

**TOWN OF SUFFIELD, CONNECTICUT**

**BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2017**

## CONTENTS

	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Management's Discussion and Analysis (Unaudited)</b>	<b>3</b>
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Governmental Fund Financial Statements:	
Balance Sheet	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis – General Fund	23
Proprietary Fund Financial Statements:	
Statement of Net Position	24
Statement of Revenues, Expenses and Changes in Net Position	25
Statement of Cash Flows	26
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to Financial Statements	29

## **CONTENTS (Continued)**

	<b>Page</b>
<b>Required Supplementary Information: Unaudited</b>	
Schedule of Changes in Net Pension Liability – Town Pension Plan	66
Schedule of Contributions and Investment Returns – Town Pension Plan	67
Schedule of the Town’s Proportionate Share of Net Pension Liability – Connecticut State Teachers’ Retirement System	68
Schedule of Funding Progress – Other Post-Employment Benefits Program	69
Schedule of Changes in Net OPEB Liability – Other Post-Employment Benefits Program	70
Schedule of Contributions and Investment Returns – Other Post-Employment Benefits Program	71
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
General Fund:	
Schedule of Revenues and Other Financing Sources – Budget and Actual – Budgetary Basis	72
Schedule of Expenditures and Other Financing Uses – Budget and Actual – Budgetary Basis	74
Schedule of Property Taxes Levied, Collected and Outstanding	76
Schedule of Debt Limitation	77
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
Capital Projects Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	87
Fiduciary Funds:	
Combining Statement of Net Position	90
Combining Statement of Revenues, Expenses, and Changes in Net Position	91
Combining Statement of Cash Flows	92
Combining Statement Changes in Fiduciary Assets and Liabilities	93

---

**INDEPENDENT AUDITOR'S REPORT**

---

---

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Finance  
Town of Suffield, Connecticut

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

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

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

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

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

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

### ***Opinions***

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

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 and the schedules on the Town's pension and other post-employment benefit plans on pages 66 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules on pages 72 through 93 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut  
December 22, 2017

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED**

---

The management of the Town of Suffield, Connecticut (the “Town”) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017.

**HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$121,837,393 (net position). Of this amount, \$11,290,994 represents the Town’s unrestricted net position.
- The Town’s total net position increased by \$978,335 during the current fiscal year.
- As of the close of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$21,307,110, an increase of \$5,828,697 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$8,373,882 or 14.7% of total General Fund budgetary expenditures and transfers out. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.76 months of General Fund operating expenditures and transfers out.
- The Town’s total long-term bonded debt and capital lease obligations increased by \$7,209,820 or 48.9% during the current fiscal year due to the issuance of \$9,100,000 in general obligation bonds, offset by scheduled principal repayments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the Town’s assets, deferred outflows of resources, and liabilities, with net position as the residual of these elements. 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.



**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED (*Continued*)**

---

**OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)**

**Government-wide Financial Statements (*Continued*)**

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, planning and development, public safety, public works, health and social services, library, recreation and parks and education. The business-type activities of the Town include sewer activities.

The government-wide financial statements can be found on pages 16 and 17 of this report.

**Fund Financial Statements**

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

***Governmental Funds***

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

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

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

The basic governmental fund financial statements can be found on pages 18 through 23 of this report.

**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED (*Continued*)**

---

**OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)**

**Fund Financial Statements (*Continued*)**

***Proprietary Funds***

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 65 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining fund and individual fund statements and schedules, and other supplementary information which can be found on pages 66 through 93 of this report.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$121,837,393 and \$120,859,058 as of June 30, 2017 and 2016, respectively, and are summarized as follows:

	<b>June 30, 2017</b>		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 26,965,717	\$ 1,894,750	\$ 28,860,467
Capital assets	112,038,381	18,225,907	130,264,288
Total assets	139,004,098	20,120,657	159,124,755
Deferred outflows of resources	1,817,435	-	1,817,435
Other liabilities	4,701,840	199,977	4,901,817
Long-term liabilities	33,695,208	52,778	33,747,986
Total liabilities	38,397,048	252,755	38,649,803
Deferred inflows of resources	454,994	-	454,994
Net position:			
Net investment in capital assets	91,527,538	18,173,129	109,700,667
Restricted	845,732	-	845,732
Unrestricted	9,596,221	1,694,773	11,290,994
Total net position	<u>\$ 101,969,491</u>	<u>\$ 19,867,902</u>	<u>\$ 121,837,393</u>

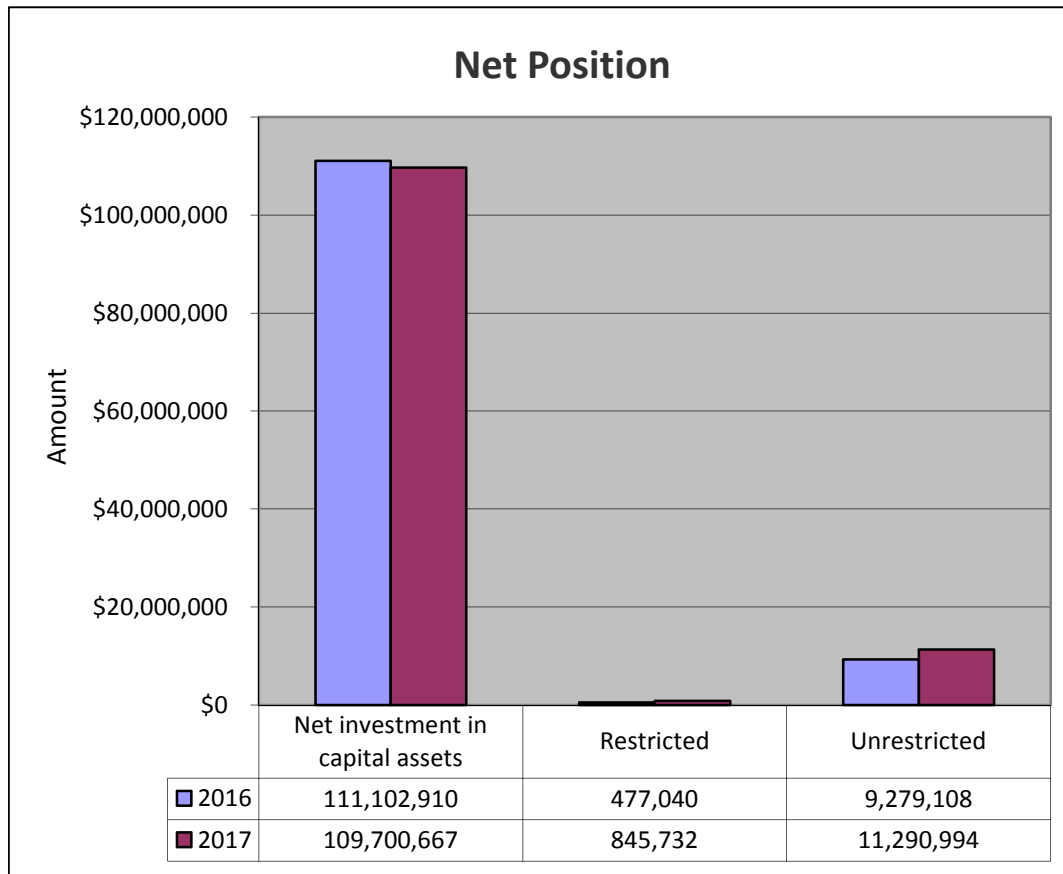
  

	<b>June 30, 2016</b>		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 21,768,587	\$ 2,202,837	\$ 23,971,424
Capital assets	108,044,404	18,419,464	126,463,868
Total assets	129,812,991	20,622,301	150,435,292
Deferred outflows of resources	3,698,972	-	3,698,972
Other liabilities	4,290,880	279,451	4,570,331
Long-term liabilities	28,049,494	103,351	28,152,845
Total liabilities	32,340,374	382,802	32,723,176
Deferred inflows of resources	552,030	-	552,030
Net position:			
Net investment in capital assets	92,786,797	18,316,113	111,102,910
Restricted	477,040	-	477,040
Unrestricted	7,355,722	1,923,386	9,279,108
Total net position	<u>\$ 100,619,559</u>	<u>\$ 20,239,499</u>	<u>\$ 120,859,058</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Net Position *(Continued)***



As of June 30, 2017, approximately 90.0% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Less than 1.0% of net position represents resources that are subject to external restrictions on how they may be used.

The remainder of the Town's net position is considered unrestricted.

Overall, net position increased by \$978,335 in comparison with the prior year.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position**

Changes in net position for the years ended June 30, 2017 and 2016 are as follows:

	<b>June 30, 2017</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 3,279,190	\$ 2,297,171	\$ 5,576,361
Operating grants and contributions	14,018,351	11,389	14,029,740
Capital grants and contributions	1,209,144	-	1,209,144
General revenues:			
Property taxes, levied for general purposes	39,592,855	-	39,592,855
Grants and contributions not restricted to specific programs	6,418,509	-	6,418,509
Unrestricted investment earnings	73,363	24,428	97,791
Total revenues	<u>64,591,412</u>	<u>2,332,988</u>	<u>66,924,400</u>
<b>Expenses</b>			
General government	3,690,409	-	3,690,409
Planning and development	716,914	-	716,914
Public safety	6,588,962	-	6,588,962
Public works	6,421,422	-	6,421,422
Health and social services	1,059,761	-	1,059,761
Library, parks and recreation	1,317,641	-	1,317,641
Education	42,848,577	-	42,848,577
Interest expense	517,161	-	517,161
Sewers	-	2,785,218	2,785,218
Total expenses	<u>63,160,847</u>	<u>2,785,218</u>	<u>65,946,065</u>
Changes in net position before transfers	1,430,565	(452,230)	978,335
Transfers	<u>(80,633)</u>	<u>80,633</u>	<u>-</u>
Change in net position	<u>\$ 1,349,932</u>	<u>\$ (371,597)</u>	<u>\$ 978,335</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position *(Continued)***

	<b>June 30, 2016</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,934,271	\$ 2,086,437	\$ 5,020,708
Operating grants and contributions	15,367,803	-	15,367,803
Capital grants and contributions	1,320,150	219,247	1,539,397
General revenues:			
Property taxes, levied for general purposes	38,342,189	-	38,342,189
Grants and contributions not restricted to specific programs	5,724,322	-	5,724,322
Unrestricted investment earnings	90,451	2,891	93,342
Other	819,073	-	819,073
Total revenues	<u>64,598,259</u>	<u>2,308,575</u>	<u>66,906,834</u>
<b>Expenses</b>			
General government	3,595,936	-	3,595,936
Planning and development	429,924	-	429,924
Public safety	4,873,384	-	4,873,384
Public works	5,047,552	-	5,047,552
Health and social services	815,998	-	815,998
Library, parks and recreation	1,090,818	-	1,090,818
Education	45,090,665	-	45,090,665
Interest expense	565,011	-	565,011
Sewers	-	2,862,214	2,862,214
Total expenses	<u>61,509,288</u>	<u>2,862,214</u>	<u>64,371,502</u>
Change in net position	<u>\$ 3,088,971</u>	<u>\$ (553,639)</u>	<u>\$ 2,535,332</u>

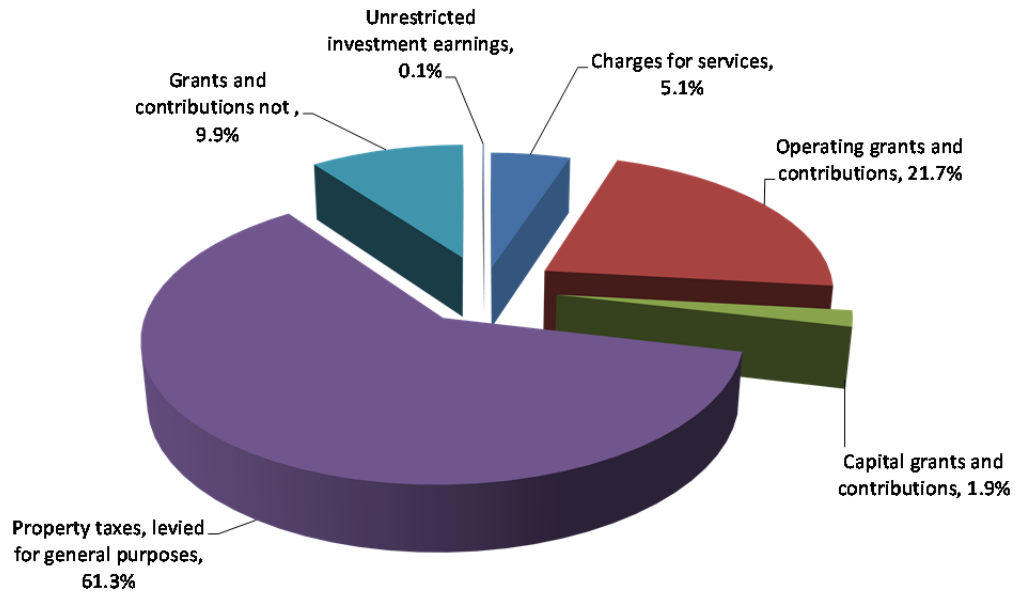
**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED (*Continued*)

---

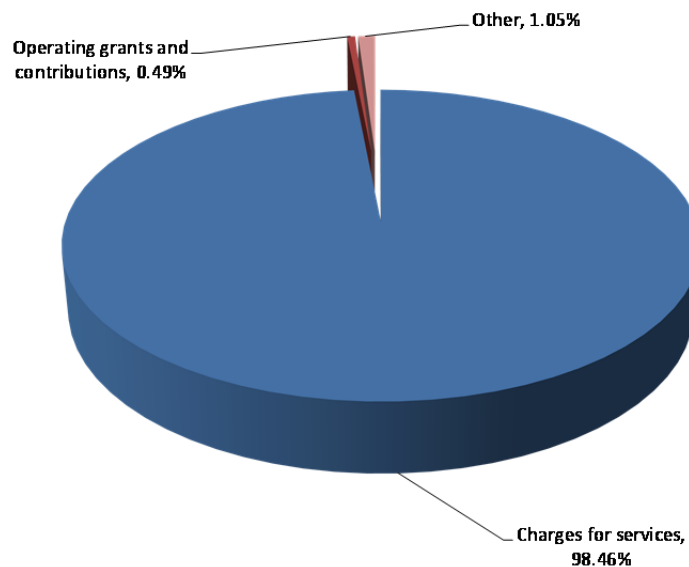
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (*Continued*)**

**Change in Net Position (*Continued*)**

**2017 Revenue by Source - Governmental Activities**



**2017 Revenue by Source - Business-type Activities**

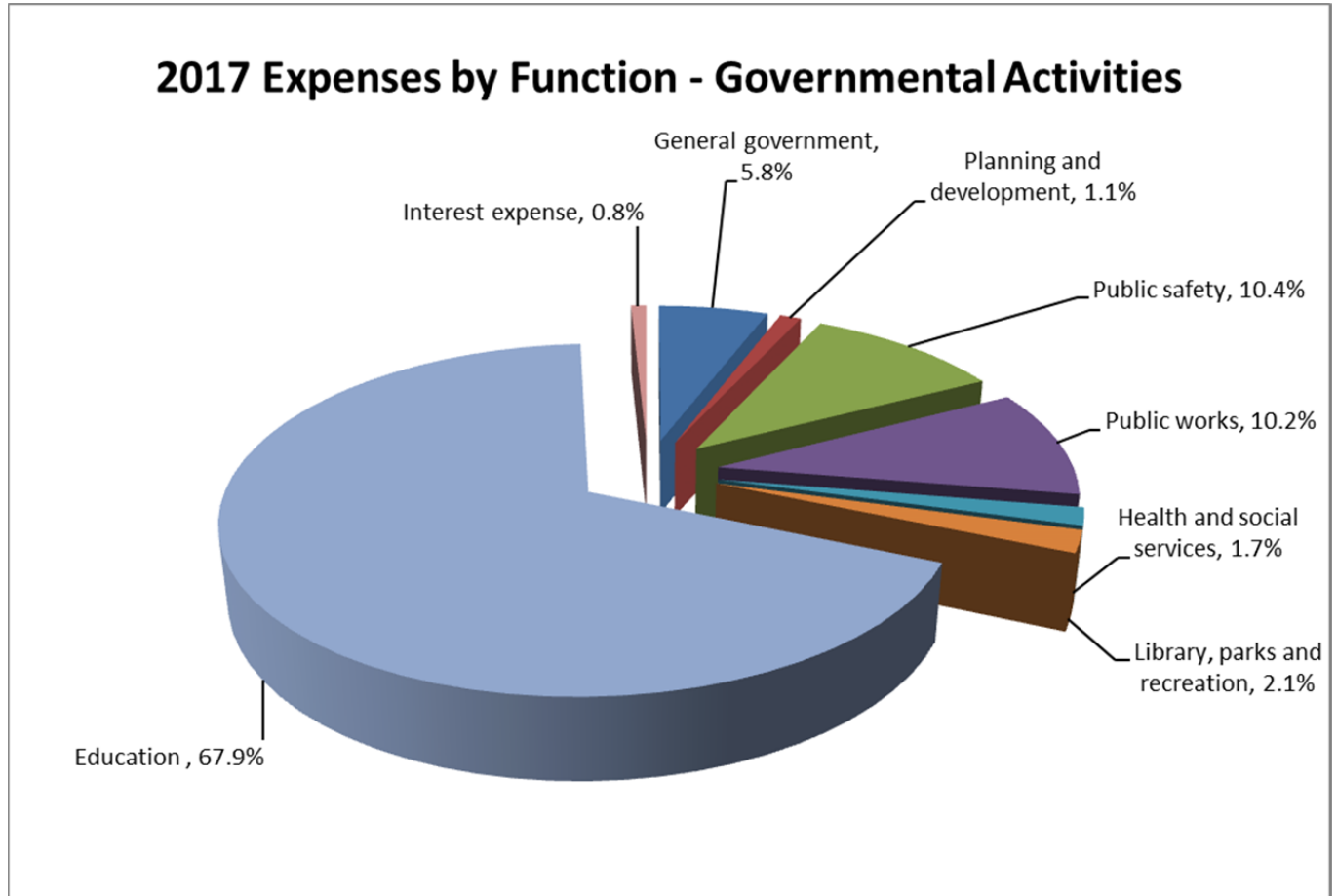


**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position *(Continued)***



Governmental activities increased the Town's net position by \$1,349,932. Revenues decreased by \$6,847 and expenses increased by \$1,651,559 or 2.7% in comparison to the prior year.

Business-type activities decreased the Town's net position by \$371,597. Revenues increased by \$24,413 and expenses decreased by \$76,996 in comparison to the prior year.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

**Governmental Funds**

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



**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED (Continued)**

---

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)**

**Governmental Funds (Continued)**

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances \$21,307,110. Of this amount, \$18,209,989 is available for spending at the discretion of the Town (i.e. committed, assigned and unassigned).

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,373,882, while total fund balance was \$9,687,388. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.7% of total General Fund budgetary expenditures and transfers out. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.76 months of General Fund operating expenditures and transfers out.

The fund balance of the Town's General Fund decreased by \$624,191 during the current fiscal year.

**Capital Projects Fund**

The fund balance of the Capital Projects Fund increased by \$6,867,400 during the current fiscal year from \$3,170,852 to \$10,038,252. This increase was primarily due to the issuance of \$9,100,000 in general obligation bonds to fund authorized capital projects.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original and final operating budget for the General Fund included the use of fund balance in the amount of \$363,000. No additional appropriations were approved during the year ended June 30, 2017. The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$477,053 in the current fiscal year. Total budgetary revenues and other financing sources were \$511,116 less than expected due to shortfalls in budgeted grant reimbursements for capital expenditures, offset by premiums received on the current year bond issuance. Expenditures and other financing uses were \$397,073 less than budgeted due to budgetary surpluses amongst all departments.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets as of June 30, 2017 and 2016 totaled \$130,264,288 and \$126,463,868, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,800,420 or 3.0%. The increase consisted of net capital asset additions of \$7,198,067, offset by depreciation and amortization expense of \$3,397,647.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED (*Continued*)

**CAPITAL ASSET AND DEBT ADMINISTRATION (*Continued*)**

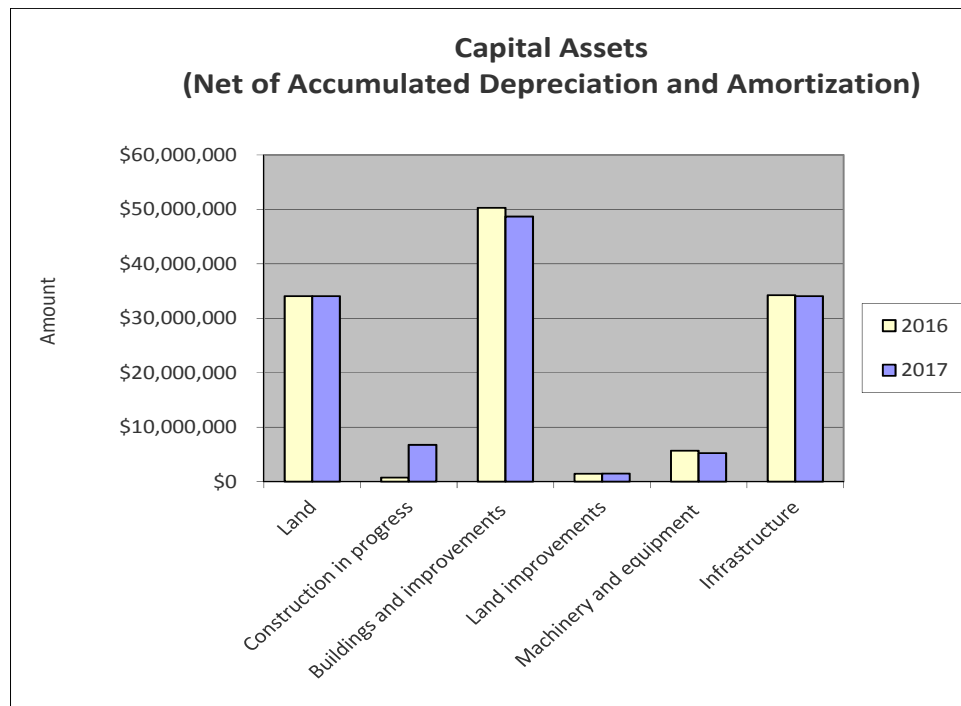
**Capital Assets (*Continued*)**

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

- Outlays for various ongoing projects, including road and drainage projects, utility expansion, library renovations and tennis court improvements;
- Outlays funded by a new capital lease obligation for public works vehicles; and
- Outlays for various machinery and equipment purchases consisting of the purchase of police and public works vehicles, fiber connections, and bleachers for the Town's high school.

The following table is a two year comparison of the investment in capital assets:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 18,023,616	\$ 18,023,616	\$ 16,038,335	\$ 16,038,335	\$ 34,061,951	\$ 34,061,951
Construction in progress	6,761,111	744,604	-	-	6,761,111	744,604
Buildings and improvements	48,349,208	49,918,238	340,085	372,747	48,689,293	50,290,985
Land improvements	1,476,859	1,440,811	-	-	1,476,859	1,440,811
Machinery and equipment	4,462,911	4,417,874	744,583	1,267,038	5,207,494	5,684,912
Infrastructure	32,964,676	33,499,261	1,102,904	741,344	34,067,580	34,240,605
Totals	<u>\$ 112,038,381</u>	<u>\$ 108,044,404</u>	<u>\$ 18,225,907</u>	<u>\$ 18,419,464</u>	<u>\$ 130,264,288</u>	<u>\$ 126,463,868</u>



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

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

**CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)***

**Long-term Debt**

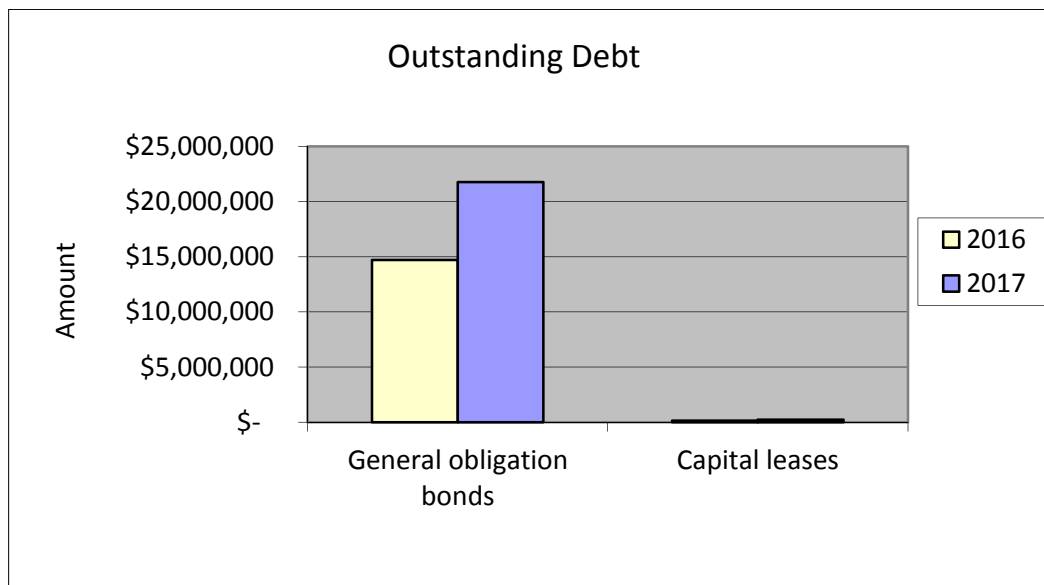
At the end of the current fiscal year, the Town had total long-term debt outstanding of \$21,997,216. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt increased by \$7,159,247 or 48.2% during the current fiscal year due to the issuance of \$9,100,000 in general obligation bonds, to finance road improvement projects, and capital lease financing in the amount of \$315,989, offset by repayments of principal in the amount of \$2,256,742.

As of June 30, 2017, the Town's bond rating was AA+ by Standard & Poor's.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following table is a two year comparison of long-term debt:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General obligation bonds	\$ 21,755,000	\$ 14,700,000	\$ -	\$ -	\$ 21,755,000	\$ 14,700,000
Capital leases	189,438	34,618	52,778	103,351	242,216	137,969
Totals	<u>\$ 21,944,438</u>	<u>\$ 14,734,618</u>	<u>\$ 52,778</u>	<u>\$ 103,351</u>	<u>\$ 21,997,216</u>	<u>\$ 14,837,969</u>



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

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2018, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- Intergovernmental grants were based on estimates from the State.
- It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2018. The Town's fiscal year 2018 General Fund budget was approved on May 10, 2017. The approved General Fund budgeted expenditures total \$55,669,264, a decrease of 3.0% over fiscal year 2017. The General Fund budget contemplates the use of fund balance in the amount of \$825,000 and resulted in a 2.4% increase in the Town's mill rate of 28.89 from 28.20.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Town of Suffield, 230C Mountain Road, Suffield, Connecticut 06078.

---

## **BASIC FINANCIAL STATEMENTS**

---

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,326,254	\$ 1,796,477	\$ 24,122,731
Investments	2,163,320	-	2,163,320
Receivables:			
Property taxes and interest, net	1,282,455	-	1,282,455
Assessments, net	127,192	95,661	222,853
Grants and contracts	450,182	-	450,182
Loans	162,444	-	162,444
Other	430,617	865	431,482
Inventories	25,000	-	25,000
Internal balances	(1,747)	1,747	-
Capital assets:			
Non-depreciable	24,784,727	16,038,335	40,823,062
Depreciable, net	87,253,654	2,187,572	89,441,226
Total assets	<u>139,004,098</u>	<u>20,120,657</u>	<u>159,124,755</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	20,418	-	20,418
Deferred charges on pension	1,797,017	-	1,797,017
Total deferred outflows of resources	<u>1,817,435</u>	<u>-</u>	<u>1,817,435</u>
<b>LIABILITIES</b>			
Accounts payable	3,046,913	181,974	3,228,887
Accrued liabilities	716,159	18,003	734,162
Unearned revenue	938,768	-	938,768
Noncurrent liabilities:			
Due within one year	2,142,255	52,778	2,195,033
Due in more than one year	31,552,953	-	31,552,953
Total liabilities	<u>38,397,048</u>	<u>252,755</u>	<u>38,649,803</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on pension	393,891	-	393,891
Advance property tax collections	61,103	-	61,103
Total deferred inflows of resources	<u>454,994</u>	<u>-</u>	<u>454,994</u>
<b>NET POSITION</b>			
Net investment in capital assets	91,527,538	18,173,129	109,700,667
Restricted for:			
Trust purposes	504,392	-	504,392
Grant and other programs	341,340	-	341,340
Unrestricted	9,596,221	1,694,773	11,290,994
Total net position	<u>\$ 101,969,491</u>	<u>\$ 19,867,902</u>	<u>\$ 121,837,393</u>

*The accompanying notes are an integral part of these financial statements .*

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 3,690,409	\$ 578,990	\$ 110,512	\$ -	\$ (3,000,907)	\$ -	\$ (3,000,907)
Planning and development	716,914	21,796	-	-	(695,118)	-	(695,118)
Public safety	6,588,962	741,427	18,905	-	(5,828,630)	-	(5,828,630)
Public works	6,421,422	243,899	595,746	1,209,144	(4,372,633)	-	(4,372,633)
Health and social services	1,059,761	48,538	-	-	(1,011,223)	-	(1,011,223)
Library, recreation and parks	1,317,641	233,143	1,248	-	(1,083,250)	-	(1,083,250)
Education	42,848,577	1,411,397	13,291,940	-	(28,145,240)	-	(28,145,240)
Interest expense	517,161	-	-	-	(517,161)	-	(517,161)
Total governmental activities	<u>63,160,847</u>	<u>3,279,190</u>	<u>14,018,351</u>	<u>1,209,144</u>	<u>(44,654,162)</u>	<u>-</u>	<u>(44,654,162)</u>
<b>Business-type activities:</b>							
Sewer	<u>2,785,218</u>	<u>2,297,171</u>	<u>11,389</u>	<u>-</u>	<u>-</u>	<u>(476,658)</u>	<u>(476,658)</u>
<b>Total</b>	<u>\$ 65,946,065</u>	<u>\$ 5,576,361</u>	<u>\$ 14,029,740</u>	<u>\$ 1,209,144</u>	<u>(44,654,162)</u>	<u>(476,658)</u>	<u>(45,130,820)</u>
General revenues:							
Property taxes, levied for general purposes					39,592,855	-	39,592,855
Grants and contributions not restricted to specific programs					6,418,509	-	6,418,509
Investment earnings					73,363	24,428	97,791
Transfers, net					(80,633)	80,633	-
Total general revenues					<u>46,004,094</u>	<u>105,061</u>	<u>46,109,155</u>
Change in net position					1,349,932	(371,597)	978,335
Net position - beginning					100,619,559	20,239,499	120,859,058
Net position - ending					<u>\$ 101,969,491</u>	<u>\$ 19,867,902</u>	<u>\$ 121,837,393</u>

*The accompanying notes are an integral part of these financial statements.*

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

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,937,980	\$ 470,300	\$ 882,277	\$ 22,290,557
Investments	-	2,163,320	-	2,163,320
Receivables:				
Property taxes, net	857,291	-	-	857,291
Interest on property taxes, net	425,164	-	-	425,164
Assessments, net	-	-	127,192	127,192
Grants and contracts	-	375,944	74,238	450,182
Loans	-	-	162,444	162,444
Other	7,893	23,407	119,936	151,236
Due from other funds	5,313,188	13,661,177	1,352,746	20,327,111
Inventories	-	-	25,000	25,000
Total assets	<u>\$ 27,541,516</u>	<u>\$ 16,694,148</u>	<u>\$ 2,743,833</u>	<u>\$ 46,979,497</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 552,888	\$ 1,610,730	\$ 103,285	\$ 2,266,903
Accrued liabilities	514,896	-	15,316	530,212
Due to other funds	15,206,188	5,045,166	132,287	20,383,641
Unearned revenue	316,929	-	621,839	938,768
Total liabilities	<u>16,590,901</u>	<u>6,655,896</u>	<u>872,727</u>	<u>24,119,524</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	1,202,124	-	289,636	1,491,760
Advance property tax collections	61,103	-	-	61,103
	<u>1,263,227</u>	<u>-</u>	<u>289,636</u>	<u>1,552,863</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	504,392	504,392
Restricted	-	2,251,389	341,340	2,592,729
Committed	350,000	11,397,295	794,381	12,541,676
Assigned	963,506	-	-	963,506
Unassigned	8,373,882	(3,610,432)	(58,643)	4,704,807
Total fund balances	<u>9,687,388</u>	<u>10,038,252</u>	<u>1,581,470</u>	<u>21,307,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,541,516</u>	<u>\$ 16,694,148</u>	<u>\$ 2,743,833</u>	<u>\$ 46,979,497</u>

*The accompanying notes are an integral part of these financial statements.*



**TOWN OF SUFFIELD, CONNECTICUT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

---

Total fund balances for governmental funds	\$ 21,307,110
--	---------------

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	112,038,381
--	-------------

Some of the Town's taxes, sewer assessments and loan receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.	1,491,760
---	-----------

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental funds. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.

Bonds payable	(21,755,000)	
Unamortized bond premiums	(838,212)	
Deferred charge on refunding	20,419	
Accrued interest payable	(185,947)	
Net OPEB obligation	(1,573,980)	
Net pension liability	(8,974,091)	
Landfill post-closure care liability	(113,400)	
Compensated absences	(251,087)	
Capital lease obligations	(189,438)	
Total long-term liabilities		(33,860,736)

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(410,150)
--	-----------

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position.	1,403,126
---	-----------

Net position of governmental activities	\$ <u>101,969,491</u>
---	-----------------------

*The accompanying notes are an integral part of these financial statements .*

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 39,515,233	\$ -	\$ -	\$ 39,515,233
Intergovernmental	17,981,734	853,716	1,854,491	20,689,941
Charges for services	2,598,580	33,000	1,011,030	3,642,610
Investment income	60,311	11,777	1,275	73,363
Other	455,418	131,575	36,410	623,403
Total revenues	<u>60,611,276</u>	<u>1,030,068</u>	<u>2,903,206</u>	<u>64,544,550</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,625,585	-	393,546	6,019,131
Planning and development	383,544	-	-	383,544
Public safety	3,958,867	10,949	171,420	4,141,236
Public works	4,262,664	6,925	-	4,269,589
Health and social services	672,271	-	35,473	707,744
Library, recreation and parks	449,025	47,008	524,800	1,020,833
Education	39,426,355	-	2,310,476	41,736,831
Miscellaneous	36,290	-	-	36,290
Debt service	2,584,175	58,150	-	2,642,325
Capital outlays	-	7,958,291	-	7,958,291
Total expenditures	<u>57,398,775</u>	<u>8,081,323</u>	<u>3,435,715</u>	<u>68,915,813</u>
Excess (deficiency) of revenues over expenditures	3,212,501	(7,051,255)	(532,509)	(4,371,263)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	9,100,000	-	9,100,000
Premium on bonds	377,281	-	-	377,281
Capital lease financing	315,989	-	-	315,989
Transfers in	607,731	5,328,594	552,097	6,488,422
Transfers out	(5,137,693)	(509,939)	(434,100)	(6,081,732)
Total other financing sources (uses)	<u>(3,836,692)</u>	<u>13,918,655</u>	<u>117,997</u>	<u>10,199,960</u>
Net change in fund balances	(624,191)	6,867,400	(414,512)	5,828,697
Fund balances - beginning	<u>10,311,579</u>	<u>3,170,852</u>	<u>1,995,982</u>	<u>15,478,413</u>
Fund balances - ending	<u>\$ 9,687,388</u>	<u>\$ 10,038,252</u>	<u>\$ 1,581,470</u>	<u>\$ 21,307,110</u>

*The accompanying notes are an integral part of these financial statements .*

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

---

Net change in fund balances - total governmental funds	\$	5,828,697
--	----	-----------

Total change in net position reported for governmental activities in the statement of activities is different because:

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. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:

Expenditures for capital assets	\$ 6,685,110	
Depreciation and amortization expense	<u>(2,691,133)</u>	
Net adjustment		3,993,977

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt incurred:		
Bonds	(9,100,000)	
Capital lease financing	(315,989)	
Principal repayments:		
Bonds payable	2,045,000	
Capital lease financing	<u>161,169</u>	
Net adjustment		(7,209,820)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	(163,481)	
Deferred charge on refunding	(13,624)	
Amortization of bond premiums	(281,181)	
Compensated absences	151,942	
Landfill post-closure care costs	16,200	
Net pension liability	1,168,155	
Net OPEB liability	<u>508,990</u>	
		1,387,001

*Continued*

*The accompanying notes are an integral part of these financial statements .*

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

---

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues.	\$ 78,124
An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Town's internal service fund is reported with governmental activities.	(972,676)
Deferred inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statements of activities.	<u>(1,755,371)</u>
Change in net position of governmental activities	<u><u>\$ 1,349,932</u></u> <i>Concluded</i>

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 39,426,691	\$ 39,426,691	\$ 39,515,233	\$ 88,542
Intergovernmental	13,840,165	13,840,165	12,961,242	(878,923)
Charges for services	2,650,695	2,650,695	2,598,580	(52,115)
Investment income	30,000	30,000	60,311	30,311
Other revenues	578,250	578,250	451,176	(127,074)
Total revenues	56,525,801	56,525,801	55,586,542	(939,259)
<b>EXPENDITURES</b>				
Current:				
General government	5,655,239	5,719,790	5,638,208	(81,582)
Planning and development	417,073	429,346	417,203	(12,143)
Public safety	3,915,102	4,025,839	3,975,367	(50,472)
Public works	3,918,217	3,986,064	3,949,616	(36,448)
Health and social services	694,295	694,295	672,271	(22,024)
Library, recreation and parks	506,612	506,609	416,816	(89,793)
Miscellaneous	36,290	36,290	36,290	-
Education	34,230,244	34,230,244	34,230,229	(15)
Debt service	2,584,175	2,584,175	2,584,175	-
Total expenditures	51,957,247	52,212,652	51,920,174	(292,478)
Excess of revenues over expenditures	4,568,554	4,313,149	3,666,368	(646,781)
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	363,000	363,000	-	(363,000)
Premium on bonds	-	-	377,281	377,281
Transfers in	556,869	556,869	607,731	50,862
Transfers out	(5,488,423)	(5,233,018)	(5,128,423)	104,595
Total other financing sources (uses)	(4,568,554)	(4,313,149)	(4,143,411)	169,738
Net change in fund balances	\$ -	\$ -	(477,043)	\$ (477,043)
Fund balances - beginning			9,876,095	
Fund balances - ending			\$ 9,399,052	

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2017**

	<u>Business-Type Activities</u> <u>WPCA</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal Service</u> <u>Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,796,477	\$ 35,697
Receivables:		
User charges	95,661	-
Other	865	279,381
Due from other funds	1,747	-
Total current assets	<u>1,894,750</u>	<u>315,078</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	16,038,335	-
Depreciable, net	<u>2,187,572</u>	<u>-</u>
Total noncurrent assets	<u>18,225,907</u>	<u>-</u>
Total assets	<u>20,120,657</u>	<u>315,078</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	181,974	589,493
Accrued liabilities	18,003	-
Due to other funds	-	135,735
Capital lease payable	<u>52,778</u>	<u>-</u>
Total liabilities	<u>252,755</u>	<u>725,228</u>
<b>NET POSITION</b>		
Net investment in capital assets	18,173,129	-
Unrestricted	<u>1,694,773</u>	<u>(410,150)</u>
Total net position	<u>\$ 19,867,902</u>	<u>\$ (410,150)</u>

*The accompanying notes are an integral part of these financial statements.*

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>WPCA</b>	<b>Internal Service</b>
	<b>Enterprise Fund</b>	<b>Funds</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 2,266,077	\$ 6,179,260
Grants and contracts	11,389	-
Other income	31,094	-
Total operating revenues	<u>2,308,560</u>	<u>6,179,260</u>
<b>OPERATING EXPENSES</b>		
Administration	21,159	710,129
Payroll and benefits	1,325,616	-
Sludge disposal	123,258	-
Plant maintenance, supplies and materials	315,291	-
Insurance and program services	30,148	6,233,065
Utilities	259,645	-
Other operating expense	3,587	210,212
Depreciation and amortization	706,514	-
Total operating expenses	<u>2,785,218</u>	<u>7,153,406</u>
Operating loss	(476,658)	(974,146)
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Interest income	28,989	1,470
Interest expense	(4,561)	-
Total non-operating revenue, net	<u>24,428</u>	<u>1,470</u>
Loss before capital contributions and transfers	(452,230)	(972,676)
<b>TRANSFERS</b>		
Capital assets	487,323	-
Transfer out to Sewer Projects Fund	(406,690)	-
	<u>567,956</u>	<u>-</u>
Change in net position	(371,597)	(972,676)
Net position - beginning	<u>20,239,499</u>	<u>562,526</u>
Net position - ending	<u><u>\$ 19,867,902</u></u>	<u><u>\$ (410,150)</u></u>

*The accompanying notes are an integral part of these financial statements.*

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

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from the following:		
Customers and users	\$ 2,452,308	\$ 6,098,122
Intergovernmental	11,389	-
Cash paid for the following:		
Payroll and benefits	(1,307,613)	-
Insurance	(30,148)	(6,847,079)
Goods and services	(822,204)	(200,861)
Net cash provided by (used in) operating activities	<u>303,732</u>	<u>(949,818)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Interfund activities	(406,690)	-
Acquisition of capital assets	(25,634)	-
Payment on capital lease	(50,573)	-
Interest paid on capital debt	(4,561)	-
Net cash used in capital financing activities	<u>(487,458)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	28,989	1,470
Net cash provided by investing activities	<u>28,989</u>	<u>1,470</u>
Net decrease in cash and cash equivalents	(154,737)	(948,348)
Cash and cash equivalents, beginning of year	<u>1,951,214</u>	<u>984,045</u>
Cash and cash equivalents, end of year	<u>\$ 1,796,477</u>	<u>\$ 35,697</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED) IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (476,658)	\$ (974,146)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	706,514	-
(Increase) decrease in receivables	155,137	(199,503)
Increase (decrease) in accounts payable	(78,841)	105,466
Increase (decrease) in due to other funds	(2,420)	118,365
Net cash provided by (used) in operating activities	<u>\$ 303,732</u>	<u>\$ (949,818)</u>

*The accompanying notes are an integral part of these financial statements.*



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

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 234,893	\$ 106,586	\$ 377,319
Investments	30,068,751	10,364,477	33,993
Other assets	227,975	-	-
Total assets	<u>30,531,619</u>	<u>10,471,063</u>	<u>\$ 411,312</u>
<b>LIABILITIES</b>			
Accounts payable	161	-	\$ -
Due to student groups	-	-	339,405
Due to others	-	-	71,907
Total liabilities	<u>161</u>	<u>-</u>	<u>\$ 411,312</u>
<b>NET POSITION</b>			
Restricted for pension and OPEB benefits	<u>\$ 30,531,458</u>	<u>\$ 10,471,063</u>	

*The accompanying notes are an integral part of these financial statements .*

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

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Employer contributions	\$ 1,439,263	\$ 692,430
Employee contributions	495,823	-
Total contributions	<u>1,935,086</u>	<u>692,430</u>
Investment earnings:		
Interest and dividends	82,125	-
Net increase in fair value of investments, net of investment fees	<u>3,119,614</u>	<u>1,121,791</u>
Net investment earnings	<u>3,201,739</u>	<u>1,121,791</u>
Other	<u>9,207</u>	<u>5,422</u>
Total additions	<u>5,146,032</u>	<u>1,819,643</u>
<b>DEDUCTIONS</b>		
Benefit payments	2,168,829	-
Administrative expenses	<u>72,664</u>	<u>26,580</u>
Total deductions	<u>2,241,493</u>	<u>26,580</u>
Change in net position	2,904,539	1,793,063
Net position - beginning	<u>27,626,919</u>	<u>8,678,000</u>
Net position - ending	<u><u>\$ 30,531,458</u></u>	<u><u>\$ 10,471,063</u></u>

*The accompanying notes are an integral part of these financial statements .*

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

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Suffield, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

**Financial Reporting Entity**

The Town was incorporated in 1749 under the General Statutes of the State of Connecticut. The Town adopted its original charter effective January 7, 1985 with the most recent revisions on November 3, 2015. The Town operates under a Selectman/Town Meeting form of government and provides the following services as authorized by the General Statutes and its charter: public safety (police and fire), public works, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The Town reports the following major governmental funds:

**General Fund** - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

**Capital Projects Fund** - This fund is used to account for the financial resources for the acquisition and construction of major capital facilities. Capital outlays are financed by the issuance of general obligation bonds, capital grants, current tax revenues and the issuance of capital leases.

The Town reports the following major proprietary fund:

**WPCA Fund** – This fund is used to account for the activities of the Water Pollution Control Authority.

In addition, the Town reports the following fund types:

**Internal Service Funds (proprietary)** - These funds are used to account for self-insured activities and purchases of fuel by various departments.

**Pension Trust and Other Employee Benefit Trust Fund** - These funds accounts for the activities of the Suffield Retirement System, which accumulates resources for pension benefit payments to qualified Town employees and also the OPEB Trust Fund which accounts for the activities of the Suffield other post-employment benefits for town retirees and their beneficiaries.

**Agency Funds** - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities, performance bonds, employees and others.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or is available to be received during the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension trust and other post-employment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

**Implementation of Accounting Standards**

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The implementation of GASB Statement No. 74 resulted in changes to the disclosures and required supplementary information relating to the Town's other post-employment benefit plan. The implementation of GASB Statement No. 74 had no impact on the Town's financial position or on the financial position of the Town's other post-employment benefit trust fund. The adoption of the other statements did not have a material effect on the Town's financial statements.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity**

**Cash Equivalents**

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

**Investments**

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in participating interest-earning investment contracts, certain external investment pools and synthetic guaranteed investment contracts as described below.

Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the fund.

Investments in guaranteed deposit accounts are measured by the Town at contract value, which approximates fair value.

**Property Taxes, Sewer Assessment and Usage Charges**

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest receivable of \$36,000 and \$18,000, respectively, as of June 30, 2017.

Sewer assessments are levied by the Water Pollution Control Authority annually, upon issuance of a certificate of occupancy or completion of a connection permit for existing homes/businesses. Assessment charges are billed annually in September. Usage charges are billed annually in July. Commercial usage is billed based on water usage – with a minimum charge of 1 EDU, and residential usage is billed at a flat fee of \$300 in fiscal 2017. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens filed on all properties until the assessment is paid in full.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity (Continued)**

**Inventories and Prepaid Items**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements.

**Loans Receivable**

Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding received by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program. The loans bear no interest. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2017, loans receivable totaled \$162,444 under this program.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings and improvements	20 – 45
Public domain infrastructure	35
System infrastructure	50
Vehicles	5 – 20
Office Equipment	5 – 10
Computer equipment	7 – 10

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity (Continued)**

**Unearned Revenue**

This liability represents resources that have been received but not yet earned.

**Deferred Outflows/Inflows of Resources**

Deferred outflows and inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

Deferred outflows of resources consists of deferred pension expenses and deferred charges on refunding reported in the government-wide statement of net position. Deferred pensions expenses resulted from changes in the components of the Town's net pension liability and are being amortized as a component of pension expense on a systematic and rational basis. Deferred charges on refunding resulted from the difference in the carrying value of previously refunded debt and the reacquisition price of the debt and are being amortized to interest expense using the effective-interest method over the life of the related bonds.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported within the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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 are expensed when incurred.

In the fund financial statements, governmental funds 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.

**Compensated Absences**

Town employees earn and carryover various amounts of vacation and leave time based upon Town policy or bargaining unit contracts.

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.



**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity (Continued)**

**Net Position and Fund Balance**

The government-wide statement of net position presents the Town's non-fiduciary assets, deferred outflows and inflows of resources and liabilities, with net position as the residual of these elements. Net position is reported in three categories:

**Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

**Restricted net position** – This component of net position consists of net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – This component of net position is the net amount of assets, liabilities, and deferred outflows and inflows of resources.

The Town's governmental funds report the following fund balance categories:

**Nonspendable** – Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

**Restricted** – Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

**Committed** – Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance and Town Meeting (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance is by adoption of a resolution.

**Assigned** – Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed, by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter (Board of Finance, Town Meeting, Management of the Town).

**Unassigned** – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)***

**Net Position and Fund Balance *(Continued)***

***Net Position Flow Assumption***

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

The Town considers restricted net position to have been depleted before unrestricted net position is applied.

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The Town's policy is to first use restricted resources when available. When committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

**Interfund Activities**

Interfund activities are reported as follows:

**Interfund 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) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Interfund Activities (Continued)**

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures, or expenses, to the funds that initially paid for them.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**NOTE 2 - BUDGETARY INFORMATION**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- Not later than the fifteenth day of January, the Board of Finance will make known to the Chairman of those Boards, Committees, Agencies and office of the Town dependent on the Annual Town Budget for any portion of their operating income, such guidelines, forms, requisites as may direct and assist the preparation and presentation of their respective budget proposals.
- The Board of Selectman will receive from all Offices, Department Boards, Committees or Agencies of the Town dependent on the Annual Town Budget for any portion of their operating income, excepting the Board of Education, not later than February 1<sup>st</sup> a copy of their separate itemized recommended Annual Town Budget for the ensuing year.
- Not later than March 1<sup>st</sup>, the Board of Selectman will present to the Board of Finance a consolidated recommended Annual Town Budget, containing such detail as required by the Board of Finance and outlining the financial policy of the town government, describing therein features of the Annual Town Budget plan, indicating any major changes from the current fiscal year and changes from those recommendations of the several Boards, Commissions, Agencies with reasons therefore.
- As part of the Annual Town Budget, the Board of Selectman shall present a recommended program concerning municipal improvements or proposed capital projects for the ensuing fiscal year and for five years thereafter.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 2 - BUDGETARY INFORMATION (Continued)**

- The budget proposal of the Board of Education shall be presented to the Board of Finance not later than the last Monday of March.
- The Board of Finance will review the several and joint estimates of expenditures; it will attempt to reconcile priorities, estimates, proposals through meetings with the Chairman and First Selectman; it will refine its review of the preliminary Annual Town Budget with estimates of income and will prepare its own preliminary Annual Town Budget which shall become the proposed Annual Town Budget. These actions should be completed not later than May 1<sup>st</sup>.
- Not later than fourteen (14) days prior to the scheduled Annual Town Meeting for Annual Town Budget Approval, the Board of Finance will hold at least one public hearing at which time any elector or taxpayer shall have the opportunity to be heard regarding appropriations for the ensuing year.
- Printed copies of the proposed Annual Town Budget shall be available at the office of the Town Clerk not less than forty-eight (48) hours prior to said hearing, and the Board may make such copies available at such other locations and through distributions as it may prescribe.
- After the hearing, the Board of Finance shall then revise the preliminary Annual Town Budget if/as it deems desirable, and shall prepare a final proposed Annual Town Budget which shall be filed with the Town Clerk for presentation at the Town Meeting for its adoption. At least five (5) days prior to the Town Meeting the final proposed Annual Town Budget shall be published in accordance with the General Statutes.
- Within ten (10) days after the adoption of the Annual Town Budget the Board of Finance shall fix the tax rate in mills which shall be levied on the taxable property in the Town for the ensuing fiscal year.
- Management may not exceed appropriations at the department level and must seek approval from the Board of Selectman to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than one quarter of one percent of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 2 - BUDGETARY INFORMATION (Continued)**

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2017:

	<b>Total Revenues</b>	<b>Total Expenditures</b>	<b>Total Other Financing Sources (Uses)</b>	<b>Net Change in Fund Balance</b>
Budgetary basis	\$ 55,586,542	\$ 51,920,174	\$ (4,143,411)	\$ (477,043)
"On-behalf" payments - State Teachers Retirement Fund	4,339,550	4,339,550	-	-
Change in encumbrances	-	147,051	-	(147,051)
Capital leases, not recorded for budgetary purposes	-	315,989	315,989	-
Certain transfers recorded as expenditures for budgetary purposes	-	(9,270)	(9,270)	-
Budgetary prospective differences - funds combined for GAAP financial reporting purposes:				
Dog Fund	-	97	-	(97)
Intergovernmental grants netted against expenditures	685,184	685,184	-	-
GAAP basis	<u>\$ 60,611,276</u>	<u>\$ 57,398,775</u>	<u>\$ (3,836,692)</u>	<u>\$ (624,191)</u>

**Deficit Fund Balances**

The following funds have deficit balances as of June 30, 2017, which do not constitute a violation of statutory provisions. The deficits are expected to be eliminated by future grant funding and or appropriations from the General Fund.

<b>Fund</b>	<b>Deficit Fund Balances</b>
Insurance Fund	\$ 409,766
Municipal Grant Fund	58,623
Gas/Diesel Fund	384
Drug Education & Enforcement Grant Fund	20

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash deposits as of June 30, 2017 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 24,122,731
Statement of fiduciary net position	718,798
Plus: certificates of deposit considered cash deposits for disclosure purposes	33,993
Less: cash equivalents considered investments for disclosure purposes	(7,561,651)
	<u>\$ 17,313,871</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$17,453,031 of the Town's bank balance of \$18,234,678 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,707,728
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,745,303
	<u>\$ 17,453,031</u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

**Investments**

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Investments:	
Government-wide statement of net position	\$ 2,163,320
Statement of fiduciary net position	40,467,221
Plus: cash equivalents considered investments for disclosure purposes	7,561,651
Less: certificates of deposit considered cash deposits for disclosure purposes	(33,993)
	<u>\$ 50,158,199</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

As of June 30, 2017, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:						
Governmental activities:						
Short-term Investment Fund (STIF)	Net asset value	\$ 7,210,784	\$ 7,210,784	\$ -	\$ -	\$ -
Money market mutual funds	Net asset value	9,388	9,388	-	-	-
Fiduciary Activities:						
Money market mutual funds	Net asset value	341,479	341,479	-	-	-
Corporate bonds	Fair Value	5,488,436	1,071,117	2,940,504	1,407,994	68,821
Municipal bonds	Fair Value	87,911	-	37,448	-	50,463
U.S. Treasury securities	Fair Value	3,800,541	178,029	1,589,002	1,975,225	58,285
Asset backed securities	Fair Value	777,693	-	322,959	77,756	376,978
		17,716,232	\$ 8,810,797	\$ 4,889,913	\$ 3,460,975	\$ 554,547
Other investments:						
Governmental activities:						
Mutual funds	Fair value	4,881,312				
Fiduciary Activities:						
Mutual funds	Fair value	27,418,683				
Other	Contract value	141,972				
		\$ 50,158,199				

Because investments in the Short-term Investment Fund and money market mutual funds have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

**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. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Town's investments in debt securities, excluding U.S. Treasury securities, were rated as follows at June 30, 2017:

<b>Investment Type</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Unrated</b>
<b>DEBT SECURITIES:</b>					
Short-Term Investment Fund	\$ 7,210,784	\$ -	\$ -	\$ -	\$ -
Money market mutual funds	-	-	-	-	350,867
Corporate bonds	41,102	1,682,090	2,447,945	1,317,299	-
Municipal bonds	-	87,911	-	-	-
Asset backed securities	224,278	-	-	-	553,415

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, 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. The Town's investments in external investment pools and insurance contracts are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.



**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Concentrations of Credit Risk**

The Town's investment policy generally restricts investments in any one issuer that is in excess of 5.0%. As of June 30, 2017, 99.9% of the Town's governmental activities investments were invested in the State of Connecticut Short-Term investment Fund.

Additional disclosures regarding concentration of credit risk related to the Town's fiduciary activities have been disclosed in Note 9.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2017, by level within the fair value hierarchy are presented in the table below:

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds	\$ 32,299,995	\$ -	\$ -
Corporate Bonds	-	5,488,436	-
Municipal Bonds	-	87,911	-
U.S. Treasury securities	3,800,541	-	-
Asset backed securities	-	777,693	-
	<u>\$ 36,100,536</u>	<u>\$ 6,354,040</u>	<u>\$ -</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 18,023,616	\$ -	\$ -	\$ 18,023,616
Construction in progress	744,604	6,035,007	(18,500)	6,761,111
Total capital assets, not being depreciated	<u>18,768,220</u>	<u>6,035,007</u>	<u>(18,500)</u>	<u>24,784,727</u>
Capital assets, being depreciated:				
Buildings and improvements	75,594,012	55,416	-	75,649,428
Land improvements	2,221,687	98,960	-	2,320,647
Machinery and equipment	10,942,676	514,227	(60,641)	11,396,262
Infrastructure	40,922,176	-	-	40,922,176
Total capital assets, being depreciated	<u>129,680,551</u>	<u>668,603</u>	<u>(60,641)</u>	<u>130,288,513</u>
Less accumulated depreciation for:				
Buildings and improvements	(25,675,774)	(1,624,446)	-	(27,300,220)
Land improvements	(780,876)	(62,912)	-	(843,788)
Machinery and equipment	(6,524,802)	(469,190)	60,641	(6,933,351)
Infrastructure	(7,422,915)	(534,585)	-	(7,957,500)
Total accumulated depreciation	<u>(40,404,367)</u>	<u>(2,691,133)</u>	<u>60,641</u>	<u>(43,034,859)</u>
Total capital assets, being depreciated, net	<u>89,276,184</u>	<u>(2,022,530)</u>	<u>-</u>	<u>87,253,654</u>
Governmental activities capital assets, net	<u>\$ 108,044,404</u>	<u>\$ 4,012,477</u>	<u>\$ (18,500)</u>	<u>\$ 112,038,381</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

<b>Governmental Activities:</b>	
Education	\$ 1,585,234
Public works	673,095
Public safety	214,044
Health and social services	93,124
Administration	71,316
Library, parks and recreation	46,070
Planning and development	8,250
Total depreciation expense	<u>\$ 2,691,133</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 5 - CAPITAL ASSETS (Continued)**

Capital asset activity for business-type activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 16,038,335	\$ -	\$ -	\$ 16,038,335
Total capital assets, not being depreciated	<u>16,038,335</u>	<u>-</u>	<u>-</u>	<u>16,038,335</u>
Capital assets, being depreciated:				
Buildings	10,078,669	-	-	10,078,669
Equipment	17,191,501	126,886	(2,737)	17,315,650
Vehicles	313,829	-	(32,548)	281,281
Infrastructure	850,540	386,071	-	1,236,611
Total capital assets, being depreciated	<u>28,434,539</u>	<u>512,957</u>	<u>(35,285)</u>	<u>28,912,211</u>
Less accumulated depreciation for:				
Buildings	(9,705,922)	(32,662)	-	(9,738,584)
Equipment	(16,093,981)	(580,406)	2,737	(16,671,650)
Vehicles	(144,311)	(36,387)	-	(180,698)
Infrastructure	(109,196)	(57,059)	32,548	(133,707)
Total accumulated depreciation	<u>(26,053,410)</u>	<u>(706,514)</u>	<u>35,285</u>	<u>(26,724,639)</u>
Total capital assets, being depreciated, net	<u>2,381,129</u>	<u>(193,557)</u>	<u>-</u>	<u>2,187,572</u>
Governmental activities capital assets, net	<u>\$ 18,419,464</u>	<u>\$ (193,557)</u>	<u>\$ -</u>	<u>\$ 18,225,907</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

Business-Type Activities:	
Sewer	<u>\$ 706,514</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital Projects Fund	\$ 5,045,166
	Nonmajor Governmental Funds	132,287
	Internal Service Funds	135,735
		<u>5,313,188</u>
Capital Projects Fund	General Fund	<u>13,661,177</u>
Nonmajor Governmental Funds	General Fund	1,352,746
		<u>\$ 20,327,111</u>
<b>Proprietary Funds</b>		
Sewer Fund	General Fund	<u>\$ 1,747</u>
<b>Fiduciary Funds</b>		
Pension Trust Fund	General Fund	<u>\$ 190,518</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE 7 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital Projects Fund	\$ 407,731
General Fund	Nonmajor Governmental Funds	200,000
		<u>607,731</u>
Capital Projects Fund	General Fund	4,677,856
	Sewer Fund	406,690
	Capital Projects Fund	9,948
	Nonmajor Governmental Funds	234,100
		<u>5,328,594</u>
Nonmajor Governmental Funds	General Fund	459,837
	Capital Projects Fund	92,260
		<u>552,097</u>
Total transfers		<u>\$ 6,488,422</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 8 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable:					
General obligation bonds	\$ 14,700,000	\$ 9,100,000	\$ (2,045,000)	\$ 21,755,000	\$ 2,040,000
Unamortized premium	557,031	377,281	(96,100)	838,212	-
Bonds payable, net	15,257,031	9,477,281	(2,141,100)	22,593,212	2,040,000
Other liabilities:					
Capital leases	34,618	315,989	(161,169)	189,438	60,946
Compensated absences	403,029	-	(151,942)	251,087	25,109
Landfill post-closure care liability	129,600	-	(16,200)	113,400	16,200
Net pension liability	10,142,246	-	(1,168,155)	8,974,091	-
Net OPEB obligation	2,082,970	-	(508,990)	1,573,980	-
	<u>\$ 28,049,494</u>	<u>\$ 9,793,270</u>	<u>\$ (4,147,556)</u>	<u>\$ 33,695,208</u>	<u>\$ 2,142,255</u>
<b>Business-Type Activities</b>					
Capital leases	<u>\$ 103,351</u>	<u>\$ -</u>	<u>\$ (50,573)</u>	<u>\$ 52,778</u>	<u>\$ 52,778</u>

Long - term liabilities above typically have been liquidated by the General Fund for governmental activities and the WPCA Fund for business-type activities.

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2017 is as follows:

<b>Purpose of Bonds</b>	<b>Original Issue</b>	<b>Interest Rates</b>	<b>Maturity Date</b>	<b>Amount Outstanding</b>
<b>Governmental Activities</b>				
2005 General Obligation Refunding Bonds	\$ 14,305,000	3.0 -5.0%	6/15/2021	\$ 5,590,000
2012 General Obligation Bonds	9,000,000	2.0 - 3.0%	12/15/2027	7,065,000
2016 General Obligation Bonds	9,100,000	3.0 - 3.25%	1/15/2036	9,100,000
				<u>\$ 21,755,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2017:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>		
	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2018	\$ 2,040,000	\$ 769,804	\$ 2,809,804
2019	2,540,000	666,275	3,206,275
2020	2,545,000	557,175	3,102,175
2021	2,545,000	447,825	2,992,825
2022	1,145,000	338,475	1,483,475
2023-2027	5,715,000	1,169,225	6,884,225
2028-2032	3,185,000	554,600	3,739,600
2033-2037	2,040,000	161,925	2,201,925
	<u>\$ 21,755,000</u>	<u>\$ 4,665,304</u>	<u>\$ 26,420,304</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$276,372,530 as of June 30, 2017. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2017.

**Authorized, Unissued Bonds**

As of June 30, 2017, the Town had authorized but unissued bonds totaling \$12,785,000; \$4,385,000 for a Town Hall Project and \$8,400,000 for the Bridge Street Community Center Project.

**Capital Leases**

A summary of assets acquired through capital leases is as follows as of June 30, 2017:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Equipment	\$ 484,276	\$ 158,431
Less: accumulated amortization	205,901	67,527
	<u>\$ 278,375</u>	<u>\$ 90,904</u>

Depreciation expense relative to leased property under capital leases totaled \$150,547 for the year ended June 30, 2017 and is included in depreciation expense disclosed in Note 5.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2017 are as follows:

Year Ending June 30:	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2018	\$ 67,703	\$ 55,079
2019	67,703	-
2020	67,704	-
Total minimum lease payments	203,110	55,079
Less: amount representing interest	13,672	2,301
Present value of minimum lease payments	<u>\$ 189,438</u>	<u>\$ 52,778</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

**Landfill Post-Closure Care Liability**

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill for thirty years after closure. Estimated monitoring costs of \$16,200 per year for the next 7 years total \$113,400 at June 30, 2017. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**NOTE 9 - FUND BALANCE**

The various components of fund balance at June 30, 2017 are as follows:

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Nonspendable:				
Inventories	\$ -	\$ -	\$ 25,000	\$ 25,000
Endowments	-	-	479,392	479,392
Restricted for:				
Grants	-	-	96,629	96,629
Public safety	-	-	134,802	134,802
Health and social services	-	-	2,218	2,218
Library, recreation and parks	-	-	107,691	107,691
Capital purposes	-	2,251,389	-	2,251,389
Committed to:				
General government	-	-	2,620	2,620
Public safety	-	-	294,201	294,201
Public works	-	-	141,324	141,324
Library, recreation and parks	350,000	-	82,214	432,214
Education	-	-	198,502	198,502
Capital purposes	-	11,397,295	-	11,397,295
Sewer assessment	-	-	75,520	75,520
Assigned to:				
Encumbrances - Administration	3,750	-	-	3,750
Encumbrances - Planning and development	18,500	-	-	18,500
Encumbrances - Public works	7,862	-	-	7,862
Encumbrances - Public safety	16,500	-	-	16,500
Encumbrances - Education	91,894	-	-	91,894
Subsequent year's budget	825,000	-	-	825,000
Unassigned	8,373,882	(3,610,432)	(58,643)	4,704,807
	<u>\$ 9,687,388</u>	<u>\$ 10,038,252</u>	<u>\$ 1,581,470</u>	<u>\$ 21,307,110</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 10 - EMPLOYEE RETIREMENT PLANS**

**Employee's Retirement System**

**Plan Description**

The Town is the administrator of a single-employer public employee retirement system (PERS) defined benefit contributory pension plan established and administered to provide pension benefits for its municipal and Board of Education employees other than teachers. The PERS does not issue stand-alone financial statements and is considered to be part of the Town's financial reporting entity. As such, the PERS is included in the Town's financial statements as a pension trust fund.

Management of the plan rests with the PERS Board, which consists of seven voting members and an additional ad hoc member. Included in the Board is the First Selectman, Treasurer, a Board of Finance member, three citizens, one police union member and one ad hoc non-voting member.

**Summary of Significant Accounting Policies**

The PERS are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

*Investments* - Investments are generally measured at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in money market mutual funds are measured at net asset value per share as determined by the fund. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

*Investment policy* - The investment policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Concentrations* – As of June 30, 2017, more than 10% of the Town Employee Retirement Plan's investments are invested in the following:

			<b>% of Town Plan Investments</b>
<b>Issuer</b>	<b>Investment</b>	<b>Value</b>	
Vanguard	500 Index Adm	\$ 4,235,153	14.0%

*Rate of return* - For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan, net of pension plan investment expense, was 11.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Employee's Retirement System (Continued)**

**Plan Membership**

Membership of the PERS consisted of the following as of at the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	117
Inactive plan members entitled to but not yet receiving benefits	43
Active employees	178
	<u>338</u>

**Benefit Provisions**

Under the PERS, all employees who work at least 20 hours a week and agree to make contributions are eligible. The retirement benefit is calculated at 2% (2.25% for police officers and firefighters) of the average annual salaries during the three highest years out of the final seven years of employment multiplied by service. Participants are 100% vested after five years of continuous service if their contributions remain in the fund. Benefits and contributions are established by contract and may be amended by union negotiations.

**Contributions**

Employees are required to contribute 5.25% of their salary to the PERS except for police and firefighters, who contribute 6.0%. The Town is required to contribute the remaining amounts necessary to finance coverage.

**Net Pension Liability**

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

Total pension liability	\$ 39,505,549
Plan fiduciary net position	<u>30,531,458</u>
Town's net pension liability - Town Plan	<u>\$ 8,974,091</u>
 Plan fiduciary net position as a percentage of the total pension liability	  77.28%

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Employee's Retirement System (Continued)**

**Net Pension Liability (Continued)**

The components of the changes in the net pension liability of the Town at June 30, 2017, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2016	\$ 37,769,166	\$ 27,626,920	\$ 10,142,246
Changes for the year:			
Service cost	1,160,086	-	1,160,086
Interest	2,745,126	-	2,745,126
Differences between expected and actual experience	-	-	-
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	1,432,199	(1,432,199)
Contributions - employee	-	495,823	(495,823)
Net investment income	-	3,131,328	(3,131,328)
Benefit payments, including refunds	(2,168,829)	(2,168,829)	-
Administrative expense	-	(2,254)	2,254
Other	-	16,271	(16,271)
Net changes	<u>1,736,383</u>	<u>2,904,538</u>	<u>(1,168,155)</u>
Balance as of June 30, 2017	<u>\$ 39,505,549</u>	<u>\$ 30,531,458</u>	<u>\$ 8,974,091</u>

*Actuarial assumptions* - The total pension liability was determined by actuarial valuations as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, including inflation	Service based
Investment rate of return	7.25%

Mortality rates were based on the RP-2014 adjusted to 2006 Blue Collar Mortality Table, projected to the measurement date with Scale MP-2015.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Employee's Retirement System (Continued)**

**Net Pension Liability (Continued)**

The long-term expected rate of returns on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each of the Plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Equities	20.80%	6.50%
US Mid/Small Cap Equities	14.00%	7.98%
International Equities (unhedged)	12.40%	6.50%
Emerging International Equities	6.00%	9.25%
Core Bonds	25.50%	0.75%
High Yield Bonds	3.00%	4.50%
Global Bonds (unhedged)	2.00%	0.75%
Emerging Market Debt (local currency)	2.00%	4.50%
Real Estate (core)	3.00%	6.50%
Commodities	4.00%	3.00%
Cash (prudential GIC)	7.30%	1.00%
	<u>100.00%</u>	

*Discount rate* - The discount rate used to measure the total pension liability for the pension plan was 7.25%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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 rates of return on the Plan's investments were applied to all periods of projected benefit payments to determine the Plan's total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate* - The following presents the net pension liability for the Plan, calculated using the discount rate disclosed above, as well as what the Town's net pension liability would be for the Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net pension liability as of June 30, 2017	\$ 13,375,445	\$ 8,974,091	\$ 5,244,312

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Employee's Retirement System *(Continued)***

**Pension Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2017, the Town recognized pension expense of \$2,019,416 for the Plan. At June 30, 2017, the Town reported deferred outflows/inflows of resources related to the Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 719,127	\$ -
Changes of assumptions	1,077,890	-
Differences between expected and actual experience	-	(393,891)
Total	<u>\$ 1,797,017</u>	<u>\$ (393,891)</u>

Amounts reported as deferred outflow/inflows of resources will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2018	\$ 618,919
2019	618,917
2020	294,864
2021	(129,574)
	<u>\$ 1,403,126</u>

**Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Plan as of and for the year ended June 30, 2017:

<b>ASSETS</b>	
Cash and cash equivalents	\$ 234,893
Investments	30,068,751
Other assets	227,975
Total assets	<u>30,531,619</u>
<b>LIABILITIES</b>	
Accounts payable	161
Total liabilities	<u>161</u>
<b>NET POSITION</b>	
Restricted for pensions	<u>\$ 30,531,458</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

---

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Employee's Retirement System *(Continued)***

**Plan Financial Statements *(Continued)***

<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,439,263
Plan members	495,823
Total contributions	<u>1,935,086</u>
Investment earnings:	
Interest and dividends	82,125
Net change in the fair value of investments, net of fees	<u>3,119,614</u>
Total investment earnings	<u>3,201,739</u>
Other income	<u>9,207</u>
Total additions	<u>5,146,032</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,168,829
Administration	<u>72,664</u>
Total deductions	<u>2,241,493</u>
Change in net position	2,904,539
Net pension held in trust for pension benefits:	
Beginning of year	<u>27,626,919</u>
End of year	<u>\$ 30,531,458</u>

**Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Connecticut State Teachers' Retirement System (Continued)**

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

The Town has recognized on-behalf payments of \$4,339,550 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$63.4 million or approximately 0.445% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

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

Inflation	2.75%
Salary increases	3.25% - 6.50% (includes inflation)
Investment rate of return	8.00% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.00%
Retirements on or after 9/1/1992	2.00%

For healthy retirees and beneficiaries, the RP-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2017

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset 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%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Core Fixed Income	7.0%	1.30%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative Investment	8.0%	4.10%
Inflation Linked Bonds	3.0%	1.00%
Cash	6.0%	0.40%
Real Estate	7.0%	5.10%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
	<u>100.0%</u>	

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

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

	<b>1% Decrease (7.00%)</b>	<b>Current Discount (8.00%)</b>	<b>1% Increase (9.00%)</b>
Proportionate share of the net pension liability attributed to the Town	\$78.2 million	\$63.4 million	\$50.8 million

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town of Suffield. The RHP provides medical and dental insurance benefits to eligible retirees and their spouses. All 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.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

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

Retirees, beneficiaries and dependents*	75
Active members	<u>400</u>
	<u><u>475</u></u>

\* Does not include spouses of existing retirees.

**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 amounts monthly towards the cost of health insurance premiums as follows:

*Town Employees*

The cost per month for Town employees receiving medical coverage is \$629 per month for retiree only coverage and \$1,258 per month for retiree and spouse coverage. The cost per month for Town employees receiving dental coverage is \$28 per month for retiree only coverage and \$71 per month for retiree and spouse coverage.

*Board of Education Employees*

The cost per month for Board of Education employees receiving medical coverage is \$610 per month for retiree only coverage and \$1,220 per month for retiree and spouse coverage. The cost per month for Board of Education employees receiving dental coverage is \$30 per month for retiree only coverage and \$107 per month for retiree and spouse coverage.

**Contributions**

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Plan members are currently required to contribute 100% of their premiums to the Town, less any reimbursements received by the Town from the State Retirement Board for retired teachers. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions into the Trust totaled \$692,430 for the year ended June 30, 2017. Total Town contributions under the Plan totaled \$2,359,190 and include contributions paid out of the Town's Insurance Fund.



**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Summary of Significant Accounting Policies**

The OPEB Plan is accounted for using the accrual basis of accounting. Employer contributions to the OPEB Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

*Investments* - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

*Investment policy* - The investment policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Concentrations* - As of June 30, 2017, more than 10% of the Other Post-Employment Benefits Program's investments are invested in the following:

<b>Issuer</b>	<b>Investment</b>	<b>Value</b>	<b>% of Town Plan Investments</b>
Vanguard	500 Index Adm	\$ 1,484,015	14.2%

*Rate of return* - For the year ended June 30, 2017, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 12.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined. 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 over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. 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:

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

Annual required contribution	\$ 1,858,040
Interest on net OPEB obligation	156,223
Adjustment to annual required contribution	<u>(164,063)</u>
Annual OPEB cost (expense)	1,850,200
Contributions made	<u>2,359,190</u>
Increase in net OPEB obligation	(508,990)
Net OPEB obligation, beginning of year	<u>2,082,970</u>
Net OPEB obligation, end of year	<u><u>\$ 1,573,980</u></u>

**Three-year Trend Information**

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Contribution</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 1,648,135	\$ 1,819,569	109.0%	\$ 2,203,235
2016	1,789,440	1,909,705	107.0%	2,082,970
2017	1,850,200	2,359,190	128.0%	1,573,980

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2016 (the date of the most recent actuarial valuation) was as follows:

<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) - (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
\$ 8,678,000	\$ 16,685,067	\$ 8,007,067	52.0%	\$ 25,675,542	31.2%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Net OPEB Liability**

The components of the Town's net OPEB liability related to its OPEB Plan as of June 30, 2017, were as follows:

Total OPEB liability	\$ 17,330,465
Plan fiduciary net position	<u>10,487,955</u>
Net OPEB liability	<u>\$ 6,842,510</u>

Plan fiduciary net position as a percentage of the total OPEB liability	60.52%
--	--------

**Actuarial Methods and Assumptions**

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

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

Investment rate of return	7.00%
Salary increases	2.60%
Healthcare trend costs	8.00% initial 4.60% final

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2017 are summarized in the following table:

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Actuarial Methods and Assumptions (Continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Lap Cap Equity	27%	4.40%
Mid Cap Equity	5%	4.80%
Small Cap Equity	4%	5.10%
Developed International Equity	18%	6.60%
Emerging International Equity	8%	8.60%
Real Estate	4%	5.60%
Intermedicate Fixed Income	27%	1.60%
High Yield Fixed Income	5%	3.90%
Emerging Market Bonds	3%	3.50%
	<u>100%</u>	

*Discount rate* - The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

*Sensitivity of the net OPEB asset to changes in the discount rate* - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Net OPEB liability as of June 30, 2017	\$ 9,133,248	\$ 6,842,510	\$ 4,952,585

*Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates* - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (7.00% decreasing to 3.60%)</b>	<b>Healthcare Cost Trend Rates (8.00% decreasing to 4.60%)</b>	<b>1% Increase (9.00% decreasing to 5.60%)</b>
Net OPEB liability as of June 30, 2017	\$ 4,658,861	\$ 6,842,510	\$ 9,536,691

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 12 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

Effective July 1, 2001, the town created a separate fund to account for its self-insured medical plan. Prior to this, the activity was reported in the General Fund. The Town has assumed all risk associated with providing health insurance up to a maximum of 110% of the premium it would have been charged had it purchased health insurance from Anthem Blue Cross/Blue Shield. In addition, the Town has purchased a combined stop-loss policy which limits individual loss claims to \$150,000 for hospitalization and for major medical. The Town pays an administration fee to Anthem Blue Cross/Blue Shield for administering the fund.

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$6,233,065. This amount includes the administrator's estimate of claims incurred but not reported at June 30, 2017 of \$478,064. A schedule of changes in the claims liability for the years ended June 30, 2017 and 2016 are presented below:

<b>Year Ended</b>	<b>Claims Payable,</b>	<b>Claims and</b>		<b>Claims Payable,</b>
<b>June 30</b>	<b>Beginning of</b>	<b>Changes in</b>	<b>Claims</b>	<b>End of</b>
	<b>Year</b>	<b>Estimates</b>	<b>Paid</b>	<b>Year</b>
2017	\$ 481,428	\$ 6,233,065	\$ 6,136,950	\$ 577,543
2016	447,760	5,376,509	5,342,841	481,428

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

There are several legal matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, would not materially affect the financial position of the Town.

The Town may be subject to arbitrage rebate penalties to the federal government relating to various bond and note issuances. Town management believes such penalties, if any, would not materially affect the financial position of the Town.

As of June 30, 2017, the Town has recorded \$138,506 in encumbrances for the commitments made for the purchase of goods and services. Such encumbrances have been included as part of the assigned fund balance in the General Fund.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town has not yet determined the impact that this statement will have on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement addresses accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

---

**NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS (Continued)**

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

---

## REQUIRED SUPPLEMENTARY INFORMATION

---



**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - UNAUDITED**  
**TOWN PENSION PLAN**  
**LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>				
Service cost	\$ 1,160,086	\$ 1,019,628	\$ 980,412	\$ 942,703
Interest	2,745,126	2,629,704	2,509,771	2,396,241
Differences between expected and actual experience	-	(618,973)	-	-
Changes in assumptions	-	1,693,828	-	-
Benefit payments, including refunds	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Net change in total pension liability	1,736,383	2,763,407	1,589,294	1,512,659
Total pension liability - beginning	37,769,166	35,005,759	33,416,465	31,903,806
Total pension liability - ending	<u>39,505,549</u>	<u>37,769,166</u>	<u>35,005,759</u>	<u>33,416,465</u>
<b>Plan net position</b>				
Contributions - employer	1,432,199	1,333,075	1,292,936	1,248,754
Contributions - members	495,823	521,490	474,495	482,833
Net investment income	3,131,328	411,116	401,414	3,385,717
Benefit payments, including refunds	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Administrative expenses	(2,254)	(23,198)	(5,044)	(37,288)
Other	16,271	35,798	15,316	-
Net change in plan net position	2,904,538	317,501	278,228	3,253,731
Plan net position - beginning	27,626,920	27,309,419	27,031,191	23,777,460
Plan net position - ending	<u>30,531,458</u>	<u>27,626,920</u>	<u>27,309,419</u>	<u>27,031,191</u>
<b>Town's net pension liability</b>	<u>\$ 8,974,091</u>	<u>\$ 10,142,246</u>	<u>\$ 7,696,340</u>	<u>\$ 6,385,274</u>
<b>Plan net pension as percentage of total pension liability</b>	77.28%	73.15%	78.01%	80.89%
<b>Covered employee payroll</b>	\$ 9,608,088	\$ 9,238,546	\$ 8,831,530	\$ 8,493,969
<b>Town net pension liability as a percentage of covered employee payroll</b>	93.40%	109.78%	87.15%	75.17%

**NOTES TO SCHEDULE:**

The Town began to report the schedule of net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

Benefit changes: None noted

Assumption changes: None noted

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - UNAUDITED**  
**TOWN PENSION PLAN**  
**LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,432,199	\$ 1,333,075	\$ 1,292,936	\$ 1,209,502
Contributions in relation to actuarially determined contributions	<u>1,432,199</u>	<u>1,333,075</u>	<u>1,292,936</u>	<u>1,248,754</u>
(Excess) deficiency of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,252)</u>
Covered payroll	\$ 9,608,088	\$ 9,238,546	\$ 8,831,530	\$ 8,493,969
Contributions as a percentage of covered employee payroll	14.91%	14.43%	14.64%	14.70%

**NOTES TO SCHEDULE:**

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

Actuarial determined contribution rates are calculated as of July 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial determined contributions for fiscal year ending June 30, 2017 were determined from the January 1, 2015 valuation.

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	20 years, closed
Asset valuation method	5 year period at 20% per year
Inflation rate	3.00%
Salary Increases	Based on years of service
Investment rate of return	7.25%
Mortality	RP - 2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the measurement date with Scale MP - 2015

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - UNAUDITED**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.445%	0.433%	0.433%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	<u>63,364,596</u>	<u>47,465,105</u>	<u>43,871,978</u>
Total	<u>\$ 63,364,596</u>	<u>\$ 47,465,105</u>	<u>\$ 43,871,978</u>
Town's covered payroll	Not available	Not available	Not available
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

**NOTES TO SCHEDULE:**

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

*Benefit changes:* There were no changes in benefit terms that affected the measurement of the total pension liability.

*Assumption changes:* Since the prior valuation in 2015, new assumptions were adopted. Specifically:

- Inflation assumption was reduced from 3.00% to 2.75%
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - UNAUDITED**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**  
**LAST THREE ACTUARIAL VALUATIONS**

<b>Other Post-Employment Benefits Program</b>						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2012	\$ 3,891,769	\$ 16,566,286	\$ 12,674,517	23.5%	\$ 24,910,300	50.9%
July 1, 2014	7,011,268	19,616,888	12,605,620	35.7%	25,732,261	49.0%
July 1, 2016	8,678,000	16,685,067	8,007,067	52.0%	25,675,542	31.2%

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY - UNAUDITED**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**LAST FISCAL YEAR**

	<u><b>2017</b></u>
<b>Total OPEB liability</b>	
Service cost	\$ 362,903
Interest	1,163,059
Differences between expected and actual experience	837,779
Changes in assumptions	-
Benefit payments, including refunds	<u>(1,718,343)</u>
Net change in total pension liability	645,398
Total OPEB liability - beginning	<u>16,685,067</u>
Total OPEB liability - ending	<u><u>17,330,465</u></u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	2,359,190
Contributions - TRB subsidy	51,583
Net investment income	1,117,525
Benefit payments, including refunds	(1,718,343)
Administrative expenses	<u>-</u>
Net change in plan net position	1,809,955
Plan fiduciary net position - beginning	<u>8,678,000</u>
Plan fiduciary net position - ending	<u><u>10,487,955</u></u>
 <b>Town's net OPEB liability</b>	 <u><u>\$ 6,842,510</u></u>
 <b>Plan fiduciary net pension as percentage of total OPEB liability</b>	  60.52%
 <b>Covered employee payroll</b>	  \$ 26,343,106
 <b>Town net OPEB liability as a percentage of covered employee payroll</b>	  25.97%

**NOTES TO SCHEDULE:**

The Town began to report the schedule of net pension liability when it implemented GASB Statement No. 74 in fiscal year 2017.

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - UNAUDITED**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**  
**LAST FISCAL YEAR**

	<u><b>2017</b></u>
Actuarially determined contribution	\$ 1,858,040
Contributions in relation to actuarially determined contribution	<u>2,359,190</u>
(Excess) deficiency of contribution	<u><u>\$ (501,150)</u></u>
Covered payroll	\$ 26,343,106
Contributions as a percentage of covered employee payroll	8.96%
Annual money-weighted rate of return, net of investment expense	12.32%

**NOTES TO SCHEDULE:**

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 74 in fiscal year 2017.

Actuarial determined contribution for fiscal year ending June 30, 2017 was determined with the July 1, 2014 actuarial valuation.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of Salary
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	2.60%
Investment rate of return	7.00%
Healthcare cost trend rates	8.00% current 4.60% final
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.

*See accompanying Independent Auditor's Report.*

---

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

---

---

**GENERAL FUND**

---



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

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual	
PROPERTY TAXES:				
Current List	\$ 38,721,691	\$ 38,721,691	\$ 38,531,862	\$ (189,829)
Supplemental motor vehicle	275,000	275,000	437,156	162,156
Interest and fees	150,000	150,000	217,735	67,735
Taxes, prior year	280,000	280,000	328,480	48,480
Total property taxes	39,426,691	39,426,691	39,515,233	88,542
INTERGOVERNMENTAL REVENUES				
State grants unspecified:				
Mashantucket Pequot	2,837,591	2,837,591	2,830,235	(7,356)
Payment in lieu of taxes - State property	2,445,787	2,445,787	2,426,766	(19,021)
Capital expenditure reimbursements	983,900	983,900	30,899	(953,001)
Town Aid Road	290,413	290,413	290,620	207
LOCIP reimbursement	275,667	275,667	91,360	(184,307)
Municipal projects grants	180,663	180,663	180,663	-
Municipal revenue sharing - PILOT	53,767	53,767	51,434	(2,333)
Municipal revenue sharing - Sales Tax	75,876	75,876	321,763	245,887
Elderly tax relief- circuit breaker	91,000	91,000	80,229	(10,771)
Other	32,419	32,419	52,536	20,117
Youth Services	14,000	14,000	14,000	-
Veterans Exemption	9,500	9,500	8,856	(644)
Emergency management program	7,894	7,894	-	(7,894)
Payment in lieu of taxes - disabled tax relief	1,090	1,090	928	(162)
Total state grants unspecified	7,299,567	7,299,567	6,380,289	(919,278)
State grants for school aid:				
Education Cost Sharing	6,077,772	6,077,772	6,240,867	163,095
Vocational agriculture grant	374,400	374,400	331,892	(42,508)
Pupil Transportaion	80,737	80,737	-	(80,737)
Other Educational Grants	7,689	7,689	8,194	505
Total state grants for school aid	6,540,598	6,540,598	6,580,953	40,355
Total intergovernmental revenues	13,840,165	13,840,165	12,961,242	(878,923)
INVESTMENT INCOME	30,000	30,000	60,311	30,311
CHARGES FOR SERVICES:				
Current services and fees:				
Building Department	400,000	400,000	614,295	214,295
Zoning and Planning	18,000	18,000	21,794	3,794
Zoning Board of Appeals	3,410	3,410	1,550	(1,860)
Police Permits	6,500	6,500	12,925	6,425
Conservation	4,000	4,000	3,462	(538)
Historic District Fees	800	800	800	-
Total current services and fees	432,710	432,710	654,826	222,116
Landfill:				
Operating	40,000	40,000	40,041	41
Recycling rebates	30,000	30,000	11,128	(18,872)
Sale of Scrap metal	5,000	5,000	23,787	18,787
Permits	7,850	7,850	2,634	(5,216)
Total Landfill	82,850	82,850	77,590	(5,260)

*Continued*

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual	
CHARGES FOR SERVICES: <i>(Continued)</i>				
Charges for current services:				
Bulky Waste	\$ 2,000	\$ 2,000	\$ 2,991	\$ 991
Assessor's Map Sales	800	800	152	(648)
Real Estate Conveyance Fee	176,000	176,000	216,067	40,067
Mini-bus transportation	5,500	5,500	4,448	(1,052)
Animal control fees	3,350	3,350	22,305	18,955
Town Clerk Historic Document fees	3,960	3,960	(953)	(4,913)
Town Clerk recording fees	176,880	176,880	118,085	(58,795)
Total charges for current services	368,490	368,490	363,095	(5,395)
Recreation:				
Camps	42,590	42,590	39,312	(3,278)
Activity	95,000	95,000	100,097	5,097
Total Recreation	137,590	137,590	139,409	1,819
Revenue from other agencies:				
Telecommunications grant	21,000	21,000	23,013	(2,013)
Tuition, Vo-ag	607,247	607,247	504,902	102,345
Tuition, other	306,899	306,899	141,836	165,063
Payment in lieu of taxes, CT Airport Authority	693,909	693,909	693,909	-
Total revenue from other agencies	1,629,055	1,629,055	1,363,660	(265,395)
Total charges for services	2,650,695	2,650,695	2,598,580	(52,115)
MISCELLANEOUS:				
Rent - Town Property	110,000	110,000	101,384	(8,616)
Cell Tower	161,000	161,000	173,849	12,849
Resource officer	63,205	63,205	63,205	-
Other	244,045	244,045	112,738	(131,307)
Total miscellaneous	578,250	578,250	451,176	(127,074)
Total revenues	56,525,801	56,525,801	55,586,542	(939,259)
OTHER FINANCING SOURCES:				
Appropriation of fund balance	363,000	363,000	-	(363,000)
Premium on bonds	-	-	377,281	377,281
Transfers in:				
Capital & Nonrecurring Fund	344,069	344,069	344,039	(30)
Off Duty Fund	200,000	200,000	200,000	-
Other Funds	12,800	12,800	63,692	50,892
Total other financing sources	919,869	919,869	985,012	65,143
Total revenues and other financing sources	\$ 57,445,670	\$ 57,445,670	\$ 56,571,554	\$ (874,116)
				<i>Concluded</i>

See accompanying Independent Auditor's Report.

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

	<b>Budgeted Amounts</b>			<b>Variance With Original Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>GENERAL GOVERNMENT:</b>				
Board of selectman	\$ 280,489	\$ 232,832	\$ 223,972	\$ (8,860)
Human resources	99,966	108,967	104,781	(4,186)
Probate court	5,800	5,800	5,707	(93)
Election	57,926	57,926	44,473	(13,453)
Board of finance	11,651	11,651	12,459	808
Assessors	157,952	157,952	153,513	(4,439)
Board of assessment appeals	1,450	1,450	252	(1,198)
Tax collector	174,887	174,886	169,151	(5,735)
Tax rebates	65,000	69,000	65,707	(3,293)
Finance	333,236	333,236	319,810	(13,426)
Information technology	352,444	376,815	376,815	-
Town counsel	100,000	128,625	118,978	(9,647)
Town clerk	201,654	201,656	195,076	(6,580)
Town hall	145,287	145,286	133,806	(11,480)
OPEB fund	548,598	548,598	548,598	-
Insurance and employee benefits	3,118,899	3,165,110	3,165,110	-
Total general government	5,655,239	5,719,790	5,638,208	(81,582)
<b>PLANNING AND DEVELOPMENT:</b>				
Planning and zoning	181,975	181,975	174,594	(7,381)
Zoning board of appeals	5,797	5,797	2,293	(3,504)
Economic development	160,784	165,784	164,798	(986)
Historic district commission	2,177	2,177	1,905	(272)
Conservation commission	66,340	73,613	73,613	-
Total planning and development	417,073	429,346	417,203	(12,143)
<b>PUBLIC SAFETY:</b>				
Fire Commission	1,003,169	918,132	909,508	(8,624)
Police Commission	2,537,248	2,680,248	2,673,603	(6,645)
Emergency management	17,523	17,523	5,367	(12,156)
Building Department	233,787	238,904	238,904	-
Town Engineer	123,375	123,375	118,508	(4,867)
Animal control	-	47,657	29,477	(18,180)
Total public safety	3,915,102	4,025,839	3,975,367	(50,472)
<b>PUBLIC WORKS:</b>				
Public works	657,290	652,292	648,618	(3,674)
Highway	1,182,399	1,269,805	1,267,305	(2,500)
State aid road funds	290,658	290,658	287,527	(3,131)
Public utilities	537,000	537,000	533,781	(3,219)
Town landfill	1,250,870	1,236,309	1,212,385	(23,924)
Total public works	3,918,217	3,986,064	3,949,616	(36,448)

*Continued*

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Budgeted Amounts</b>			<b>Variance With Original Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>HEALTH AND SOCIAL SERVICES:</b>				
Health and social services	\$ 184,550	\$ 184,550	\$ 183,550	\$ (1,000)
Social services commision	1,658	1,658	1,235	(423)
Senior center	111,259	113,892	113,892	-
Mini- bus transportaion	193,829	191,196	180,594	(10,602)
EMS/ambulance	202,999	202,999	193,000	(9,999)
Total health and social services	694,295	694,295	672,271	(22,024)
<b>LIBRARY, RECREATION AND PARKS:</b>				
Recreation	304,435	304,432	266,585	(37,847)
Recreation activity	112,101	112,101	85,638	(26,463)
Tree warden	17,000	17,000	17,000	-
Youth services	73,076	73,076	47,593	(25,483)
Total library, recreation and parks	506,612	506,609	416,816	(89,793)
<b>BOARD OF EDUCATION</b>	34,230,244	34,230,244	34,230,229	(15)
<b>MISCELLANEOUS:</b>				
Cemetaries	36,290	36,290	36,290	-
<b>DEBT SERVICE</b>	2,584,175	2,584,175	2,584,175	-
Total expenditures	51,957,247	52,212,652	51,920,174	(292,478)
<b>OTHER FINANCING USES:</b>				
Transfers out:				
Capital Projects Funds	4,599,856	4,344,451	4,239,856	(104,595)
Utility Extension Fund	188,000	188,000	188,000	-
Open Space Fund	250,000	250,000	250,000	-
Kent Memorial Library	450,567	450,567	450,567	-
Total other financing uses	5,488,423	5,233,018	5,128,423	(104,595)
Total expenditures and other financing uses	\$ 57,445,670	\$ 57,445,670	\$ 57,048,597	\$ (397,073)
				<i>Concluded</i>

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Grand List Year	Balance Uncollected June 30, 2016	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2017
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2015	\$ -	\$ 39,354,569	\$ 66,007	\$ 109,125	\$ 926	\$ 39,310,525	\$ 38,944,457	\$ 109,160	\$ 39,053,617	\$ 366,068
2014	324,760	-	2,105	11,344	-	315,521	137,873	39,948	177,821	177,648
2013	207,855	-	1,665	3,351	-	206,169	67,625	26,733	94,358	138,544
2012	129,554	-	-	38	24,654	104,862	27,556	14,647	42,203	77,306
2011	64,081	-	-	37	-	64,044	7,710	4,148	11,858	56,334
2010	41,583	-	-	-	-	41,583	5,455	2,665	8,120	36,128
2009	18,163	-	-	-	-	18,163	1,352	2,162	3,514	16,811
2008	12,124	-	-	-	-	12,124	1,352	2,505	3,857	10,772
2007	2,189	-	-	-	-	2,189	1,060	2,482	3,542	1,129
2006	1,586	-	-	-	-	1,586	992	1,679	2,671	594
2005	4,641	-	-	-	-	4,641	-	-	-	4,641
2004	27	-	-	-	-	27	-	-	-	27
2003	3,298	-	-	-	-	3,298	-	-	-	3,298
2002	2,135	-	-	-	-	2,135	-	-	-	2,135
2001	1,856	-	-	-	-	1,856	-	-	-	1,856
2000	1,784	-	-	1,784	-	-	-	-	-	-
Total	<u>\$ 815,636</u>	<u>\$ 39,354,569</u>	<u>\$ 69,777</u>	<u>\$ 125,679</u>	<u>\$ 25,580</u>	<u>\$ 40,088,723</u>	<u>\$ 39,195,432</u>	<u>\$ 206,129</u>	<u>\$ 39,401,561</u>	<u>\$ 893,291</u>

See accompanying Independent Auditor's Report.

**TOWN OF SUFFIELD, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)  
JUNE 30, 2017**

Total cash collections for the year ended  
June 30, 2017:

Taxes	\$ 39,195,432
Interest and lien fees	206,129
Total	<u>39,401,561</u>

Reimbursement for loss

Tax relief for elderly (CGS 12-129d)	80,229
--------------------------------------	--------

Base	<u><u>\$ 39,481,790</u></u>
------	-----------------------------

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 88,834,028	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	177,668,055	-	-	-
3-3/4 times base	-	-	148,056,713	-	-
3-1/4 times base	-	-	-	128,315,818	-
3 times base	-	-	-	-	118,445,370
Total debt limitation	<u>88,834,028</u>	<u>177,668,055</u>	<u>148,056,713</u>	<u>128,315,818</u>	<u>118,445,370</u>
Indebtedness:					
Bonds Payable	9,100,000	12,655,000	-	-	-
Authorized but unissued bonds	12,785,000	-	-	-	-
Total indebtedness	<u>21,885,000</u>	<u>12,655,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	127,192	-	-	-	-
Net indebtedness	<u>21,757,808</u>	<u>12,655,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 67,076,220</u></u>	<u><u>\$ 165,013,055</u></u>	<u><u>\$ 148,056,713</u></u>	<u><u>\$ 128,315,818</u></u>	<u><u>\$ 118,445,370</u></u>
Total capacity of borrowing (7 times base)	\$ 276,372,530				
Total present indebtedness	<u>34,412,808</u>				
Margin for additional borrowing	<u><u>\$ 241,959,722</u></u>				

*See accompanying Independent Auditor's Report.*

---

**NONMAJOR GOVERNMENTAL FUNDS**

---

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

	Nonmajor Special Revenue Funds							
	Off Duty Fund	School Cafeteria Fund	Town Donations Fund	Education Grants Fund	CADAC Grant Fund	Sewer Assessment Fund	Asset Forfeiture Fund	Recreation Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 61,184	\$ -	\$ -	\$ -	\$ 75,557	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	127,192	-	-
Grants and contracts	-	28,682	-	3,345	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	89,997	1,957	-	-	-	-	-	-
Due from other funds	209,613	-	138,707	594,951	185	-	9,239	18,503
Inventories	-	25,000	-	-	-	-	-	-
Total assets	<u>\$ 299,610</u>	<u>\$ 116,823</u>	<u>\$ 138,707</u>	<u>\$ 598,296</u>	<u>\$ 185</u>	<u>\$ 202,749</u>	<u>\$ 9,239</u>	<u>\$ 18,503</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 585	\$ 17,776	\$ 1,866	\$ 41,149	\$ -	\$ 37	\$ -	\$ -
Accrued liabilities	4,824	-	-	-	-	-	-	-
Due to other funds	-	13,087	2,039	-	-	-	-	-
Unearned revenue	-	-	-	557,147	-	-	-	-
Total liabilities	<u>5,409</u>	<u>30,863</u>	<u>3,905</u>	<u>598,296</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	-	-	-	-	-	127,192	-	-
<b>FUND BALANCES</b>								
Nonspendable	-	25,000	-	-	-	-	-	-
Restricted	-	-	134,802	-	185	-	9,239	-
Committed	294,201	60,960	-	-	-	75,520	-	18,503
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>294,201</u>	<u>85,960</u>	<u>134,802</u>	<u>-</u>	<u>185</u>	<u>75,520</u>	<u>9,239</u>	<u>18,503</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 299,610</u>	<u>\$ 116,823</u>	<u>\$ 138,707</u>	<u>\$ 598,296</u>	<u>\$ 185</u>	<u>\$ 202,749</u>	<u>\$ 9,239</u>	<u>\$ 18,503</u>

*Continued*

*See accompanying Independent Auditor's Report.*



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

	Nonmajor Special Revenue Funds							
	Senior Center Activity Fund	Municipal Grant Fund	Emergency Food and Shelter Fund	Small Cities Grant Fund	Drug Education & Enforcement Grant Fund	Sunrise Park Fund	Farmington Canal Trail Fund	Veterans Memorial Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 2,218	\$ 24,920	\$ -	\$ -	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	-	-	-
Grants and contracts	-	42,211	-	-	-	-	-	-
Loans	-	-	-	162,444	-	-	-	-
Other	2,166	566	-	-	-	125	-	-
Due from other funds	63,026	8,237	-	71,524	1,148	9,209	7,179	2,620
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 65,192</u>	<u>\$ 51,014</u>	<u>\$ 2,218</u>	<u>\$ 258,888</u>	<u>\$ 1,148</u>	<u>\$ 9,334</u>	<u>\$ 7,179</u>	<u>\$ 2,620</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,481	\$ 29,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	15,636	-	-	1,168	-	-	-
Unearned revenue	-	64,692	-	-	-	-	-	-
Total liabilities	<u>1,481</u>	<u>109,637</u>	<u>-</u>	<u>-</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	2,218	96,444	-	9,334	7,179	-
Committed	63,711	-	-	-	-	-	-	2,620
Unassigned	-	(58,623)	-	-	(20)	-	-	-
Total fund balances	<u>63,711</u>	<u>(58,623)</u>	<u>2,218</u>	<u>96,444</u>	<u>(20)</u>	<u>9,334</u>	<u>7,179</u>	<u>2,620</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,192</u>	<u>\$ 51,014</u>	<u>\$ 2,218</u>	<u>\$ 258,888</u>	<u>\$ 1,148</u>	<u>\$ 9,334</u>	<u>\$ 7,179</u>	<u>\$ 2,620</u>

*Continued*

*See accompanying Independent Auditor's Report.*

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

	Nonmajor Special Revenue Funds				Nonmajor Permanent Funds		Total Nonmajor Governmental Funds
	Kent Memorial Library Fund	Kent Farm Sewer District Fund	Town Clerk Dollar Fund	School Activity Fund	Memorial Fund	Cemetery Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 146,216	\$ -	\$ -	\$ 57,414	\$ 514,768	\$ 882,277
Receivables:							
Assessments	-	-	-	-	-	-	127,192
Grants and contracts	-	-	-	-	-	-	74,238
Loans	-	-	-	-	-	-	162,444
Other	23,009	-	-	2,116	-	-	119,936
Due from other funds	608	632	81,939	135,426	-	-	1,352,746
Inventories	-	-	-	-	-	-	25,000
Total assets	<u>\$ 23,617</u>	<u>\$ 146,848</u>	<u>\$ 81,939</u>	<u>\$ 137,542</u>	<u>\$ 57,414</u>	<u>\$ 514,768</u>	<u>\$ 2,743,833</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 10,125	\$ -	\$ -	\$ -	\$ -	\$ 957	\$ 103,285
Accrued liabilities	10,492	-	-	-	-	-	15,316
Due to other funds	3,000	5,524	-	-	15,553	76,280	132,287
Unearned revenue	-	-	-	-	-	-	621,839
Total liabilities	<u>23,617</u>	<u>5,524</u>	<u>-</u>	<u>-</u>	<u>15,553</u>	<u>77,237</u>	<u>872,727</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	-	-	-	-	-	-	289,636
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	41,861	437,531	504,392
Restricted	-	-	81,939	-	-	-	341,340
Committed	-	141,324	-	137,542	-	-	794,381
Unassigned	-	-	-	-	-	-	(58,643)
Total fund balances	<u>-</u>	<u>141,324</u>	<u>81,939</u>	<u>137,542</u>	<u>41,861</u>	<u>437,531</u>	<u>1,581,470</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,617</u>	<u>\$ 146,848</u>	<u>\$ 81,939</u>	<u>\$ 137,542</u>	<u>\$ 57,414</u>	<u>\$ 514,768</u>	<u>\$ 2,743,833</u>
							<i>Concluded</i>

See accompanying Independent Auditor's Report.

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

	Nonmajor Special Revenue Funds							
	Off Duty Fund	School Cafeteria Fund	Town Donations Fund	Education Grants Fund	CADAC Grant Fund	Sewer Assessment Fund	Asset Forfeiture Fund	Recreation Fund
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 233,484	\$ -	\$ 1,215,616	\$ -	\$ -	\$ -	\$ -
Charges for services	91,202	546,329	-	-	-	95,000	-	-
Assessments	-	-	-	-	-	62,306	-	-
Interest income	-	97	-	-	-	64	-	-
Other	-	-	4,407	-	-	-	-	-
Total revenues	91,202	779,910	4,407	1,215,616	-	157,370	-	-
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	131,263	-	32,737	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Library, recreation and parks	-	-	-	-	-	-	-	-
Education	-	766,457	-	1,403,172	-	-	-	-
Total expenditures	131,263	766,457	32,737	1,403,172	-	-	-	-
Excess (deficiency) of revenues over expenditures	(40,061)	13,453	(28,330)	(187,556)	-	157,370	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(200,000)	-	-	-	-	(234,100)	-	-
Total other financing sources (uses)	(200,000)	-	-	-	-	(234,100)	-	-
Net change in fund balances	(240,061)	13,453	(28,330)	(187,556)	-	(76,730)	-	-
Fund balances - beginning	534,262	72,507	163,132	187,556	185	152,250	9,239	18,503
Fund balances - ending	\$ 294,201	\$ 85,960	\$ 134,802	\$ -	\$ 185	\$ 75,520	\$ 9,239	\$ 18,503

*Continued*

*See accompanying Independent Auditor's Report.*

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

	Nonmajor Special Revenue Funds							
	Senior Center Activity Fund	Municipal Grant Fund	Emergency Food and Shelter Fund	Small Cities Grant Fund	Drug Education & Enforcement Grant Fund	Sunrise Park Fund	Farmington Canal Trail Fund	Veterans Memorial Fund
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 405,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	11,640	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Other	22,758	-	2,500	3,960	-	515	20	-
Total revenues	34,398	405,219	2,500	3,960	-	515	20	-
<b>EXPENDITURES</b>								
Current:								
General government	-	393,546	-	-	-	-	-	-
Public safety	-	7,420	-	-	-	-	-	-
Health and social services	30,430	-	4,086	-	-	-	-	-
Library, recreation and parks	-	4,253	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	30,430	405,219	4,086	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	3,968	-	(1,586)	3,960	-	515	20	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	92,260	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	92,260	-	-	-	-
Net change in fund balances	3,968	-	(1,586)	96,220	-	515	20	-
Fund balances - beginning	59,743	(58,623)	3,804	224	(20)	8,819	7,159	2,620
Fund balances - ending	\$ 63,711	\$ (58,623)	\$ 2,218	\$ 96,444	\$ (20)	\$ 9,334	\$ 7,179	\$ 2,620

*Continued*

*See accompanying Independent Auditor's Report.*

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

	Nonmajor Special Revenue Funds				Nonmajor Permanent Funds		
	Kent Memorial Library Fund	Kent Farm Sewer District Fund	Town Clerk Dollar Fund	School Activity Fund	Memorial Fund	Cemetery Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Intergovernmental	\$ 172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,854,491
Charges for services	49,428	-	-	155,125	-	-	948,724
Assessments	-	-	-	-	-	-	62,306
Interest income	-	55	-	-	102	957	1,275
Other	-	-	-	-	1,000	1,250	36,410
Total revenues	49,600	55	-	155,125	1,102	2,207	2,903,206
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	393,546
Public safety	-	-	-	-	-	-	171,420
Health and social services	-	-	-	-	-	957	35,473
Library, recreation and parks	520,547	-	-	-	-	-	524,800
Education	-	-	-	140,847	-	-	2,310,476
Total expenditures	520,547	-	-	140,847	-	957	3,435,715
Excess (deficiency) of revenues over expenditures	(470,947)	55	-	14,278	1,102	1,250	(532,509)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	450,567	-	9,270	-	-	-	552,097
Transfers out	-	-	-	-	-	-	(434,100)
Total other financing sources (uses)	450,567	-	9,270	-	-	-	117,997
Net change in fund balances	(20,380)	55	9,270	14,278	1,102	1,250	(414,512)
Fund balances - beginning	20,380	141,269	72,669	123,264	40,759	436,281	1,995,982
Fund balances - ending	\$ -	\$ 141,324	\$ 81,939	\$ 137,542	\$ 41,861	\$ 437,531	\$ 1,581,470

*Concluded*

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2017**

	<b>Capital Project Funds</b>					
	<b>School Building Fund</b>	<b>Town Improvement Fund</b>	<b>Sewer Capital Projects Fund</b>	<b>Industrial Park Fund</b>	<b>West Suffield Fire Station Construction Fund</b>	<b>Bridge Projects Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 10,993	\$ 261,295	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	375,944	-	-	-	-	-
Other	-	-	-	-	-	23,407
Due from other funds	-	-	-	4,586	-	33,997
Total assets	<u>\$ 375,944</u>	<u>\$ 10,993</u>	<u>\$ 261,295</u>	<u>\$ 4,586</u>	<u>\$ -</u>	<u>\$ 57,404</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 102,866	\$ -	\$ -	\$ 24,151
Due to other funds	375,944	-	-	-	-	-
Total liabilities	<u>375,944</u>	<u>-</u>	<u>102,866</u>	<u>-</u>	<u>-</u>	<u>24,151</u>
<b>FUND BALANCES</b>						
Restricted	-	-	-	-	-	-
Committed	-	10,993	158,429	4,586	-	33,253
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>10,993</u>	<u>158,429</u>	<u>4,586</u>	<u>-</u>	<u>33,253</u>
Total liabilities and fund balances	<u>\$ 375,944</u>	<u>\$ 10,993</u>	<u>\$ 261,295</u>	<u>\$ 4,586</u>	<u>\$ -</u>	<u>\$ 57,404</u>
						<i>Continued</i>

*See accompanying Independent Auditor's Report.*

TOWN OF SUFFIELD, CONNECTICUT  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS (Continued)  
JUNE 30, 2017

	Capital Project Funds						2011
	Capital & Nonrecurring Fund	Kent Memorial Library Renovation Fund	Agriscience Project Fund	Open Space Fund	Capital Reserve Fund	Fire Trucks Fund	Road & Drainage Improvements Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 188,624	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	8,082,522	-	-	1,194,337	-	109,343	615,266
Total assets	<u>\$ 8,082,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,194,337</u>	<u>\$ 188,624</u>	<u>\$ 109,343</u>	<u>\$ 615,266</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 470,358	\$ 2,710	\$ -	\$ 1,900	\$ -	\$ -	\$ -
Due to other funds	1,716	2,837,272	691,570	-	107,006	109,343	615,266
Total liabilities	<u>472,074</u>	<u>2,839,982</u>	<u>691,570</u>	<u>1,900</u>	<u>107,006</u>	<u>109,343</u>	<u>615,266</u>
<b>FUND BALANCES</b>							
Restricted	-	-	-	-	-	-	-
Committed	7,610,448	-	-	1,192,437	81,618	-	-
Unassigned	-	(2,839,982)	(691,570)	-	-	-	-
Total fund balances	<u>7,610,448</u>	<u>(2,839,982)</u>	<u>(691,570)</u>	<u>1,192,437</u>	<u>81,618</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 8,082,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,194,337</u>	<u>\$ 188,624</u>	<u>\$ 109,343</u>	<u>\$ 615,266</u>
							<i>Continued</i>

See accompanying Independent Auditor's Report.

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS (Concluded)**  
**JUNE 30, 2017**

	Capital Project Funds						
	2015 Road & Drainage Improvements Fund	2015 Town Hall Renovations & Improvements Fund	2015 Bridge Street School Renovations & Improvements Fund	Utility Extension Project Fund	Capital & Nonrecurring Expenditures Fund	Fire Equipment Acquisition Fund	Total Capital Projects Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 9,388	\$ -	\$ 470,300
Investments	-	-	-	-	2,163,320	-	2,163,320
Receivables:							
Grants and contracts	-	-	-	-	-	-	375,944
Other	-	-	-	-	-	-	23,407
Due from other funds	3,488,303	-	-	132,823	-	-	13,661,177
Total assets	<u>\$ 3,488,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,823</u>	<u>\$ 2,172,708</u>	<u>\$ -</u>	<u>\$ 16,694,148</u>
LIABILITIES							
Accounts payable	\$ 994,140	\$ 14,222	\$ 383	\$ -	\$ -	\$ -	\$ 1,610,730
Due to other funds	242,774	28,443	28,575	-	-	7,257	5,045,166
Total liabilities	<u>1,236,914</u>	<u>42,665</u>	<u>28,958</u>	<u>-</u>	<u>-</u>	<u>7,257</u>	<u>6,655,896</u>
FUND BALANCES							
Restricted	2,251,389	-	-	-	-	-	2,251,389
Committed	-	-	-	132,823	2,172,708	-	11,397,295
Unassigned	-	(42,665)	(28,958)	-	-	(7,257)	(3,610,432)
Total fund balances	<u>2,251,389</u>	<u>(42,665)</u>	<u>(28,958)</u>	<u>132,823</u>	<u>2,172,708</u>	<u>(7,257)</u>	<u>10,038,252</u>
Total liabilities and fund balances	<u>\$ 3,488,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,823</u>	<u>\$ 2,172,708</u>	<u>\$ -</u>	<u>\$ 16,694,148</u>

See accompanying Independent Auditor's Report.



**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Capital Project Funds					
	School Building Fund	Town Improvement Fund	Sewer Capital Projects Fund	Industrial Park Fund	West Suffield Fire Station Construction Fund	Bridge Projects Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Interest income	-	-	58	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	-	58	-	-	-
<b>EXPENDITURES</b>						
Current:						
Public safety	-	-	-	-	-	-
Library, recreation and parks	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlays	-	-	693,101	-	-	-
Total expenditures	-	-	693,101	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	(693,043)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from bonds	-	-	-	-	-	-
Transfers in	-	9,948	640,790	-	-	-
Transfers out	-	(155,952)	-	-	(9,948)	-
Total other financing sources (uses)	-	(146,004)	640,790	-	(9,948)	-
Net change in fund balances	-	(146,004)	(52,253)	-	(9,948)	-
Fund balances - beginning	-	156,997	210,682	4,586	9,948	33,253
Fund balances - ending	\$ -	\$ 10,993	\$ 158,429	\$ 4,586	\$ -	\$ 33,253

(Continued)

See accompanying Independent Auditor's Report.

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Capital Project Funds						2011
	Capital & Nonrecurring Fund	Kent Memorial Library Renovation Fund	Agriscience Project Fund	Open Space Fund	Capital Reserve Fund	Fire Trucks Fund	Road & Drainage Improvements Fund
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	33,000	-	-	-
Interest income	-	-	-	-	281	-	-
Other	-	11,306	-	5,000	1,394	-	-
Total revenues	-	11,306	-	38,000	1,675	-	-
<b>EXPENDITURES</b>							
Current:							
Public safety	-	-	-	-	-	-	-
Library, recreation and parks	-	-	-	47,008	-	-	-
Public works	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlays	1,925,941	82,836	2,534	-	-	-	155,380
Total expenditures	1,925,941	82,836	2,534	47,008	-	-	155,380
Excess (deficiency) of revenues over expenditures	(1,925,941)	(71,530)	(2,534)	(9,008)	1,675	-	(155,380)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from bonds	-	-	-	-	-	-	242,774
Transfers in	3,889,856	-	-	250,000	-	-	-
Transfers out	(344,039)	-	-	-	-	-	-
Total other financing sources (uses)	3,545,817	-	-	250,000	-	-	242,774
Net change in fund balances	1,619,876	(71,530)	(2,534)	240,992	1,675	-	87,394
Fund balances - beginning	5,990,572	(2,768,452)	(689,036)	951,445	79,943	-	(87,394)
Fund balances - ending	\$ 7,610,448	\$ (2,839,982)	\$ (691,570)	\$ 1,192,437	\$ 81,618	\$ -	\$ -

*Continued*

*See accompanying Independent Auditor's Report.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Capital Project Funds						
	2015 Road & Drainage Improvements Fund	2015 Town Hall Renovations & Improvements Fund	2015 Bridge Street School Renovations & Improvements Fund	Utility Extension Project Fund	Capital & Nonrecurring Expenditures Fund	Fire Equipment Acquisition Fund	Total Capital Projects Funds
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 853,716	\$ -	\$ -	\$ 853,716
Charges for services	-	-	-	-	-	-	33,000
Interest income	-	-	-	-	11,438	-	11,777
Other	-	-	-	-	113,875	-	131,575
Total revenues	-	-	-	853,716	125,313	-	1,030,068
EXPENDITURES							
Current:							
Public safety	-	3,692	-	-	-	7,257	10,949
Library, recreation and parks	-	-	-	-	-	-	47,008
Public works	2,368	-	-	-	4,557	-	6,925
Debt service	58,150	-	-	-	-	-	58,150
Capital outlays	4,108,423	34,979	21,814	933,283	-	-	7,958,291
Total expenditures	4,168,941	38,671	21,814	933,283	4,557	7,257	8,081,323
Excess (deficiency) of revenues over expenditures	(4,168,941)	(38,671)	(21,814)	(79,567)	120,756	(7,257)	(7,051,255)
OTHER FINANCING SOURCES (USES)							
Proceeds from bonds	8,857,226	-	-	-	-	-	9,100,000
Transfers in	-	-	-	188,000	350,000	-	5,328,594
Transfers out	-	-	-	-	-	-	(509,939)
Total other financing sources (uses)	8,857,226	-	-	188,000	350,000	-	13,918,655
Net change in fund balances	4,688,285	(38,671)	(21,814)	108,433	470,756	(7,257)	6,867,400
Fund balances - beginning	(2,436,896)	(3,994)	(7,144)	24,390	1,701,952	-	3,170,852
Fund balances - ending	\$ 2,251,389	\$ (42,665)	\$ (28,958)	\$ 132,823	\$ 2,172,708	\$ (7,257)	\$ 10,038,252
							Concluded

*Concluded*

See accompanying Independent Auditor's Report.

---

**INTERNAL SERVICE FUNDS**

---

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

---

	<b>Insurance Fund</b>	<b>Gas/Diesel Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,697	\$ -	\$ 35,697
Receivables	248,174	31,207	279,381
Total assets	<u>283,871</u>	<u>31,207</u>	<u>315,078</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	577,543	11,950	589,493
Due to other funds	116,094	19,641	135,735
Total liabilities	<u>693,637</u>	<u>31,591</u>	<u>725,228</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ (409,766)</u>	<u>\$ (384)</u>	<u>\$ (410,150)</u>

*See accompanying Independent Auditor's Report.*

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

---

	<u>Insurance fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
User charges	\$ 5,973,340	\$ 205,920	\$ 6,179,260
<b>Operating Expenses:</b>			
Insurance and benefits	6,233,065	-	6,233,065
Administration	710,129	-	710,129
Fuel	-	210,212	210,212
Total operating expenses	<u>6,943,194</u>	<u>210,212</u>	<u>7,153,406</u>
Operating loss	(969,854)	(4,292)	(974,146)
<b>Nonoperating revenue:</b>			
Investment income	<u>1,470</u>	<u>-</u>	<u>1,470</u>
Change in net position	(968,384)	(4,292)	(972,676)
Net position - beginning of year	<u>558,618</u>	<u>3,908</u>	<u>562,526</u>
Net Position - end of year	<u><u>\$ (409,766)</u></u>	<u><u>\$ (384)</u></u>	<u><u>\$ (410,150)</u></u>

*See accompanying Independent Auditor's Report.*

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

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from users	\$ 5,897,261	\$ 200,861	\$ 6,098,122
Cash paid to vendors	(6,847,079)	(200,861)	(7,047,940)
Net cash used in operating activities	<u>(949,818)</u>	<u>-</u>	<u>(949,818)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	<u>1,470</u>	<u>-</u>	<u>1,470</u>
Net decrease in cash and cash equivalents	(948,348)	-	(948,348)
Cash and cash equivalents - beginning of year	<u>984,045</u>	<u>-</u>	<u>984,045</u>
Cash and cash equivalents - end of year	<u><u>\$ 35,697</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,697</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>			
Operating loss	\$ (969,854)	\$ (4,292)	\$ (974,146)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase in accounts receivable	(199,501)	(2)	(199,503)
Increase (decrease) in due to other funds	123,422	(5,057)	118,365
Increase (decrease) in accounts payable and accrued liabilities	<u>96,115</u>	<u>9,351</u>	<u>105,466</u>
Net cash used in operating activities	<u><u>\$ (949,818)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (949,818)</u></u>

*See accompanying Independent Auditor's Report.*

---

**FIDUCIARY FUNDS**

---



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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Student Activities Funds</b>				
Assets				
Cash and cash equivalents	\$ 280,334	\$ 511,576	\$ 468,998	\$ 322,912
Investments	15,256	1,237	-	16,493
Total assets	<u>\$ 295,590</u>	<u>\$ 512,813</u>	<u>\$ 468,998</u>	<u>\$ 339,405</u>
Liabilities				
Due to student groups	\$ 295,590	\$ 512,813	\$ 468,998	\$ 339,405
Total liabilities	<u>\$ 295,590</u>	<u>\$ 512,813</u>	<u>\$ 468,998</u>	<u>\$ 339,405</u>
<b>Performance Bonds Fund</b>				
Assets				
Cash and cash equivalents	\$ 109,005	\$ 297	\$ 54,895	\$ 54,407
Investments	-	17,500	-	17,500
Total assets	<u>\$ 109,005</u>	<u>\$ 17,797</u>	<u>\$ 54,895</u>	<u>\$ 71,907</u>
Liabilities				
Due to others	\$ 109,005	\$ 17,797	\$ 54,895	\$ 71,907
Total liabilities	<u>\$ 109,005</u>	<u>\$ 17,797</u>	<u>\$ 54,895</u>	<u>\$ 71,907</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 389,339	\$ 511,873	\$ 523,893	\$ 377,319
Investments	15,256	18,737	-	33,993
Total assets	<u>\$ 404,595</u>	<u>\$ 530,610</u>	<u>\$ 523,893</u>	<u>\$ 411,312</u>
Liabilities				
Due to student groups	\$ 295,590	\$ 512,813	\$ 468,998	\$ 339,405
Due to others	109,005	17,797	54,895	71,907
Total liabilities	<u>\$ 404,595</u>	<u>\$ 530,610</u>	<u>\$ 523,893</u>	<u>\$ 411,312</u>

*See accompanying Independent Auditor's Report.*