,864,968
Committed				2,316,294	2,878,258	1,930,587	2,325,461	3,215,991	3,460,761	3,363,805
Unassigned				(599,191)	(11,307,731)	(3,751,893)	(3,410,135)	(6,267,884)	(2,168)	(368,579)
Total All Other Governmental Funds	<u>\$ 2,322,159</u>	<u>\$ (321,568)</u>	<u>\$ (2,658,986)</u>	<u>\$ 2,845,530</u>	<u>\$ (7,350,467)</u>	<u>\$ (166,763)</u>	<u>\$ 599,355</u>	<u>\$ (1,577,999)</u>	<u>\$ 7,709,974</u>	<u>\$ 4,928,323</u>

\*Note: The Town implemented GASB 54 during 2011.

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property taxes	\$ 104,080,550	\$ 107,419,676	\$ 109,378,457	\$ 111,206,601	\$ 113,029,057	\$ 113,464,133	\$ 116,757,863	\$ 121,797,734	\$ 122,758,353	\$ 127,337,222
Intergovernmental	31,610,291	11,735,668	13,148,682	14,079,840	14,133,293	15,491,612	17,207,634	15,579,550	16,028,947	21,339,576
Charges for services	12,437,141	11,984,238	11,747,758	11,889,261	13,366,884	12,719,811	13,241,517	13,745,808	13,210,106	13,444,196
Contributions	1,158,152	496,696	459,573	447,800	463,980	899,729	870,247	829,875	644,293	536,737
Interest and investment income	869,627	288,985	89,702	79,160	69,732	49,636	68,301	67,400	106,824	216,887
Other	216,475	169,490	257,383	303,127	4,458,189	121,308	1,719,937	267,702	4,794,978	211,772
Total revenues	150,372,236	132,094,753	135,081,555	138,005,789	145,521,135	142,746,229	149,865,499	152,288,069	157,543,501	163,086,390
Expenditures:										
Current:										
General government	9,582,204	9,533,790	10,042,185	10,399,600	10,955,041	11,314,409	11,018,400	11,176,665	11,384,794	11,648,578
Health and welfare	927,711	830,407	703,107	642,513	705,628	655,289	695,659	644,406	646,346	739,451
Community grants	224,162	293,100	178,775	204,075	216,675	229,322	225,772	233,625	231,294	248,935
Recreation	5,145,899	5,252,263	4,771,092	5,054,088	5,194,679	5,550,156	5,933,736	5,761,086	5,743,452	5,855,721
Public safety	8,098,038	8,339,019	8,207,636	8,365,740	8,376,538	8,715,521	9,019,151	9,055,973	9,169,151	9,456,427
Public works	6,037,325	6,208,517	5,807,367	5,876,015	5,838,627	5,926,346	6,768,034	8,772,892	8,924,837	8,661,325
Education	102,647,607	84,980,715	87,995,339	88,812,606	92,779,775	94,801,380	97,411,126	99,672,413	100,927,253	111,256,465
Library	1,610,000	1,642,400	1,642,400	1,682,300	1,685,946	1,584,665	1,716,725	1,789,091	1,833,818	1,910,455
Debt service:										
Principal	8,479,970	9,437,910	11,042,788	10,815,982	10,432,461	9,883,836	9,837,729	10,028,202	9,023,685	8,905,000
Interest	5,502,546	5,450,183	3,495,998	3,902,122	3,915,480	3,555,423	3,658,296	3,182,269	3,043,872	2,856,800
Bennett's pond settlement										
Capital outlay	5,018,365	3,837,148	4,312,674	4,309,975	10,735,186	5,558,317	10,421,400	4,599,885	7,469,534	4,166,635
Total expenditures	153,273,827	135,805,452	138,199,361	140,065,016	150,836,036	147,774,664	156,706,028	154,916,507	158,398,036	165,705,792
Deficiency of Revenues over Expenditures	(2,901,591)	(3,710,699)	(3,117,806)	(2,059,227)	(5,314,901)	(5,028,435)	(6,840,529)	(2,628,438)	(854,535)	(2,619,402)
Other Financing Sources (Uses):										
Payment to refunded bond escrow agent		(31,378,050)		(35,639,464)			(11,237,245)			
Premium on refunding bonds		2,981,845		3,631,170			1,131,311			
Refunding bonds		28,635,000		32,225,000			10,240,000			
Issuance of bonds	9,640,000			6,385,000		10,600,000	8,170,000		9,715,000	
Premium on issuance of bonds				514,299		272,462	332,786		528,019	
Issuance of drinking water loans				529,288						
Issuance of capital lease	713,700	512,963	479,130	496,084	510,000	510,000	440,000		540,000	306,550
Proceeds from sale of assets								959,298		
Transfers in	2,648,233	1,421,842	1,450,976	1,637,736	1,126,320	1,754,540	1,279,716	1,194,443	1,544,181	2,348,476
Transfers out	(2,648,233)	(1,421,842)	(1,450,976)	(1,664,736)	(1,168,820)	(1,897,040)	(1,344,716)	(1,259,443)	(1,609,181)	(2,413,476)
Total other financing sources	10,353,700	751,758	479,130	8,114,377	467,500	11,239,962	9,011,852	894,298	10,718,019	241,550
Net Change in Fund Balances	7,452,109	(2,958,941)	(2,638,676)	6,055,150	(4,847,401)	6,211,527	2,171,323	(1,734,140)	9,863,484	(2,377,852)
Fund Balance at Beginning of Year, or as Restated	4,773,690	12,225,799	9,266,858	7,065,045	13,120,195	8,272,794	14,484,321	16,655,644	14,921,504	24,784,988
Fund Balance at End of Year	\$ 12,225,799	\$ 9,266,858	\$ 6,628,182	\$ 13,120,195	\$ 8,272,794	\$ 14,484,321	\$ 16,655,644	\$ 14,921,504	\$ 24,784,988	\$ 22,407,136
Debit Service as a Percentage to Noncapital Expenditures	9.43%	11.09%	10.72%	10.69%	10.13%	9.42%	8.82%	8.84%	7.95%	7.18%

TABLE 5

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
**amounts presented in thousands**

<b>Fiscal Year</b>	<b>Assessed Property Values</b>			<b>Total Taxable Assessed Value</b>	<b>Mill Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Real</b>	<b>Personal</b>	<b>Tax Exempt</b>				
2008	\$ 5,098,296	\$ 373,702	\$ 33,258	\$ 5,438,740	24.87	\$ 8,031,355	67.72%
2009	5,167,975	363,214	38,220	5,492,969	19.91	7,409,510	74.13%
2010	5,516,832	371,707	72,982	5,815,557	20.00	7,601,307	76.51%
2011	5,552,991	382,940	78,709	5,857,222	20.40	7,509,258	78.00%
2012	5,602,283	399,288	80,666	5,920,905	20.37	6,846,962	86.47%
2013	4,304,007	388,746	73,873	4,618,880	25.38	6,893,850	67.00%
2014	4,381,922	395,256	76,790	4,700,388	26.01	7,238,148	64.94%
2015	4,425,869	423,857	137,980	4,711,746	26.01	7,248,840	65.00%
2016	4,448,564	425,681	133,959	4,740,286	26.69	7,292,748	65.00%
2017	4,478,857	418,926	110,551	4,787,232	27.21	7,364,972	65.00%

Source: Town Assessor's office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.  
The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut,  
Office of Policy and Management.

TABLE 6

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**DIRECT PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Rates per \$1,000 of Assessed Value)**

<b>Fiscal Year</b>	<b>Direct Rates</b>			<b>Overlapping Rates</b>	
	<b>Basic Rate</b>	<b>General Obligation Debt Service</b>	<b>Total Direct</b>	<b>State</b>	<b>County</b>
2008	\$ 21.83	3.04	\$ 24.87	N/A	N/A
2009	17.53	2.38	19.91	N/A	N/A
2010	17.69	2.31	20.00	N/A	N/A
2011	18.09	2.31	20.40	N/A	N/A
2012	18.12	2.25	20.37	N/A	N/A
2013	22.71	2.67	25.38	N/A	N/A
2014	23.34	2.67	26.01	N/A	N/A
2015	23.47	2.54	26.01	N/A	N/A
2016	24.28	2.41	26.69	N/A	N/A
2017	24.84	2.37	27.21	N/A	N/A

TABLE 7

**TOWN OF RIDGEFIELD, CONNECTICUT  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

	2017			2008		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>
Boehringer Ingelheim Pharmaceuticals, Inc.	\$ 309,943,425	1	6.47%	\$ 254,958,366	1	4.69%
Eversource (CL&P)	25,410,590	2	0.53%	10,051,340	8	0.18%
Equity One (Copps Hill)	20,047,510	3	0.42%	37,869,700	2	0.70%
Stephen J. Zemo	13,523,150	4	0.28%			
Ridgefield Professional Building	12,896,770	5	0.27%	11,724,210	4	0.22%
Ridgefield Waterside Properties	12,021,980	6	0.25%			
Flat Rock Corp	11,428,770	7	0.24%	10,876,990	6	0.20%
JMF Realty	10,108,740	8	0.21%			
Harrison Hunter	9,719,428	9	0.20%			
Eureka V., LLC	9,366,880	10	0.20%			
Urstadt Biddle Properties				12,605,670	3	0.23%
Ridgefield Bank				9,888,620	9	0.18%
Irief II (formally CCC of Ridgefield, CT)				10,506,190	7	0.19%
Schlumberger Technical Corporation				11,121,770	5	0.20%
Athena Holdings, LLC				9,098,010	10	0.17%
	<u>\$ 434,467,243</u>		<u>9.08%</u>	<u>\$ 378,700,866</u>		<u>6.96%</u>

Source: Town Assessor's office

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 104,203,399	\$ 103,123,944	98.96%	\$ 774,606	\$ 103,898,550	99.71%
2007	107,467,697	106,190,473	98.81%	822,966	107,013,439	99.58%
2008	108,814,209	107,420,320	98.72%	851,946	108,272,266	99.50%
2009	111,397,853	109,814,265	98.58%	971,574	110,785,839	99.45%
2010	113,330,243	111,582,933	98.46%	1,083,691	112,666,624	99.41%
2011	112,915,443	111,212,321	98.49%	1,006,638	112,218,959	99.38%
2012	116,369,248	114,891,284	98.73%	1,560,953	116,452,237	100.07%
2013	121,462,861	120,015,866	98.81%		121,006,382	98.81%
2014	121,534,941	120,105,602	98.82%		120,819,839	99.41%
2015	125,688,724	125,667,665	99.98%		125,667,665	99.98%

Source: Tax Collector's office and Finance office

TABLE 9

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	General Bonded Debt		Percentage of Actual Taxable Value of Property	Per Capita	Other Government Activities Debt		Total Primary Government Debt (3)	Assessed Value (1)(3)	Population (2)	Per Capita Income (2)	Percentage of Personal Income (2)	Total Long-Term Debt Per Capita
	General Obligation Bonds(3)				Notes Payable (3)	Capital Leases (3)						
2008	\$ 124,582		2.29%	5,040	\$ 2,829	\$ 843	\$ 128,254	\$ 5,438,740	24,720	\$ 75,155	6.90%	\$ 5,188
2009	117,472		2.14%	4,776	2,191	806	120,469	5,492,969	24,595	70,366	6.96%	4,898
2010	107,748		1.85%	4,447	1,541	542	109,831	5,815,557	24,228	70,366	6.44%	4,533
2011	107,289		1.83%	4,352	1,406	505	109,200	5,857,222	24,652	67,076	6.60%	4,430
2012	96,793		1.63%	3,890	692	503	97,988	5,920,905	24,885	74,926	5.26%	3,938
2013	97,210		2.10%	3,881	463	508	98,181	4,618,880	25,045	75,470	5.19%	3,920
2014	95,686		2.04%	3,802	438	462	96,586	4,700,388	25,164	77,342	4.96%	3,838
2015	84,777		1.80%	3,324	415	924	86,116	4,711,746	25,505	76,750	4.40%	3,376
2016	78,360		1.65%	3,104	391	854	79,605	4,740,286	25,244	75,554	4.17%	3,153
2017	69,455		1.45%	2,771	367	565	70,387	4,787,232	25,063	75,650	3.71%	2,808

(1) See Table 5 for taxable property value data

(2) See Table 12 for income and population data. These ratios are calculated using personal income and population for the calendar year.

(3) Amounts expressed in thousands.



**TOWN OF RIDGEFIELD, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)  
FOR THE YEAR ENDED JUNE 30, 2017**

Tax Base:	
Total tax collections	\$ 127,188,003
Reimbursement of Revenue Loss on:	
Elderly tax freeze and homeowners' grants	55,022
Total Base	<u>\$ 127,243,025</u>

	<u>Public Improvement</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 Times Base	\$ 286,296,806	\$	\$	\$	\$
4 1/2 Times Base		572,593,613			
3 3/4 Times Base			477,161,344		
3 1/4 Times Base				413,539,831	
3 Times Base					381,729,075
Total limitations	<u>286,296,806</u>	<u>572,593,613</u>	<u>477,161,344</u>	<u>413,539,831</u>	<u>381,729,075</u>
Indebtedness:					
Bonds outstanding	49,685,815	18,757,720	1,011,465		
Bonds authorized but unissued	4,031,658				
Sewer notes payable					
Less sewer assessments			(386,095)		
Total indebtedness (1)	<u>53,717,473</u>	<u>18,757,720</u>	<u>625,370</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 232,579,333</u>	<u>\$ 553,835,893</u>	<u>\$ 476,535,974</u>	<u>\$ 413,539,831</u>	<u>\$ 381,729,075</u>

Notes: (1) The total of the above indebtedness amounts to: \$ 73,100,563

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 890,701,175

(2) There is no overlapping debt for the Town of Ridgefield.

TABLE 11

**TOWN OF RIDGEFIELD, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 727,968,528	\$ 751,329,068	\$ 766,281,747	\$ 778,274,042	\$ 790,889,505	\$ 793,904,069	\$ 816,623,311	\$ 851,751,488	\$ 858,562,523	\$ 890,701,175
Total net debt applicable to limit	120,421,909	114,044,065	106,508,712	105,088,571	98,829,152	99,096,548	91,600,588	83,055,879	82,912,448	73,100,563
Legal Debt Margin	\$ 607,546,619	\$ 637,285,003	\$ 659,773,035	\$ 673,185,471	\$ 692,060,353	\$ 694,807,521	\$ 725,022,723	\$ 768,695,609	\$ 775,650,075	\$ 817,600,612
Total net debt applicable to the limit as a percentage of debt limit	16.54%	15.18%	13.90%	13.50%	12.50%	12.48%	11.22%	9.75%	9.66%	8.21%

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

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Personal Income (1)</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2008	24,720	\$ 75,155	\$ 1,857,831,600	39	5,591	2.80%
2009	24,595	70,366	1,730,651,770	41	5,480	6.10%
2010	24,228	70,366	1,704,827,448	41	5,400	5.80%
2011	24,652	67,076	1,653,557,552	42	5,377	6.40%
2012	24,885	74,926	1,864,533,510	42	5,312	6.40%
2013	25,045	75,470	1,890,146,150	42	5,233	5.80%
2014	25,164	77,342	1,946,234,088	43	5,263	4.70%
2015	25,505	76,750	1,957,508,750	43	5,194	3.60%
2016	25,244	75,554	1,907,285,176	43	4,996	3.90%
2017	25,063	75,650	1,896,015,950	44	4,972	3.50%

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

- (1) U.S. Bureau of the Census
- (2) Connecticut Economic Resource Center
- (3) Town of Ridgefield, Board of Education
- (4) Connecticut Economic Digest

**TOWN OF RIDGEFIELD, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

	1900			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Boehringer-Ingelheim, Inc.	2,000	1	17.33%	3,025	1	25.99%
Fairfield County Bankcorp	196	2	1.70%	165	3	1.42%
Laurel Ridge Health Care Center	188	3	1.63%	149	4	1.28%
Stop & Shop	155	5	1.34%	145	5	1.25%
Ridgefield Crossings	154	4	1.33%	111	6	0.95%
Adam Broderick Salon & Spa	144	6	1.25%	203	2	1.74%
Ridgefield BMW	98	7	0.85%	50	10	0.43%
Kohl's Department Store	83	8	0.72%	105	7	0.90%
Pamby Motors, Inc.	48	10	0.42%	63	9	0.54%
Ullman Devices, Corp	41	9	0.36%	65	8	0.56%
	<u>3,107</u>		<u>26.93%</u>	<u>4,081</u>		<u>35.06%</u>

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

TABLE 14

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>General government</u>										
Management services	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	27.4	28.9
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.5
Planning	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.5
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
<u>Public Health</u>										
Health	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Social Services	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.6	2.7
<u>Public safety</u>										
Police	46.9	46.9	46.9	46.9	46.9	46.9	46.9	46.9	46.9	48.5
Fire	42.5	42.5	42.5	42.5	42.5	42.5	42.5	42.5	42.5	38.0
Parking	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8	0.8	0.7
Canine	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8
<u>Public works</u>	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	29.0
<u>Public Recreation</u>										
Recreation	38.1	37.1	37.1	37.1	37.1	37.1	37.1	37.1	37.3	50.0
Golf Course	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	14.0
Tree Warden	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<u>Public Education</u>										
Certified	466.0	478.3	469.0	469.0	460.8	460.8	460.8	460.2	462.2	469.8
Non-certified	248.0	233.5	242.0	242.0	231.4	231.4	231.4	248.8	242.7	227.4
<b>Total</b>	<b>928.3</b>	<b>925.1</b>	<b>924.3</b>	<b>924.3</b>	<b>905.8</b>	<b>905.8</b>	<b>905.8</b>	<b>922.6</b>	<b>918.8</b>	<b>929.3</b>

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

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

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

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>General Government</u>										
<u>Legal Counsel:</u>										
Professional fees	\$ 248,293	\$ 145,626	\$ 184,147	\$ 275,004	\$ 267,381	\$ 288,307	\$ 181,081	\$ 184,766	\$ 201,721	\$ 303,069
<u>Town Clerk's Office:</u>										
Licenses issued	2,873	2,793	2,765	2,743	2,671	2,798	3,054	3,073	3,111	2,958
Record vital statistics	424	386	369	760	434	436	509	448	427	230
Document recordings	5,729	4,961	5,165	5,495	7,077	6,744	6,427	6,189	6,357	6,392
<u>Registrar of Voters:</u>										
Registered voters	17,977	16,667	16,155	16,500	16,677	17,090	16,225	16,352	16,131	15,019
Elections and referenda	2	3	4	3	2	5	4	3	3	4
<u>Planning and Development</u>										
Building permits issued	1,814	2,087	2,009	2,381	2,220	2,336	1,734	1,666	1,719	2,146
Value of building permits	\$ 58,626,577	\$ 49,083,484	\$ 57,782,819	\$ 62,343,391	\$ 75,311,852	\$ 114,539,257	\$ 44,575,354	\$ 36,179,734	\$ 50,918,011	\$ 88,204,342
Zoning permits issued	204	267	294	313	245	258	249	258	260	306
<u>Public Safety</u>										
<u>Police Department:</u>										
Motor vehicle citations	6,990	6,727	6,835	5,848	6,148	4,984	4,988	4,926	4,679	5,806
General citations	10,654	8,597	8,597	3,266	2,981	2,716	2,637	2,468	1,532	1,496
<u>Fire Department:</u>										
Fire related calls	1,221	1,292	1,105	1,292	1,213	1,419	1,229	1,103	1,327	1,217
Medical related calls	2,031	2,045	2,200	2,045	2,287	2,158	2,141	2,046	1,952	1,952
<u>Parking Authority:</u>										
Parking violations	3,797	3,253	4,005	3,497	3,054	3,118	2,455	1,641	1,796	2,585
<u>Public Works</u>										
Miles of street resurfacing	8.3	13.9	7.0	6.3	6.7	6.7	5.1	5.4	4.3	4.3
Work Orders completed	480	536	502	638	556	591	571	606	419	401
<u>Public Recreation</u>										
Rounds of golf	37,501	40,464	36,045	38,573	35,761	35,888	33,349	37,138	37,001	38,078
Recreation center members	6,206	6,923	6,944	6,556	6,526	6,434	5,882	6,008	6,373	6,669
Summer camp participants	2,848	2,813	2,638	2,559	2,381	2,396	1,198	1,252	1,116	1,141
Martin park beach passes	717	702	609	689	772	696	583	548	531	563
<u>Public Education</u>										
Student enrollment	4,972	4,996	5,194	5,263	5,233	5,312	5,377	5,400	5,480	5,591

Source(s): Various Town Departments

TABLE 16

**TOWN OF RIDGEFIELD, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>General Government</u>										
Vehicles	9	9	9	9	8	8	8	8	8	8
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Police vehicles	20	20	21	21	19	19	17	18	18	20
Fire vehicles	16	16	16	16	16	16	16	17	17	16
<u>Public Works</u>										
Town roads (miles)	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2	193.2
Town sidewalks (miles)	14.0	14.0	14.0	14.0	14.5	14.0	14.0	14.0	14.0	14.0
Sanitary sewers (miles)	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
Storm sewers (miles)	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0
Treatment plants	2	2	2	2	2	2	2	2	2	2
Highway vehicles	40	40	37	37	38	38	38	38	38	37
<u>Public Recreation</u>										
Acreage	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156
<u>Athletic facilities:</u>										
Baseball diamonds	21	21	21	21	21	21	21	21	21	21
Basketball courts - Outside	2	2	2	2	2	2	2	2	2	2
Soccer fields	15	15	15	15	15	15	15	15	15	15
Football fields	3	3	3	3	3	3	3	3	3	3
Playgrounds	10	10	10	10	10	10	10	10	10	10
Tennis courts	9	9	9	9	9	9	9	9	9	9
Skate board park	1	1	1	1	1	1	1	1	1	1
Nature areas	39	39	39	39	39	39	39	39	39	39
Picnic areas	3	3	3	3	3	3	3	3	3	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Vehicles	17	17	18	18	17	17	17	16	18	18
<u>Public Education</u>										
Elementary schools	6	6	6	6	6	6	6	6	6	6
Middle schools	2	2	2	2	2	2	2	2	2	2
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments