

## **TOWN OF SUFFIELD, CONNECTICUT**

### **FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**TOWN OF SUFFIELD, CONNECTICUT**  
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**JUNE 30, 2016**

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## Independent Auditors' Report

To 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, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Suffield, Connecticut's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison information on pages 55 through 59 and the pension schedules on pages 60 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Town of Suffield, Connecticut, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 23, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2015 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016 on our consideration of the Town of Suffield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Suffield, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 28, 2016

## TOWN OF SUFFIELD, CONNECTICUT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

This discussion and analysis of the Town of Suffield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts are reported in thousands unless otherwise noted.

#### **Financial Highlights**

- The Town's net position increased as a result of this year's operations. While net position of our business-type activities decreased by \$554, or 2.66%, net position of our governmental activities increased by \$3,089 or 3.19%.
- During the year, the Town had expenses that were \$3,089 less than the \$64,597 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues increased by \$538 while expenses increased by \$489.
- Total cost of all of the Town's programs was \$64,370 with no new programs added this year.
- The General Fund reported a fund balance this year of \$10,312.
- The resources available for appropriation were \$211 less than budgeted for the General Fund, excluding the utilization of fund balance. Expenditures were less than budgeted by \$383, due to retirements and vacant positions.
- The Town did have an additional appropriation for the security upgrades at the schools.

#### **Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

#### **Government-Wide Financial Statements**

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, we divide the Town into two types of activities:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, public works, planning and development, health and social services, library, recreation and parks and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Water Pollution Control Authority (WPCA) activities are reported here.

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Board of Finance establishes many other funds to help control and manage financial activities for particular purposes (like the Grant Funds, Assessment Fund, Insurance Fund, School Building Project Fund and the Pension Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Insurance and Gas/Diesel Internal Service Funds.



- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

The Town's combined net position increased 2.14% from a year ago, going from \$118,323 to \$120,859. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**TABLE 1**  
**NET POSITION**  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 21,769	\$ 27,768	\$ 2,203	\$ 2,416	\$ 23,972	\$ 30,184
Capital assets, net of accumulated depreciation	108,044	101,469	18,419	18,593	126,463	120,062
Total assets	<u>129,813</u>	<u>129,237</u>	<u>20,622</u>	<u>21,009</u>	<u>150,435</u>	<u>150,246</u>
Deferred Inflows of Resources	3,699	1,344			3,699	1,344
Long-term debt outstanding	28,049	27,927	103		28,152	27,927
Other liabilities	4,292	5,080	279	216	4,571	5,296
Total liabilities	<u>32,341</u>	<u>33,007</u>	<u>382</u>	<u>216</u>	<u>32,723</u>	<u>33,223</u>
Deferred Outflows of Resources	552	44			552	44
Net Position:						
Net Investment in capital assets	92,787	84,036	18,316	18,593	111,103	102,629
Restricted	477	472			477	472
Unrestricted	<u>7,356</u>	<u>13,022</u>	<u>1,923</u>	<u>2,200</u>	<u>9,279</u>	<u>15,222</u>
Total Net Position	<u>\$ 100,620</u>	<u>\$ 97,530</u>	<u>\$ 20,239</u>	<u>\$ 20,793</u>	<u>\$ 120,859</u>	<u>\$ 118,323</u>

Net position of the Town's governmental activities increased by \$3,089 or 3.17%. Overall revenues increased by \$3,749 and expenses increased by \$3,317. The revenue increases were \$1,645 in operating grants and contributions, \$1,070 in capital grants and contributions, \$1,528 in property taxes, \$41 in unrestricted investment earnings and \$229 in Miscellaneous, and decreases of \$172 grants and contributions not restricted and \$398 in Transfers. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$13,022 at June 30, 2015 to \$7,356 at the end of this year.

The net position of business-type activities decreased by \$554 or 2.7% in 2016 largely due to using \$410 in Fund Balance for RCM funding. Additionally, there was an increase in long-term debt of \$63 for a new dump truck.

**TABLE 2**  
**CHANGES IN NET POSITION**  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services:	\$ 2,934	\$ 3,128	\$ 2,086	\$ 2,096	\$ 5,020	\$ 5,224
Operating grants and contributions	15,368	13,723			15,368	13,723
Capital grants and contributions	1,320	250	219	68	1,539	318
General revenues:						
Property taxes	38,342	36,814			38,342	36,814
Grants and contributions not restricted to specific purposes	5,724	5,896			5,724	5,896
Unrestricted investment earnings	90	49	3	4	93	53
Miscellaneous	819	590			819	590
Transfers		398		(398)	-	-
Total revenues	<u>64,597</u>	<u>60,848</u>	<u>2,308</u>	<u>1,770</u>	<u>66,905</u>	<u>62,618</u>
Program expenses:						
Administration	3,596	3,121			3,596	3,121
Planning and development	430	444			430	444
Public safety	4,872	4,507			4,872	4,507
Public works	5,048	4,667			5,048	4,667
Health and social services	816	819			816	819
Library, recreation and parks	1,091	995			1,091	995
Education	45,090	43,126			45,090	43,126
Interest on long-term debt	565	512			565	512
Sewer			2,862	2,373	2,862	2,373
Total program expenses	<u>61,508</u>	<u>58,191</u>	<u>2,862</u>	<u>2,373</u>	<u>64,370</u>	<u>60,564</u>
Increase (Decrease) in Net Position	<u>\$ 3,089</u>	<u>\$ 2,657</u>	<u>\$ (554)</u>	<u>\$ (603)</u>	<u>\$ 2,535</u>	<u>\$ 2,054</u>

The Town's total revenues were \$66,905. The total cost of all programs and services was \$64,370. Our analysis below separately considers the operations of governmental and business-type activities.

### **Governmental Activities**

The greatest increase was in operating grants and contributions. The town utilized grants and contributions to help with the operations. Another major increase was \$1,528 in property taxes. The town utilized online payment options that helped to increase the revenue received. Capital and operating grants and contributions accounted for 25.8% of the Town's governmental activities, while grants and contributions not restricted to specific purposes was 8.9%. The Town continues to utilize grants and contributions to maintain its services but has maintained its reliance on property taxes. Property taxes accounted for 59.4% of the Town's governmental activities compared to 60.5% in FY 2015.

Education related expenses accounted for over 73.3% of the total program expenses for governmental activities. Public Works expenses increased by \$381 or 8.2% of total program expenses (8.0% in the previous year). Administration increased to 5.85% from 5.36%. Library, parks & recreation increased due to the effects of the negotiated union contracts. Public Safety increased to 7.92% from 7.75% in the prior year. Also interest on long term debt increased by \$53. All other expenditures remained about the same as the prior year.

Table 3 presents the cost of each of the Town's four largest programs - administration, public safety, public works and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3**  
**GOVERNMENTAL ACTIVITIES**  
(in thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Administration	\$ 3,596	\$ 3,121	\$ 1,521	\$ 1,200
Public safety	4,872	4,507	4,477	4,075
Public works	5,048	4,667	4,459	4,067
Education	45,090	43,126	30,081	29,467
All others	2,902	2,770	1,349	2,283
Totals	<u>\$ 61,508</u>	<u>\$ 58,191</u>	<u>\$ 41,887</u>	<u>\$ 41,092</u>

**Business-Type Activities**

Revenues of the Town's business-type activities (see Table 2) increased by \$538 due to a Worker's Comp reimbursement (\$10) as well as a Deposit (\$5) for a new project in construction. Additionally, there were more capital contributions from RCM (\$147) to accommodate the various Plant and Collection system projects. There was additional (\$4) in Grant income due to the additional Nitrogen Credit refund received for Nitrogen reduction in 2014. Lastly, there were no Transfers Out in Revenue for the WPCA as the Debt Payment to the Town has been satisfied. Expenses increased by \$489. There was a \$72 increase in Payroll & Benefits due to more over-time hours this year (1344 vs 933 hours). Plant Maintenance & Materials was up by \$141 due to an additional \$106 in Capital Improvements as well as many Maintenance projects on the Plant and Collection system (\$35 & \$27 respectively). Utilities were up by \$11 due to a higher rate of electricity contract we enrolled in beginning March 2015 going from a generation rate of .0765 to .0816 as well as an additional \$3 in fuel oil. Lastly, Depreciation was up by \$268 due to many new Capital Projects added to the WPCA's List of Fixed Assets (Volvo dump truck, Ford F-250 truck, Belt filter press sludge feed pumps, VFD control panel for belt filter press sludge pumps, Control panel for Digester Building, Control panel for Pump & Chemical building, and Rigid See Snake to camera sewer lines).

**TOWN FUNDS FINANCIAL ANALYSIS**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$15,478, which is a decrease from last year's total of \$20,773. Included in this year's total change in fund balance is a decrease of \$551 in the Town's General Fund and a decrease of \$5,173 in the Capital Projects funds. This is because of the new Kent Memorial Library Project and commencement of the 2015 Roads and Drainage Projects. In addition, there was a decrease of \$429 in other nonmajor governmental funds.

## General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$55,519. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$383. On the revenue side, final actual revenues were less than the original budget by \$861. The amount budgeted to use from fund balance was \$650. Areas that received more than the amount budgeted are: Current Services and Fees received more \$193 more than budgeted due to increased fees received for Tuition - Other. Total Intergovernmental Revenues were down by \$150. Reimbursements for Capital Projects was down by \$637 because the projects were not completed in order to request the reimbursements

## Proprietary Funds

The Town's Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. Charges for services decreased by \$10 due to the following changes: decrease in Hood billing (\$100), and increase in Prison billing (\$6 - However, the Prison's 4<sup>th</sup> quarter sewer use bill was recorded in 16/17 vs 15/16 and would have shown an additional \$130), Residential bills were up (\$6) and Commercial were down (\$1). Additionally, Misc. Income was up by \$12.

## Internal Service Funds

Insurance Fund and Gas/Diesel Fund are Internal Service Funds. Unrestricted net position of both funds totaled \$563, an increase of \$187 from the prior year. This increase is primarily due to operating expenses in the Insurance Fund being less than the user charges. Operating expenses decreased by \$51 and charges for services decreased by \$482. There was an operating gain of \$197 and investment income of \$2. The Gas/Diesel Fund is used to allocate the expense of gas and diesel to all departments. This year had an operating loss of \$13.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

At June 30, 2016, the Town had \$126 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$6.4, or 5%, over last year.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END (Net of Depreciation)**

(in thousands)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 18,024	\$ 18,024	\$ 16,038	\$ 16,038	\$ 34,062	\$ 34,062
Land improvements	1,441	1,504			1,441	1,504
Buildings	39,748	41,443	373	405	40,121	41,848
Furniture and equipment	3,512	3,269	1,267	1,355	4,779	4,624
Infrastructure	18,003	18,498	741	795	18,744	19,293
Construction in progress	27,316	18,731			27,316	18,731
<b>Total</b>	<b>\$ 108,044</b>	<b>\$ 101,469</b>	<b>\$ 18,419</b>	<b>\$ 18,593</b>	<b>\$ 126,463</b>	<b>\$ 120,062</b>

This year's major additions included:

Various Road and Drainage Projects - CIP	\$	827
Infrastructure Improvements		70
Miscellaneous Equipment		7
Public Safety - CIP		27
Miscellaneous School Projects - CIP		85

The Town's fiscal-year 2016-17 capital budget calls for it to spend another \$3,899 for capital projects, principally for, road repairs, bridge repairs, public works equipment, town buildings repairs, farmland preservation, board of education infrastructure repairs and technology upgrades. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

### **Long-Term Debt**

At June 30, 2016, the Town had \$14,700 in bonds and notes outstanding versus \$16,750 last year - a decrease of \$2,050 or 12.24%.

The Town's general obligation bond rating received an AA+ debt rating for new debt in December 2016 and continues to carry the AA+ debt rating from Standard & Poor's for old debt which was reaffirmed in December 2016. The outlook was changed from stable to positive. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$268,681 state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

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

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2016 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the Town as of December 2015 stands at 4.4% versus 4.8% a year ago. This compares with the State's unemployment rate of 4.9% and the national rate of 5.0%.

These indicators were taken into account when adopting the General Fund budget for 2016-17. Amounts available for appropriation in the General Fund budget are \$57,446, an increase of 3.22% from the original 2015-16 budget of \$55,652. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$363 of its \$10,312 General Fund balance to finance its 2016-17 budget leaving an unassigned General Fund balance at June 30, 2016 of \$9,313 or 16.21% of the 2016-17 budget.

The Town will use increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to increase by 3.22% to \$57,446 from \$55,652 in 2016. Increases in transfer to Open Space, capital expenditures, general government and board of education are the largest increments with a reduction in debt service and transfer to OPEB.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2017.

The Water Pollution Control Authority approved the 2016-17 budget with an increase of 10.09% in expenditures, with a \$17 increase in per unit charge for regular use fee of \$300, as well as a \$17 increase in the Kent Farms rate for a rate of \$227. The commercial dollar per 1,000 gallon rate increased from 5.39 to 6.55.

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Suffield, 230C Mountain Road, Suffield, Connecticut 06078.

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 17,129,051	\$ 1,951,214	\$ 19,080,265
Investments	1,701,952		1,701,952
Receivables, net	2,912,584	251,623	3,164,207
Inventory	25,000		25,000
Capital assets not being depreciated	45,339,517	16,038,335	61,377,852
Capital assets being depreciated, net	62,704,887	2,381,129	65,086,016
Total assets	<u>129,812,991</u>	<u>20,622,301</u>	<u>150,435,292</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	34,042		34,042
Changes in pension projected investment earnings	2,279,071		2,279,071
Changes in assumption	1,385,859		1,385,859
Total deferred outflows of resources	<u>3,698,972</u>		<u>3,698,972</u>
<b>Liabilities:</b>			
Accounts and other payables	2,911,237	278,819	3,190,056
Unearned revenue	1,380,275		1,380,275
Internal balances	(632)	632	-
<b>Noncurrent liabilities:</b>			
Due within one year	2,401,282	50,573	2,451,855
Due in more than one year	25,648,212	52,778	25,700,990
Total liabilities	<u>32,340,374</u>	<u>382,802</u>	<u>32,723,176</u>
<b>Deferred Inflows of Resources:</b>			
Difference between expected and actual experience	506,432		506,432
Advance property tax collections	45,598		45,598
Total deferred inflows of resources	<u>552,030</u>		<u>552,030</u>
<b>Net Position:</b>			
Net investment in capital assets	92,786,797	18,316,113	111,102,910
<b>Restricted for:</b>			
<b>Trust purposes:</b>			
Nonexpendable	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>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 3,595,936	\$ 673,480	\$ 1,401,508	\$	\$ (1,520,948)	\$	\$ (1,520,948)
Planning and development	429,924	32,800			(397,124)		(397,124)
Public safety	4,873,384	340,463	55,786		(4,477,135)		(4,477,135)
Public works	5,047,552	234,956	353,555		(4,459,041)		(4,459,041)
Health and social services	815,998	5,165	7,941		(802,892)		(802,892)
Library, recreation and parks	1,090,818	146,073	40,253	1,320,150	415,658		415,658
Education	45,090,665	1,501,334	13,508,760		(30,080,571)		(30,080,571)
Interest on long-term debt	565,011				(565,011)		(565,011)
Total governmental activities	61,509,288	2,934,271	15,367,803	1,320,150	(41,887,064)	-	(41,887,064)
Business-type activities:							
Sewer	2,862,214	2,086,437		219,247		(556,530)	(556,530)
Total	\$ 64,371,502	\$ 5,020,708	\$ 15,367,803	\$ 1,539,397	(41,887,064)	(556,530)	(42,443,594)
General revenues:							
Property taxes					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
Miscellaneous					819,073		819,073
Total general revenues					44,976,035	2,891	44,978,926
Change in net position					3,088,971	(553,639)	2,535,332
Net Position at Beginning of Year					97,530,588	20,793,138	118,323,726
Net Position at End of Year					\$ 100,619,559	\$ 20,239,499	\$ 120,859,058

The accompanying notes are an integral part of the financial statements



**TOWN OF SUFFIELD, CONNECTICUT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,425,553	\$ 750,913	\$ 968,540	\$ 16,145,006
Investments		1,701,952		1,701,952
Receivables, net	1,266,596	423,297	1,142,813	2,832,706
Due from other funds	7,198,778	7,913,342	1,985,961	17,098,081
Inventories			25,000	25,000
Total Assets	<u>\$ 22,890,927</u>	<u>\$ 10,789,504</u>	<u>\$ 4,122,314</u>	<u>\$ 37,802,745</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and accrued liabilities	\$ 1,246,584	\$ 1,023,154	\$ 135,006	\$ 2,404,744
Due to other funds	9,811,321	6,595,498	673,260	17,080,079
Unearned revenue	351,343		1,028,932	1,380,275
Total liabilities	<u>11,409,248</u>	<u>7,618,652</u>	<u>1,837,198</u>	<u>20,865,098</u>
Deferred inflows of resources:				
Unavailable revenue - loan receivables			166,404	166,404
Unavailable revenue - sewer assessments			122,730	122,730
Unavailable revenue - property taxes	1,124,502			1,124,502
Advance property tax collections	45,598			45,598
Total deferred inflows of resources	<u>1,170,100</u>	<u>-</u>	<u>289,134</u>	<u>1,459,234</u>
Fund balances:				
Nonspendable			502,040	502,040
Restricted			473,167	473,167
Committed	350,000	8,459,715	1,079,418	9,889,133
Assigned	648,557	679,663		1,328,220
Unassigned	9,313,022	(5,968,526)	(58,643)	3,285,853
Total fund balances	<u>10,311,579</u>	<u>3,170,852</u>	<u>1,995,982</u>	<u>15,478,413</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,890,927</u>	<u>\$ 10,789,504</u>	<u>\$ 4,122,314</u>	<u>\$ 37,802,745</u>

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**TOWN OF SUFFIELD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

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Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund balances - total governmental funds	\$ 15,478,413
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 148,448,771
Less accumulated depreciation	<u>(40,404,367)</u>
Net capital assets	108,044,404
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Housing loan receivable	166,404
Special assessment receivable	122,730
Property tax receivable greater than 60 days	747,465
Interest receivable on property taxes	377,037
Deferred outflows related to changes in projected pension investment earnings	2,279,071
Deferred outflows related to a change in assumption	1,385,859
Deferred inflows related to differences between expected and actual experience	(506,432)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	
	562,526
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(14,700,000)
Deferred bond premiums	(557,031)
Deferred amounts on refunding	34,042
Interest payable on bonds	(22,466)
Net OPEB obligation	(2,082,970)
Net pension liability	(10,142,246)
Landfill closure and postclosure	(129,600)
Compensated absences	(403,029)
Capital lease obligation	<u>(34,618)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 100,619,559</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 38,381,113	\$	\$	\$ 38,381,113
Intergovernmental	16,623,110	263,142	3,620,679	20,506,931
Charges for services	2,527,497	20,033	1,200,219	3,747,749
Interest income	31,058	29,513	27,771	88,342
Miscellaneous	815,115	1,123,480	33,225	1,971,820
Total revenues	<u>58,377,893</u>	<u>1,436,168</u>	<u>4,881,894</u>	<u>64,695,955</u>
Expenditures:				
Current:				
Administration	5,571,170		622,501	6,193,671
Planning and development	388,413		3,290.00	391,703
Public safety	3,994,641		179,353	4,173,994
Public works	3,785,011	38,752		3,823,763
Health and social services	715,344		1,755	717,099
Library, recreation and parks	422,152	19,585	551,991	993,728
Education	37,292,260		3,550,617	40,842,877
Miscellaneous	36,290			36,290
Debt service	2,678,775	22,145		2,700,920
Capital outlay		10,097,967	18,750	10,116,717
Total expenditures	<u>54,884,056</u>	<u>10,178,449</u>	<u>4,928,257</u>	<u>69,990,762</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,493,837</u>	<u>(8,742,281)</u>	<u>(46,363)</u>	<u>(5,294,807)</u>
Other Financing Sources (Uses):				
Transfers in	215,883	3,659,159	602,020	4,477,062
Transfers out	<u>(4,261,179)</u>	<u>(89,379)</u>	<u>(126,504)</u>	<u>(4,477,062)</u>
Total other financing sources (uses)	<u>(4,045,296)</u>	<u>3,569,780</u>	<u>475,516</u>	<u>-</u>
Net Change in Fund Balances	(551,459)	(5,172,501)	429,153	(5,294,807)
Fund Balances at Beginning of Year	<u>10,863,038</u>	<u>8,343,353</u>	<u>1,566,829</u>	<u>20,773,220</u>
Fund Balances at End of Year	<u>\$ 10,311,579</u>	<u>\$ 3,170,852</u>	<u>\$ 1,995,982</u>	<u>\$ 15,478,413</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

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Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (5,294,807)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	9,375,677
Depreciation expense	(2,717,665)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(82,450)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax interest and lien revenue-accrual basis change	34,508
Property tax receivable-accrual basis change	(73,432)
Housing loan receivable-accrual basis change	3,960
Special assessment receivable-accrual basis change	(64,841)
Changes in deferred outflows related to changes in projected pension investment earnings	982,861
Changes in deferred outflows related to a change in assumption	1,385,859
Changes in deferred inflows related to differences between expected and actual experience	(506,432)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	2,050,000
Capital lease payments	33,629
Deferred amounts on premiums	104,796
Deferred amounts in refunding	(13,624)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(1,049)
Net OPEB obligation	120,265
Net pension liability	(2,445,906)
Landfill closure and postclosure	16,200
Accrued interest	(5,263)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

<u>186,685</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 3,088,971</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>WPCA</b>	<b>Internal</b>
	<b>Enterprise Fund</b>	<b>Service Funds</b>
Assets:		
Cash and cash equivalents	\$ 1,951,214	\$ 984,045
Due from other funds		7,328
Receivables, net	251,623	79,878
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	<u>2,381,129</u>	
Total assets	<u>20,622,301</u>	<u>1,071,251</u>
Liabilities:		
Accounts and other payables	278,819	484,027
Due to other funds	632	24,698
Capital lease, current	50,573	
Capital lease, noncurrent	<u>52,778</u>	
Total liabilities	<u>382,802</u>	<u>508,725</u>
Net Position:		
Net investment in capital assets	18,316,113	
Unrestricted	<u>1,923,386</u>	<u>562,526</u>
Total Net Position	<u>\$ 20,239,499</u>	<u>\$ 562,526</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
Operating Revenues:		
Charges for services	\$ 2,069,625	\$ 6,630,510
Other	16,812	
Total operating revenues	<u>2,086,437</u>	<u>6,630,510</u>
Operating Expenses:		
Administrative expense	44,579	816,184
Payroll and employee benefits	1,299,066	
Sludge disposal	151,802	
Plant maintenance and materials	320,938	
Insurance and program services	29,888	5,376,509
Utilities	256,053	
Other operating expense	1,505	253,241
Depreciation	758,383	
Total operating expenses	<u>2,862,214</u>	<u>6,445,934</u>
Operating Gain (Loss)	(775,777)	184,576
Nonoperating Revenue:		
Income on investments	<u>2,891</u>	<u>2,109</u>
Change in Net Position Before Capital Items	<u>(772,886)</u>	<u>186,685</u>
Capital Items:		
Capital grants	8,077	
Capital contributions	<u>211,170</u>	
Total capital items	<u>219,247</u>	<u>-</u>
Change in Net Position	(553,639)	186,685
Net Position at Beginning of Year	<u>20,793,138</u>	<u>375,841</u>
Net Position at End of Year	<u>\$ 20,239,499</u>	<u>\$ 562,526</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>WPCA</b>	<b>Internal</b>
	<b>Enterprise Fund</b>	<b>Service Funds</b>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 2,113,148	\$ 6,438,680
Cash payments to employees for services	(1,299,066)	
Cash payments to supplies for goods and services	(741,389)	(6,414,882)
Cash received from other sources	16,812	
Net cash provided by (used in) operating activities	<u>89,505</u>	<u>23,798</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(584,903)	
Proceeds from capital lease	158,431	
Payment on capital lease	(55,080)	
Capital grants	8,077	
Capital contributions	211,170	
Net cash provided by (used in) capital financing activities	<u>(262,305)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>2,891</u>	<u>2,109</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(169,909)	25,907
Cash and Cash Equivalents at Beginning of Year	<u>2,121,123</u>	<u>958,138</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,951,214</u>	<u>\$ 984,045</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating activities:		
Operating income (loss)	\$ (775,777)	\$ 184,576
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	758,383	
Decrease in accounts receivable	43,523	17,974
Decrease (increase) in due from other funds		(209,804)
Increase (decrease) in accounts payable	<u>63,376</u>	<u>31,052</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 89,505</u>	<u>\$ 23,798</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
Assets:		
Cash and cash equivalents	\$ 204,061	\$ 389,339
Investments:		
Certificate of Deposits		15,256
US Government Securities	3,213,033	
US Government Backed Agencies	1,277,272	
Mutual Funds - Equity	26,152,696	
Mutual Funds - Corporate Bonds	5,240,310	
Receivables:		
Other	<u>218,495</u>	
Total assets	<u>36,305,867</u>	<u>404,595</u>
Liabilities:		
Accounts and other payables	<u>948</u>	<u>404,595</u>
Net Position:		
Restricted for Pension and OPEB Benefits	<u>\$ 36,304,919</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF SUFFIELD, CONNECTICUT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Pension and Other Employee Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 3,242,780
Employee	939,824
Total contributions	<u>4,182,604</u>
Investment income:	
Interest and dividends	215,538
Net change in fair value of investments	372,162
Investment expenses	(108,602)
Net investment income	<u>479,098</u>
Miscellaneous income	<u>35,798</u>
Total additions	<u>4,697,500</u>
Deductions:	
Benefits payments and withdrawals	3,464,410
Administration	23,198
Total deductions	<u>3,487,608</u>
Net Increase	1,209,892
Net Position Restricted for Pension and OPEB Benefits at Beginning of Year	<u>35,095,027</u>
Net Position Restricted for Pension and OPEB Benefits at End of Year	<u>\$ 36,304,919</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. 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 6, 2001. 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.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for agency funds, which have no measurement focus). 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  
JUNE 30, 2016**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Projects 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 funds:

The WPCA Fund is used to account for the activities of the Authority.

Additionally, the Town reports the following fund types:

The Internal Service Funds are used to account for self-insured activities and purchases of gasoline by various departments.

The Pension Trust and Other Employee Benefit Trust Fund 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 postemployment benefits for town retirees and their beneficiaries

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

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

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

**TOWN OF SUFFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

**D. Deposits and Investments**

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$32,632 has been established as an allowance for uncollectible taxes. At June 30, 2016, this represents 4% of all property taxes receivable.

**F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds 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 government-wide and fund financial statements.

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**G. Capital Assets**

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

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

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual investment earnings and changes in assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the

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revenue is associated. In addition, the Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**I. Compensated Absences**

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

**J. Net Pension Liability**

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

**K. Long-Term Obligations**

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

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

**L. Equity**

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

**Net Investment in Capital Assets**

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

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**Restricted**

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

**Unrestricted**

This component consists of net position that does not meet the definition of “restricted” or “investment in capital assets.”

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Suffield Board of Finance and Town Meeting). The Board of Finance can commit fund balance through an action made prior to the end of the fiscal year. Once the action is taken the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter (Suffield Board of Finance, Town Meeting, Town Finance Director and Board of Education Business Manager).

**Unassigned Fund Balance**

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

**M. Accounting 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.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

As set forth in the Town Charter, the Board of Finance adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting. The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget which it presents at a Town meeting. The operating budget includes proposed expenditures and the means of financing them.

Expenditures are budgeted by department, function and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Selectmen 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. During the year ended June 30, 2016, there was \$299,262 in additional appropriations.

Formal budgetary integration is employed as a management control device during the year.

The Town includes the following Water Pollution Control Authority funds as part of the Town's overall approved budget: 1) Enterprise Fund; 2) Special Revenue Fund - Sewer Assessment Fund; and 3) Capital Projects Fund - Sewer Project Fund. However, the legally adopted budget does not provide for line item revenue and expenditures detail for these funds. Instead, a summary total for revenues and expenditures for each of these three funds is presented. A budgetary schedule is not presented.

All unencumbered appropriations lapse at year end. Appropriations for capital outlays are continued until completion of applicable projects, even when projects extend more than one fiscal year.

The Town does not maintain legally adopted budgets for the other Special Revenue Funds, since budgetary control is generally maintained on an individual grant basis. In addition, the Town does not adopt annual budgets for Capital Projects Funds.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.



**TOWN OF SUFFIELD, CONNECTICUT  
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**B. Deficit Fund Equity**

The following funds had a deficit fund balance at June 30, 2016:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Municipal Grant	\$ 58,623
Drug Education and Enforcement Grant	20
Other Capital Projects:	
Kent Memorial Library Renovation Fund	2,768,452
Agriscience Project	689,036
2011 Road & Drainage Improvement Fund	87,394
2015 Road & Drainage Improvement Fund	2,436,896
2015 Town Hall Renovations & Improvements Fund	3,994
2015 Bridge Street School Renovations & Improvements Fund	7,144

The deficits within the nonmajor governmental funds will be funded by contributions from the General Fund and future grant funding. The deficits in the Capital Projects will be funded from General fund contributions and bonding.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$17,934,081 of the Town’s bank balance of \$18,718,682 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,062,213
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>1,871,868</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 17,934,081</u></u>

**Cash Equivalents**

At June 30, 2016, the Town’s cash equivalents amounted to \$2,623,495. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

	<u>Standard &amp; Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo	Not Rated

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**Investments**

As of June 30, 2016, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More than 10
Interest-bearing investments:					
Certificate of Deposit	*	\$ 15,256	\$ 15,256	\$	\$
U.S. Government Securities	Aaa	3,213,033	378,059	2,511,179	323,795
U.S. Government Agencies	Aaa	1,185,788		506,011	679,777
U.S. Government Agencies	Aa3	52,585			52,585
U.S. Government Agencies	A1	38,899		38,899	
Corporate Bonds	A1	622,023		614,429	7,594
Corporate Bonds	A2	788,965	108,202	680,763	
Corporate Bonds	A3	1,129,835	171,564	958,271	
Corporate Bonds	Aa1	248,064		248,064	
Corporate Bonds	Aa2	511,420		511,420	
Corporate Bonds	Aa3	330,275	130,201	200,074	
Corporate Bonds	Aaa	233,392		233,392	
Corporate Bonds	Ba1	41,039		38,661	2,378
Corporate Bonds	Baa1	675,201	27,699	616,557	30,945
Corporate Bonds	Baa2	314,810	30,298	252,837	31,675
Corporate Bonds	Baa3	345,287		345,287	
Total Interest-bearing investments		9,745,872	\$ 861,279	\$ 7,755,844	\$ 1,128,749
Other investments:					
Mutual funds	N/A	27,854,647			
Total Investments		\$ 37,600,519			

\*Subject to coverage by Federal Depository Insurance and collateralization

**Interest Rate Risk**

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

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2016, the Town had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

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The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 3,213,033	\$ 3,213,033	\$	\$
U.S. Government Agencies	1,277,272	1,277,272		
Corporate Bonds	5,240,311	5,240,311		
Mutual Funds	<u>27,854,647</u>	<u>27,854,647</u>		
Total Investments by Fair Value Level	<u>\$ 37,585,263</u>	<u>\$ 37,585,263</u>	<u>\$ -</u>	<u>\$ -</u>

U.S. Government securities, U.S. Government agencies, corporate bonds, and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**4. RECEIVABLES**

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

	<u>General</u>	<u>Capital Projects</u>	<u>WPCA Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 815,636	\$	\$	\$	\$ 815,636
Interest	377,037				377,037
Accounts	106,555	210	251,623	79,878	438,266
Special assessments				122,730	122,730
Intergovernmental		423,087		305,013	728,100
Loans				166,404	166,404
Other				767,161	767,161
Gross receivables	<u>1,299,228</u>	<u>423,297</u>	<u>251,623</u>	<u>1,441,186</u>	<u>3,415,334</u>
Less allowance for uncollectibles:	<u>(32,632)</u>				<u>(32,632)</u>
Net Total Receivables	<u>\$ 1,266,596</u>	<u>\$ 423,297</u>	<u>\$ 251,623</u>	<u>\$ 1,441,186</u>	<u>\$ 3,382,702</u>

**TOWN OF SUFFIELD, CONNECTICUT  
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**5. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,023,616	\$	\$	\$ 18,023,616
Construction in progress	18,730,777	8,585,124		27,315,901
Total capital assets not being depreciated	<u>36,754,393</u>	<u>8,585,124</u>	<u>-</u>	<u>45,339,517</u>
Capital assets being depreciated:				
Buildings	65,575,621	18,500	170,000	65,424,121
Land improvements	2,221,687			2,221,687
Furniture and equipment	9,382,490	699,832	45,197	10,037,125
Infrastructure	25,354,100	72,221		25,426,321
Total capital assets being depreciated	<u>102,533,898</u>	<u>790,553</u>	<u>215,197</u>	<u>103,109,254</u>
Less accumulated depreciation for:				
Buildings	24,131,675	1,631,649	87,550	25,675,774
Land improvements	718,057	62,819		780,876
Furniture and equipment	6,113,898	456,101	45,197	6,524,802
Infrastructure	6,855,819	567,096		7,422,915
Total accumulated depreciation	<u>37,819,449</u>	<u>2,717,665</u>	<u>132,747</u>	<u>40,404,367</u>
Total capital assets being depreciated, net	<u>64,714,449</u>	<u>(1,927,112)</u>	<u>82,450</u>	<u>62,704,887</u>
Governmental Activities Capital Assets, Net	<u>\$ 101,468,842</u>	<u>\$ 6,658,012</u>	<u>\$ 82,450</u>	<u>\$ 108,044,404</u>

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Adjustments</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,038,335	\$ _____	\$ _____	\$ 16,038,335
Capital assets being depreciated:				
Buildings	10,078,669			10,078,669
Equipment	16,804,883	386,618		17,191,501
Vehicles	115,544	198,285		313,829
Infrastructure	<u>850,540</u>			<u>850,540</u>
Total capital assets being depreciated	<u>27,849,636</u>	<u>584,903</u>	<u>-</u>	<u>28,434,539</u>
Less accumulated depreciation for:				
Buildings	9,673,223	32,699		9,705,922
Equipment	15,448,765	645,216		16,093,981
Vehicles	117,520	26,791		144,311
Infrastructure	<u>55,519</u>	<u>53,677</u>		<u>109,196</u>
Total accumulated depreciation	<u>25,295,027</u>	<u>758,383</u>	<u>-</u>	<u>26,053,410</u>
Total capital assets being depreciated, net	<u>2,554,609</u>	<u>(173,480)</u>	<u>-</u>	<u>2,381,129</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,592,944</u>	<u>\$ (173,480)</u>	<u>\$ -</u>	<u>\$ 18,419,464</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 75,894
Planning and development	8,250
Public safety	215,486
Public works	684,357
Health and social services	106,400
Library, recreation and parks	54,614
Education	<u>1,572,664</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,717,665</u>
Business-type activities:	
Sewer	<u>\$ 758,383</u>

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**Construction Commitments**

The Town has several active construction projects as of June 30, 2016. The projects include High School construction and code renovations to various schools. At year end, the Town's commitments in the school projects are as follows:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures and Encumbrances</u>	<u>Remaining Commitment</u>
High school and agriscience building	\$ <u>56,113,070</u>	\$ <u>55,944,016</u>	\$ <u>169,054</u>

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 6,593,551
	Nonmajor Governmental Funds	580,529
	Internal Service Funds	24,698
		<u>7,198,778</u>
Capital Projects Fund	General Fund	7,820,611
	Nonmajor Governmental Funds	92,731
		<u>7,913,342</u>
Nonmajor Governmental Fund	General Fund	1,983,382
	Capital Projects Fund	1,947
	WPCA	632
		<u>1,985,961</u>
Internal Service Funds	General Fund	<u>7,328</u>
Total		<u>\$ 17,105,409</u>

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Interfund receivables and payables represent temporary balances occurring when one fund pays for transactions and is later repaid.

Interfund transfers:

	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Transfers Out</u>
Transfers out:				
General Fund	\$	\$ 3,659,159	\$ 602,020	\$ 4,261,179
Capital Projects	89,379			89,379
Nonmajor Governmental Funds	<u>126,504</u>			<u>126,504</u>
Total Transfers In	<u>\$ 215,883</u>	<u>\$ 3,659,159</u>	<u>\$ 602,020</u>	<u>\$ 4,477,062</u>

Transfers represent annual recurring transactions that move resources between funds.



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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 16,750,000	\$	\$ 2,050,000	\$ 14,700,000	\$ 2,045,000
Premiums on bonds	661,827		104,796	557,031	
Total bonds payable	17,411,827	-	2,154,796	15,257,031	2,045,000
Landfill closure and postclosure	145,800		16,200	129,600	16,200
Capital lease obligation	68,247		33,629	34,618	34,618
Net OPEB obligation	2,203,235		120,265	2,082,970	
Net pension liability	7,696,340	2,445,906		10,142,246	
Compensated absences	401,980	324,865	323,816	403,029	305,464
Governmental Activity Long-Term Liabilities	<u>\$ 27,927,429</u>	<u>\$ 2,770,771</u>	<u>\$ 2,648,706</u>	<u>\$ 28,049,494</u>	<u>\$ 2,401,282</u>
Business-type activities:					
Capital lease obligation	\$ -	\$ 158,431	\$ 55,080	\$ 103,351	\$ 50,573

General long-term debt transactions are summarized as follows for the year ended June 30, 2016:

<u>Description</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>
Bonds payable:				
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	\$ 8,395,000	\$	\$ 1,405,000	\$ 6,990,000
General Obligation Bonds, Series 2012 \$9,000,000 int. 2% - 3%, maturity date 2027	8,355,000		645,000	7,710,000
Total	<u>\$ 16,750,000</u>	<u>\$ -</u>	<u>\$ 2,050,000</u>	<u>\$ 14,700,000</u>

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Funds from the Sewer Assessment Fund are transferred to the General Fund to repay sewer bonds. All other repayments of debt are made by the General Fund.

The annual requirements to amortize all bonds and notes as of June 30, 2016, including interest, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 2,045,000	\$ 539,175	\$ 2,584,175
2018	2,040,000	449,825	2,489,825
2019	2,040,000	360,725	2,400,725
2020	2,045,000	271,625	2,316,625
2021	2,045,000	182,275	2,227,275
2022-2026	3,215,000	300,350	3,515,350
2027-2028	<u>1,270,000</u>	<u>25,400</u>	<u>1,295,400</u>
Total	<u>\$ 14,700,000</u>	<u>\$ 2,129,375</u>	<u>\$ 16,829,375</u>

As of June 30, 2016, the Town had no authorized unissued debt.

**Landfill Postclosure Care Costs**

The Town's landfill facility ceased being a depository for solid waste effective April 8, 1994. Closure was effectively completed by October 9, 1994.

Consulting engineers contracted by the Town developed a formal plan for landfill closure, including postclosure monitoring and maintenance for a 30-year period in accordance with state and federal law.

A consulting engineering firm developed an updated plan of costs and assumptions with respect to postclosure monitoring and maintenance which included 1) ground water and surface water monitoring, 2) methane monitoring, and 3) landfill inspection and maintenance. The annual cost estimate is \$16,200 for the postclosure care period of 30 years. Current costs are recognized in the General Fund landfill expenditure line item. The balance of the postclosure care costs of \$129,600 is recognized in the statement of net position. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

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**Debt Limitation**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 86,362	\$	\$ 86,362
Schools	172,724	14,700	158,024
Sewers	143,936		143,936
Urban renewal	124,745		124,745
Pension deficit	115,149		115,149

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$268,681.

**Capital Lease**

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

The asset acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment	\$ 168,287	\$ 158,431
Less accumulated depreciation	<u>134,630</u>	<u>52,810</u>
Total	<u>\$ 33,657</u>	<u>\$ 105,621</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$ 35,635	\$ 55,081
2018		55,077
Total minimum lease payments	<u>35,635</u>	<u>110,158</u>
Less amount representing interest	<u>1,017</u>	<u>6,807</u>
Present Value of Minimum Lease Payments	<u>\$ 34,618</u>	<u>\$ 103,351</u>

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**Operating Lease**

During 2016, the Town entered into a one-year operating lease agreement to rent office space on 230 Mountain Road Suffield, Connecticut with the option to renew the lease for three periods of six months upon expiration of the original term. The lease will then run month to month until one month of written notice of termination is provided. A pro rata share of the agreed upon common maintenance expenses on the property is also required as additional rent, when applicable.

**8. FUND BALANCE**

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 25,000	\$ 25,000
Endowments			477,040	477,040
Restricted for:				
Grants			197,204	197,204
Public safety			163,132	163,132
Health and social services			3,804	3,804
Library, recreation and parks			109,027	109,027
Committed to:				
Administration			2,620	2,620
Public safety			534,262	534,262
Public works			141,269	141,269
Library, recreation and parks	350,000		78,246	428,246
Education			170,771	170,771
Capital projects		8,459,715		8,459,715
Sewer assessment			152,250	152,250
Assigned to:				
Administration	300			300
Planning and development	17,050			17,050
Public works	4,921			4,921
Education	263,286			263,286
Subsequent year's budget	363,000			363,000
Capital projects		679,663		679,663
Unassigned	<u>9,313,022</u>	<u>(5,968,526)</u>	<u>(58,643)</u>	<u>3,285,853</u>
<b>Total Fund Balances</b>	<b>\$ <u>10,311,579</u></b>	<b>\$ <u>3,170,852</u></b>	<b>\$ <u>1,995,982</u></b>	<b>\$ <u>15,478,413</u></b>

Significant encumbrances at June 30, 2016 of \$285,557 are contained in the above table in the assigned category of the General Fund.

**9. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN**

**Plan Description**

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town of 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, 2014, plan membership consisted of the following:

	<b>Retiree Health Plan</b>
Retired members	114
Active plan members	<u>427</u>
Total Participants	<u><u>541</u></u>

**Funding Policy**

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

*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.

For the year ended June 30, 2016, plan members contributed \$418,334, and claims and benefits paid were \$1,503,630. Employer contributions to the OPEB Trust Fund were \$1,909,705. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

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**Annual OPEB Cost and Net OPEB Obligations**

The Town of Suffield’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation (asset):

	<b><u>Retiree Health Plan</u></b>
Annual required contribution (ARC)	\$ 1,797,680
Interest on net OPEB obligation	165,243
Adjustment to annual required contribution	<u>(173,483)</u>
Annual OPEB cost (AOC)	1,789,440
Contributions made	<u>(1,909,705)</u>
Change in net OPEB obligation	(120,265)
Net OPEB obligation, beginning of year	<u>2,203,235</u>
Net OPEB Obligation, End of Year	<u>\$ 2,082,970</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016 is presented below. Data is presented for fiscal years ended June 30, 2016, 2015 and 2014 below.

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost (AOC)</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Percentage of AOC Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
6/30/16	\$ 1,789,440	\$ 1,909,705	107%	\$ 2,082,970
6/30/15	1,648,135	1,819,569	109%	2,203,235
6/30/14	1,601,641	1,744,908	109%	2,374,669

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**Schedule of Funding Progress**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2014	\$ 7,011,268	\$ 19,616,888	\$ 12,605,620	36 %	\$ 24,910,300	49 %
7/1/2012	3,891,769	16,566,286	12,674,517	23	24,910,300	51
7/1/2010		15,851,573	15,851,573		23,864,000	66

**Schedule of Employer Contributions**

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/16	\$ 1,797,680	106 %	\$ 1,909,705
6/30/15	1,657,017	110	1,819,569
6/30/14	1,611,059	108	1,774,908

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into 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 employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% to an ultimate rate of 5% after four years. The annual dental cost trend rate is 4% per annum. Projected salary increases were 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014 was 30 years.

## 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### Employee's Retirement System

#### A. Plan Description and Benefits Provided

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 plans 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.

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 of the 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.

As of July 1, 2015, the date of the latest actuarial valuation, PERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	117
Terminated plan members entitled to benefits but not yet receiving them	43
Active plan members	<u>178</u>
Total	<u>338</u>

The latest actuarial valuation reflects no material changes in plan provisions or coverage.

#### B. Summary of Significant Accounting Policies

##### Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

##### Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.



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**C. Funding Policy**

**Contributions**

Employees are required to contribute 5.25% of their salary to the PERS except for police and firefighters, who contribute 6%. The Town is required to contribute the remaining amounts necessary to finance coverage.

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is 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 pension plan's 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. The following was the Board's adopted asset allocation policy as of June 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equities	20.80%
US Mid/Small Cap Equities	14.00%
International Equities (Unhedged)	12.40%
Emerging International Equities	6.00%
Core Bonds	25.50%
High Yield Bonds	3.00%
Global Bonds (Unhedged)	2.00%
Emerging Market Debt (Local Currency)	2.00%
Real Estate (Core)	3.00%
Commodities	4.00%
Cash	<u>7.30%</u>
Total	<u><u>100%</u></u>

**Rate of Return**

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The Town's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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The components of the net pension liability of the Town at June 30, 2016 were as follows:

Total pension liability	\$ 37,769,165
Plan fiduciary net position	<u>27,626,919</u>
Net pension liability	<u>\$ 10,142,246</u>
Plan fiduciary net position as a percentage of the total pension liability	73.15%

**Actuarial Assumptions**

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

Inflation rate	3.0%
Salary increases	Service based
Investment rate of return	7.25%, compounded annually

Mortality rates, for police and fire, were based on the RP-2014 adjusted to 2006 Blue Collar Mortality Table, projected to the measurement date with scale MP-2015. Mortality rates, or all others, were based on the RP-2014 adjusted to 2016 Total Dataset Mortality Table, projected to the measurement date with scale MP-2015.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equities	6.50%
US Mid/Small Cap Equities	7.98%
International Equities (Unhedged)	6.50%
Emerging International Equities	9.25%
Core Bonds	0.75%
High Yield Bonds	4.50%
Global Bonds (Unhedged)	0.75%
Emerging Market Debt (Local Currency)	4.50%
Real Estate (Core)	6.50%
Commodities	3.00%
Cash	1.00%

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**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	<b>Town Retirement Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2015	\$ 35,005,758	\$ 27,309,418	\$ 7,696,340
Changes for the year:			
Service cost	1,019,628		1,019,628
Interest on total pension liability	2,629,704		2,629,704
Differences between expected and actual experience	(618,973)		(618,973)
Changes in assumptions	1,693,828		1,693,828
Employer contributions		1,333,075	(1,333,075)
Member contributions		521,490	(521,490)
Net investment income		411,116	(411,116)
Benefit payments, including refund to employee contributions	(1,960,780)	(1,960,780)	
Administrative expenses		(23,198)	23,198
Other changes		35,798	(35,798)
Net changes	<u>2,763,407</u>	<u>317,501</u>	<u>2,445,906</u>
Balances as of June 30, 2016	\$ <u>37,769,165</u>	\$ <u>27,626,919</u>	\$ <u>10,142,246</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Town's Net Pension Liability	\$ 14,369,723	\$ 10,142,246	\$ 6,559,356

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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the Town recognized pension expense of \$583,618. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 506,432
Changes of assumptions	1,385,859	
Net difference between projected and actual earning on pension plan investments	<u>2,279,071</u>	<u>                    </u>
Total	<u>\$ 3,664,930</u>	<u>\$ 506,432</u>

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

**Year Ending June 30**

2017	\$	846,210
2018		846,210
2019		846,208
2020		522,155
2021		97,715

**Teachers Retirement**

**A. Plan Description**

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

**B. Benefit Provisions**

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

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**Normal Retirement**

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

**Early Retirement**

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees*

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

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

At June 30, 2015, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>47,465,105</u>
Total	\$	<u><u>47,465,105</u></u>

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The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$3,803,151 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

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

**TOWN OF SUFFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. Other Information**

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

**11. FIDUCIARY TRUST FUNDS**

The schedule of net position for the Town’s Pension Plan and OPEB Trust fund as of June 30, 2016 are as follows:

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 144,779	\$ 59,282	\$ 204,061
Investments	27,264,593	8,618,718	35,883,311
Receivables:			
Other	<u>218,495</u>	<u>                    </u>	<u>218,495</u>
Total assets	27,627,867	8,678,000	36,305,867
Liabilities:			
Accounts and other payables	<u>948</u>	<u>                    </u>	<u>948</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 27,626,919</u>	<u>\$ 8,678,000</u>	<u>\$ 36,304,919</u>

**TOWN OF SUFFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 1,333,075	\$ 1,909,705	\$ 3,242,780
Employee	521,490	418,334	939,824
Total contributions	<u>1,854,565</u>	<u>2,328,039</u>	<u>4,182,604</u>
Investment income:			
Interest and dividends	125,416	90,122	215,538
Net change in fair value of investments	366,090	6,072	372,162
Investment expenses	<u>(80,390)</u>	<u>(28,212)</u>	<u>(108,602)</u>
Net investment income	<u>411,116</u>	<u>67,982</u>	<u>479,098</u>
Miscellaneous income	<u>35,798</u>	<u>-</u>	<u>35,798</u>
Total additions	<u>2,301,479</u>	<u>2,396,021</u>	<u>4,697,500</u>
Deductions:			
Benefits payments and withdrawals	1,960,780	1,503,630	3,464,410
Administration	<u>23,198</u>	<u>-</u>	<u>23,198</u>
Total deductions	<u>1,983,978</u>	<u>1,503,630</u>	<u>3,487,608</u>
Net Increase	317,501	892,391	1,209,892
Restricted for Pension and OPEB Benefits at Beginning of Year	<u>27,309,418</u>	<u>7,785,609</u>	<u>35,095,027</u>
Restricted in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 27,626,919</u>	<u>\$ 8,678,000</u>	<u>\$ 36,304,919</u>

**12. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each 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.



**TOWN OF SUFFIELD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016**

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Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$5,376,509. This amount includes the Administrator’s estimate of claims incurred but not reported at June 30, 2016 of \$481,428.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The following table reflects the activity of the past year:

	<b>Claims Payable July 1</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable June 30</b>
2015-16	\$ 447,760	\$ 5,376,509	\$ 5,342,841	\$ 481,428
2014-15	511,871	5,401,441	5,465,552	447,760

**13. CONTINGENT LIABILITIES**

The Town is involved in various litigations involving zoning matters, property damage and personal injury. It is the opinion of counsel and management that any unfavorable outcomes would not have a material adverse effect on the Town’s financial position.

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes, interest and lien fees:				
Current list	\$ 37,626,864	\$ 37,626,864	\$ 37,416,878	\$ (209,986)
Supplemental motor vehicle	275,000	275,000	364,169	89,169
Interest and fees	150,000	150,000	217,677	67,677
Taxes, prior years	280,000	280,000	382,389	102,389
Total property taxes, interest and lien fees	<u>38,331,864</u>	<u>38,331,864</u>	<u>38,381,113</u>	<u>49,249</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	2,519,103	2,519,103	2,441,296	(77,807)
Mashantucket Pequot	2,990,087	2,990,087	3,003,392	13,305
Payment in lieu of taxes, disabled tax relief	1,090	1,090	957	(133)
Veterans' exemption	9,500	9,500	9,907	407
Elderly tax relief - circuit breaker	91,000	91,000	88,107	(2,893)
LOCIP reimbursement	91,360	91,360		(91,360)
Miscellaneous	32,419	32,419	44,869	12,450
Town Aid Road	291,302	291,302	290,413	(889)
Youth Services	14,000	14,000	14,000	-
Federal Revenue			137	137
East Granby - Animal Control	16,000	16,000	14,000	(2,000)
Municipal Projects Grant	180,663	180,663	180,663	-
Total	<u>6,236,524</u>	<u>6,236,524</u>	<u>6,087,741</u>	<u>(148,783)</u>
Education:				
Education cost sharing	6,267,018	6,267,018	6,322,013	54,995
Vocational agriculture grant	365,102	365,102	320,412	(44,690)
Other educational grants	7,797	7,797	8,242	445
Pupil transportation	93,651	93,651	81,551	(12,100)
Total	<u>6,733,568</u>	<u>6,733,568</u>	<u>6,732,218</u>	<u>(1,350)</u>
Total intergovernmental revenues	<u>12,970,092</u>	<u>12,970,092</u>	<u>12,819,959</u>	<u>(150,133)</u>
Investment income:				
Interest income	<u>30,000</u>	<u>30,000</u>	<u>31,058</u>	<u>1,058</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Current services and fees:				
Licenses, permits and fines:				
Building Department	\$ 400,000	\$ 400,000	\$ 310,587	\$ (89,413)
Zoning and Planning	18,000	18,000	31,394	13,394
Zoning Board of Appeals	3,410	3,410	620	(2,790)
Police permits	4,000	4,000	14,484	10,484
Conservation	4,000	4,000	23,698	19,698
Historic District fees	800	800	450	(350)
Total	<u>430,210</u>	<u>430,210</u>	<u>381,233</u>	<u>(48,977)</u>
Charges for current services:				
Bulky waste	2,000	2,000	2,717	717
Assessor's map sales	800	800	222	(578)
Real estate conveyance tax	160,000	160,000	196,017	36,017
Mini-bus transportation	5,500	5,500	5,165	(335)
Animal control fees	14,200	14,200	9,561	(4,639)
Town Clerk historic document fees	3,600	3,600	2,055	(1,545)
Town Clerk recording fees	160,800	160,800	128,918	(31,882)
Total	<u>346,900</u>	<u>346,900</u>	<u>344,655</u>	<u>(2,245)</u>
Landfill:				
Operating	40,000	40,000	32,212	(7,788)
Recycling rebates	30,000	30,000	32,667	2,667
Sale of scrap metal	5,000	5,000	0	(5,000)
Permits	7,850	7,850	7,535	(315)
Total	<u>82,850</u>	<u>82,850</u>	<u>72,414</u>	<u>(10,436)</u>
Recreation:				
Camps	42,020	42,020	39,108	(2,912)
Activity	80,000	80,000	102,787	22,787
Total	<u>122,020</u>	<u>122,020</u>	<u>141,895</u>	<u>19,875</u>
Revenue from other agencies:				
Telecommunications grant	22,000	22,000	21,542	(458)
Tuition, Vo-ag	525,371	525,371	522,410	(2,961)
Tuition, other	111,076	111,076	349,439	238,363
Payment in lieu of taxes, CT airport authority	693,909	693,909	693,909	-
Total	<u>1,352,356</u>	<u>1,352,356</u>	<u>1,587,300</u>	<u>234,944</u>
Total current services and fees	<u>2,334,336</u>	<u>2,334,336</u>	<u>2,527,497</u>	<u>193,161</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous:				
Rent - Town property	\$ 106,000	\$ 106,000	\$ 98,693	\$ (7,307)
Cell tower	156,000	156,000	166,565	10,565
Capital project expenditures	703,360	703,360	66,845	(636,515)
Resource Officer	58,123	58,123	58,123	-
Miscellaneous income	55,000	55,000	424,889	369,889
Total	<u>1,078,483</u>	<u>1,078,483</u>	<u>815,115</u>	<u>(263,368)</u>
Total revenues	<u>54,744,775</u>	<u>54,744,775</u>	<u>54,574,742</u>	<u>(170,033)</u>
Other financing sources:				
Utilization of Fund Balance	650,000	650,000		(650,000)
Transfers in:				
CNR Fund	89,379	89,379	89,379	-
Off Duty Fund	41,150	41,150	41,150	-
Sewer Assessment Fund	126,354	126,354	85,354	(41,000)
Total other financing sources	<u>906,883</u>	<u>906,883</u>	<u>215,883</u>	<u>(691,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 55,651,658</u>	<u>\$ 55,651,658</u>	54,790,625	<u>\$ (861,033)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.

3,803,151

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

\$ 58,593,776

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 248,186	\$ 248,244	\$ 248,244	\$ -
Human Resources	86,743	86,743	72,065	14,678
Probate Court	5,800	5,995	5,995	-
Election	49,898	57,445	57,271	174
Board of Finance	61,759	61,759	10,018	51,741
Assessors	165,792	165,792	148,525	17,267
Board of Assessment Appeals	1,450	1,450	492	958
Tax Collector	172,393	172,393	163,739	8,654
Tax Rebates	65,000	65,000	49,471	15,529
Finance	296,546	296,546	285,934	10,612
Information Technology	308,536	311,892	311,892	-
Town Counsel	100,000	107,174	107,174	-
Town Clerk	197,723	197,722	192,728	4,994
Town Hall	158,500	158,501	147,722	10,779
OPEB Fund	683,045	683,045	683,045	-
Charter Revision	5,000	5,000	954	4,046
Insurance and employee benefits	3,049,036	3,086,201	3,086,201	-
Total	<u>5,655,407</u>	<u>5,710,902</u>	<u>5,571,470</u>	<u>139,432</u>
Planning and development:				
Planning and Zoning	187,624	187,624	180,652	6,972
Zoning Board of Appeals	5,797	5,797	651	5,146
Economic Development	160,875	160,875	159,810	1,065
Historic District Commission	885	885	312	573
Conservation Commission	58,255	58,255	58,038	217
Total	<u>413,436</u>	<u>413,436</u>	<u>399,463</u>	<u>13,973</u>
Public safety:				
Fire Commission	983,874	993,433	993,433	-
Police Commission	2,425,950	2,559,728	2,559,728	-
Emergency Management	37,113	37,113	17,001	20,112
Building Department	229,927	229,927	229,610	317
Town Engineer	122,520	122,520	121,616	904
Animal Control	87,521	87,521	70,053	17,468
Total	<u>3,886,905</u>	<u>4,030,242</u>	<u>3,991,441</u>	<u>38,801</u>
Public works:				
Public works	599,039	599,039	592,904	6,135
Highway	1,182,383	1,182,381	1,156,175	26,206
State aid road funds	290,658	290,658	289,026	1,632
Public utilities	527,000	527,000	509,250	17,750
Town landfill	1,234,320	1,234,322	1,210,912	23,410
Total	<u>3,833,400</u>	<u>3,833,400</u>	<u>3,758,267</u>	<u>75,133</u>
Health and social services:				
Health and social services	206,044	206,044	201,544	4,500
Social Services Commission	1,658	1,658	1,497	161
Senior Center	108,340	108,340	106,712	1,628
Mini-bus transportation	213,497	213,497	190,984	22,513
EMS/Ambulance	204,168	214,607	214,607	-
Total	<u>733,707</u>	<u>744,146</u>	<u>715,344</u>	<u>28,802</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Library, Recreation and Parks:				
Recreation	\$ 262,484	\$ 262,840	\$ 249,654	\$ 13,186
Recreation activity	112,009	111,654	86,518	25,136
Tree Warden	17,000	17,000	17,000	-
Youth Services	70,160	70,956	68,980	1,976
Total	<u>461,653</u>	<u>462,450</u>	<u>422,152</u>	<u>40,298</u>
Board of Education	<u>33,684,325</u>	<u>33,684,325</u>	<u>33,684,273</u>	<u>52</u>
Miscellaneous:				
Cemeteries	<u>36,290</u>	<u>36,290</u>	<u>36,290</u>	<u>-</u>
Debt service	<u>2,678,775</u>	<u>2,678,775</u>	<u>2,678,775</u>	<u>-</u>
Total expenditures	<u>51,383,898</u>	<u>51,593,966</u>	<u>51,257,475</u>	<u>336,491</u>
Other financing uses:				
Transfers out:				
Capital Projects Fund	3,657,159	3,697,091	3,650,578	46,513
Open Space Fund	100,000	100,000	100,000	-
Kent memorial library	490,601	490,601	490,601	-
Cafeteria Fund	20,000	20,000	20,000	-
Total other financing uses	<u>4,267,760</u>	<u>4,307,692</u>	<u>4,261,179</u>	<u>46,513</u>
Total Expenditures and Other Financing Uses	<u>\$ 55,651,658</u>	<u>\$ 55,901,658</u>	55,518,654	<u>\$ 383,004</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.

3,803,151

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.

(176,570)

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

\$ 59,145,235

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TOWN PENSION PLAN**  
**LAST THREE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 942,703	\$ 980,412	\$ 1,019,628
Interest	2,396,241	2,509,771	2,629,704
Differences between expected and actual experience			(618,973)
Changes of assumptions			1,693,828
Benefit payments, including refunds of member contributions	<u>(1,826,285)</u>	<u>(1,900,889)</u>	<u>(1,960,780)</u>
Net change in total pension liability	1,512,659	1,589,294	2,763,407
Total pension liability - beginning	<u>31,903,806</u>	<u>33,416,465</u>	<u>35,005,758</u>
Total pension liability - ending	<u>33,416,465</u>	<u>35,005,759</u>	<u>37,769,165</u>
Plan fiduciary net position:			
Contributions - employer	1,248,754	1,292,936	1,333,075
Contributions - member	482,833	474,495	521,490
Net investment income	3,385,717	401,414	411,116
Benefit payments, including refunds of member contributions	<u>(1,826,285)</u>	<u>(1,900,889)</u>	<u>(1,960,780)</u>
Administrative expense	(37,288)	(5,044)	(23,198)
Other		15,316	35,798
Net change in plan fiduciary net position	<u>3,253,731</u>	<u>278,228</u>	<u>317,501</u>
Plan fiduciary net position - beginning	<u>23,777,460</u>	<u>27,031,191</u>	<u>27,309,418</u>
Plan fiduciary net position - ending	<u>27,031,191</u>	<u>27,309,419</u>	<u>27,626,919</u>
Net Pension Liability - Ending	<u>\$ 6,385,274</u>	<u>\$ 7,696,340</u>	<u>\$ 10,142,246</u>
Plan fiduciary net position as a percentage of the total pension liability	80.89%	78.01%	73.15%
Covered-employee payroll	\$ 8,493,969	\$ 8,831,530	\$ 9,238,546
Net pension liability as a percentage of covered-employee payroll	75.17%	87.15%	109.78%

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 690,693	\$ 798,000	\$ 698,455	\$ 790,600	\$ 965,635	\$ 1,006,709	\$ 1,166,615	\$ 1,209,502	\$ 1,292,936	\$ 1,333,075
Contributions in relation to the actuarially determined contribution	<u>690,700</u>	<u>825,000</u>	<u>698,455</u>	<u>790,600</u>	<u>965,635</u>	<u>984,803</u>	<u>1,166,646</u>	<u>1,248,754</u>	<u>1,292,936</u>	<u>1,333,075</u>
Contribution Deficiency (Excess)	\$ <u>(7)</u>	\$ <u>(27,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>21,906</u>	\$ <u>(31)</u>	\$ <u>(39,252)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 6,638,165	\$ 8,297,791	\$ 8,599,710	\$ 8,787,611	\$ 8,863,155	\$ 8,802,909	\$ 8,693,155	\$ 8,705,695	\$ 8,831,530	\$ 9,238,546
Contributions as a percentage of covered-employee payroll	10.40%	9.94%	8.12%	9.00%	10.89%	11.19%	13.42%	14.34%	14.64%	14.43%

**Notes to Schedule**

Valuation date: July 1, 2015

Measurement date: June 30, 2016

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	Based on years of service
Investment rate of return	7.25% compounded annually
Retirement age	Age 55 with 10 years of credited service, 25 years of credited service, or age 65 with 5 years of service.

Mortality	Police & Fire: RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the measurement date with Scale MP-2015. All Others: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the measurement date with Scale MP-2015.
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**TOWN OF SUFFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST THREE FISCAL YEARS**

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	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	14.19%	1.52%	1.60%

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

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>47,465,105</u>	<u>43,871,978</u>
Total	<u>\$ 47,465,105</u>	<u>\$ 43,871,978</u>
Town's covered-employee payroll	\$ 17,631,720	\$ 16,925,781
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	61.51%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,425,553	\$ 20,160,840
Receivables:		
Property taxes, net of allowance for uncollectibles of \$32,632 in 2016 and \$16,116 in 2015	783,004	918,321
Other	483,592	598,045
Due from other funds	<u>7,198,778</u>	<u>2,377,832</u>
Total Assets	<u>\$ 22,890,927</u>	<u>\$ 24,055,038</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,246,584	\$ 1,224,289
Due to other funds	9,811,321	10,369,471
Unearned revenues	351,343	390,646
Total liabilities	<u>11,409,248</u>	<u>11,984,406</u>
Deferred inflows of resources:		
Unavailable revenue - property tax and interest receivables	1,124,502	1,163,426
Advance property tax collections	45,598	44,168
Total deferred inflows of resources	<u>1,170,100</u>	<u>1,207,594</u>
Fund balance:		
Committed	350,000	350,000
Assigned	648,557	812,017
Unassigned	9,313,022	9,701,021
Total fund balance	<u>10,311,579</u>	<u>10,863,038</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 22,890,927</u>	<u>\$ 24,055,038</u>

**TOWN OF SUFFIELD, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2016**

Grand List	Uncollected Taxes July 1, 2015	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2016
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2014	\$	\$ 38,177,099	\$ 51,447	\$ (105,166)	\$ (901)	\$ 38,122,479	\$ 37,797,719	\$ 84,665	\$ 548	\$ 37,882,932	\$ 324,760
2013	458,457		2,533	(17,734)		443,256	235,401	52,483	3,022	290,906	207,855
2012	198,017			(3,376)		194,641	65,087	22,662	421	88,170	129,554
2011	128,737			(186)	(25,121)	103,430	39,349	19,609	357	59,315	64,081
2010	59,829		254		(95)	59,988	18,405	14,864	72	33,341	41,583
2009	49,786			(22,976)		26,810	8,647	9,066	24	17,737	18,163
2008	19,463			(3,071)		16,392	4,268	5,375	24	9,667	12,124
2007	2,188		1			2,189		108	24	132	2,189
2006	2,298					2,298	712	81		793	1,586
2005	4,641					4,641				-	4,641
2004	492			(465)		27				-	27
2003	3,298					3,298				-	3,298
2002	2,135					2,135				-	2,135
2001	1,856					1,856				-	1,856
2000	1,785			(1)		1,784				-	1,784
1999	1,455			(1,455)		-				-	-
Total	\$ 934,437	\$ 38,177,099	\$ 54,235	\$ (154,430)	\$ (26,117)	\$ 38,985,224	\$ 38,169,588	\$ 208,913	\$ 4,492	\$ 38,382,993	\$ 815,636

**TOWN OF SUFFIELD, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Special Revenue Funds</b>							
	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 74,207	\$	\$	\$	\$ 152,285	\$	\$
Receivables:								
Assessments						122,730		
Intergovernmental		30,989		249,955				
Loans receivables								
Other	192,762		100	350,378				
Due from other funds	344,108	170,547	166,744	695,095	185		9,239	18,503
Inventory		25,000						
<b>Total Assets</b>	<u>\$ 536,870</u>	<u>\$ 300,743</u>	<u>\$ 166,844</u>	<u>\$ 1,295,428</u>	<u>\$ 185</u>	<u>\$ 275,015</u>	<u>\$ 9,239</u>	<u>\$ 18,503</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 2,608	\$ 44,602	\$ 1,673	\$ 58,381	\$	\$ 35	\$	\$
Due to other funds		183,634	2,039	297,923				
Unearned revenue				751,568				
Total liabilities	<u>2,608</u>	<u>228,236</u>	<u>3,712</u>	<u>1,107,872</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - loans receivable								
Unavailable revenue - sewer assessment						122,730		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,730</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable		25,000						
Restricted			163,132	187,556	185		9,239	
Committed	534,262	47,507				152,250		18,503
Unassigned								
Total fund balances	<u>534,262</u>	<u>72,507</u>	<u>163,132</u>	<u>187,556</u>	<u>185</u>	<u>152,250</u>	<u>9,239</u>	<u>18,503</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 536,870</u>	<u>\$ 300,743</u>	<u>\$ 166,844</u>	<u>\$ 1,295,428</u>	<u>\$ 185</u>	<u>\$ 275,015</u>	<u>\$ 9,239</u>	<u>\$ 18,503</u>

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**TOWN OF SUFFIELD, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2016**

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$ 3,804	\$ 20,960	\$	\$	\$	\$
Receivables:								
Assessments								
Intergovernmental		24,069						
Loans receivables				166,404				
Other	3,099					125		
Due from other funds	56,755	218,313		71,524	1,148	8,694	7,159	2,620
Inventory								
Total Assets	<u>\$ 59,854</u>	<u>\$ 242,382</u>	<u>\$ 3,804</u>	<u>\$ 258,888</u>	<u>\$ 1,148</u>	<u>\$ 8,819</u>	<u>\$ 7,159</u>	<u>\$ 2,620</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 111	\$ 8,005	\$	\$	\$	\$	\$	\$
Due to other funds		15,636		92,260	1,168			
Unearned revenue		277,364						
Total liabilities	<u>111</u>	<u>301,005</u>	<u>-</u>	<u>92,260</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - loans receivable				166,404				
Unavailable revenue - sewer assessment								
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable								
Restricted			3,804	224		8,819	7,159	
Committed	59,743							2,620
Unassigned		(58,623)			(20)			
Total fund balances	<u>59,743</u>	<u>(58,623)</u>	<u>3,804</u>	<u>224</u>	<u>(20)</u>	<u>8,819</u>	<u>7,159</u>	<u>2,620</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,854</u>	<u>\$ 242,382</u>	<u>\$ 3,804</u>	<u>\$ 258,888</u>	<u>\$ 1,148</u>	<u>\$ 8,819</u>	<u>\$ 7,159</u>	<u>\$ 2,620</u>

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**TOWN OF SUFFIELD, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2016**

	Special Revenue Funds				Permanent Funds			Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	Town Clerk Dollar Fund	School Activity	Memorial	Cemetery	Interfund Eliminations	
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 146,161	\$	\$	\$ 57,312	\$ 513,811	\$	\$ 968,540
Receivables:								
Assessments								122,730
Intergovernmental								305,013
Loans receivables								166,404
Other	81			2,121				548,666
Due from other funds	42,376	632	72,669	121,143			(21,493)	1,985,961
Inventory								25,000
<b>Total Assets</b>	<b>\$ 42,457</b>	<b>\$ 146,793</b>	<b>\$ 72,669</b>	<b>\$ 123,264</b>	<b>\$ 57,312</b>	<b>\$ 513,811</b>	<b>\$ (21,493)</b>	<b>\$ 4,122,314</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 19,077	\$	\$	\$	\$	\$ 514	\$	\$ 135,006
Due to other funds	3,000	5,524			16,553	77,016	(21,493)	673,260
Unearned revenue								1,028,932
Total liabilities	<u>22,077</u>	<u>5,524</u>	<u>-</u>	<u>-</u>	<u>16,553</u>	<u>77,530</u>	<u>(21,493)</u>	<u>1,837,198</u>
Deferred inflows of resources:								
Unavailable revenue - loans receivable								166,404
Unavailable revenue - sewer assessment								122,730
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,134</u>
Fund balances:								
Nonspendable					40,759	436,281		502,040
Restricted	20,380		72,669					473,167
Committed		141,269		123,264				1,079,418
Unassigned								(58,643)
Total fund balances	<u>20,380</u>	<u>141,269</u>	<u>72,669</u>	<u>123,264</u>	<u>40,759</u>	<u>436,281</u>	<u>-</u>	<u>1,995,982</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 42,457</b>	<b>\$ 146,793</b>	<b>\$ 72,669</b>	<b>\$ 123,264</b>	<b>\$ 57,312</b>	<b>\$ 513,811</b>	<b>\$ (21,493)</b>	<b>\$ 4,122,314</b>

**TOWN OF SUFFIELD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue Funds</u>							
	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Current services and fees	292,720	235,881		2,737,053		152,000		
Assessments		502,132				75,383		
Interest income		88				41		
Donations and program income			2,307					
Total revenues	<u>292,720</u>	<u>738,101</u>	<u>2,307</u>	<u>2,737,053</u>	<u>-</u>	<u>227,424</u>	<u>-</u>	<u>-</u>
Expenditures:								
Administration								
Planning and development								
Public safety	136,626		19,775				4,293	
Health and social services								
Library, recreation and parks								
Education		704,987		2,737,053				
Capital outlay								
Total expenditures	<u>136,626</u>	<u>704,987</u>	<u>19,775</u>	<u>2,737,053</u>	<u>-</u>	<u>-</u>	<u>4,293</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>156,094</u>	<u>33,114</u>	<u>(17,468)</u>	<u>-</u>	<u>-</u>	<u>227,424</u>	<u>(4,293)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in		20,000						
Transfers out	(41,150)					(85,354)		
Total other financing sources (uses)	<u>(41,150)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,354)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	114,944	53,114	(17,468)	-	-	142,070	(4,293)	-
Fund balance at beginning of year	<u>419,318</u>	<u>19,393</u>	<u>180,600</u>	<u>187,556</u>	<u>185</u>	<u>10,180</u>	<u>13,532</u>	<u>18,503</u>
Fund Balance at End of Year	<u>\$ 534,262</u>	<u>\$ 72,507</u>	<u>\$ 163,132</u>	<u>\$ 187,556</u>	<u>\$ 185</u>	<u>\$ 152,250</u>	<u>\$ 9,239</u>	<u>\$ 18,503</u>

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**TOWN OF SUFFIELD, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
Revenues:								
Intergovernmental	\$	\$ 646,448	\$	\$	\$	\$	\$	\$
Current services and fees	12,747							
Assessments								
Interest income								
Donations and program income	24,907		1,242			49	20	
Total revenues	<u>37,654</u>	<u>646,448</u>	<u>1,242</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>20</u>	<u>-</u>
Expenditures:								
Administration		622,501						
Planning and development		3,290						
Public safety		18,659						
Health and social services			1,242					
Library, recreation and parks	33,172	1,997					1,442	
Education								
Capital outlay		-						
Total expenditures	<u>33,172</u>	<u>646,447</u>	<u>1,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,442</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,482</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>(1,422)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,482	1	-	-	-	49	(1,422)	-
Fund balance at beginning of year	<u>55,261</u>	<u>(58,624)</u>	<u>3,804</u>	<u>224</u>	<u>(20)</u>	<u>8,770</u>	<u>8,581</u>	<u>2,620</u>
Fund Balance at End of Year	<u>\$ 59,743</u>	<u>\$ (58,623)</u>	<u>\$ 3,804</u>	<u>\$ 224</u>	<u>\$ (20)</u>	<u>\$ 8,819</u>	<u>\$ 7,159</u>	<u>\$ 2,620</u>

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**TOWN OF SUFFIELD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds				Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	Town Clerk Dollar Fund	School Activity	Memorial	Cemetery		
Revenues:								
Intergovernmental	\$ 1,297	\$	\$	\$	\$	\$	\$	\$ 3,620,679
Current services and fees	4,678			160,559				1,124,836
Assessments								75,383
Interest income	26,927	146			55	514		27,771
Donations and program income						4,700		33,225
Total revenues	<u>32,902</u>	<u>146</u>	<u>-</u>	<u>160,559</u>	<u>55</u>	<u>5,214</u>	<u>-</u>	<u>4,881,894</u>
Expenditures:								
Administration								622,501
Planning and development								3,290
Public safety								179,353
Health and social services						513		1,755
Library, recreation and parks	515,380							551,991
Education				108,577				3,550,617
Capital outlay			18,750					18,750
Total expenditures	<u>515,380</u>	<u>-</u>	<u>18,750</u>	<u>108,577</u>	<u>-</u>	<u>513</u>	<u>-</u>	<u>4,928,257</u>
Excess (deficiency) of revenues over expenditures	<u>(482,478)</u>	<u>146</u>	<u>(18,750)</u>	<u>51,982</u>	<u>55</u>	<u>4,701</u>	<u>-</u>	<u>(46,363)</u>
Other financing sources (uses):								
Transfers in	490,601		91,419					602,020
Transfers out								(126,504)
Total other financing sources (uses)	<u>490,601</u>	<u>-</u>	<u>91,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,516</u>
Net change in fund balances	8,123	146	72,669	51,982	55	4,701	-	429,153
Fund balance at beginning of year	<u>12,257</u>	<u>141,123</u>	<u>-</u>	<u>71,282</u>	<u>40,704</u>	<u>431,580</u>	<u>-</u>	<u>1,566,829</u>
Fund Balance at End of Year	<u>\$ 20,380</u>	<u>\$ 141,269</u>	<u>\$ 72,669</u>	<u>\$ 123,264</u>	<u>\$ 40,759</u>	<u>\$ 436,281</u>	<u>\$ -</u>	<u>\$ 1,995,982</u>

**TOWN OF SUFFIELD, CONNECTICUT  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET - BY PROJECT  
JUNE 30, 2016**

	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 10,993	\$ 550,688	\$	\$	\$	\$
Investments							
Receivables:							
Accounts						125	
Intergovernmental	375,944					47,143	
Due from other funds		435,004		4,586	289,000	289,976	6,094,471
<b>Total Assets</b>	<b>\$ 375,944</b>	<b>\$ 445,997</b>	<b>\$ 550,688</b>	<b>\$ 4,586</b>	<b>\$ 289,000</b>	<b>\$ 337,244</b>	<b>\$ 6,094,471</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$ 340,006	\$	\$	\$ 40,842	\$ 102,183
Due to other funds	375,944	289,000			279,052	263,149	1,716
<b>Total liabilities</b>	<b>375,944</b>	<b>289,000</b>	<b>340,006</b>	<b>-</b>	<b>279,052</b>	<b>303,991</b>	<b>103,899</b>
Fund Balances:							
Committed		156,997	210,682	4,586	9,948	33,253	5,310,909
Assigned							679,663
Unassigned							
<b>Total fund balances</b>	<b>-</b>	<b>156,997</b>	<b>210,682</b>	<b>4,586</b>	<b>9,948</b>	<b>33,253</b>	<b>5,990,572</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 375,944</b>	<b>\$ 445,997</b>	<b>\$ 550,688</b>	<b>\$ 4,586</b>	<b>\$ 289,000</b>	<b>\$ 337,244</b>	<b>\$ 6,094,471</b>

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TOWN OF SUFFIELD, CONNECTICUT  
 CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET - BY PROJECT (CONTINUED)  
 JUNE 30, 2016

	Kent Memorial Library Renovation Fund	Agriscience Project	Open Space	Capital Reserve	Fire Trucks Fund	2011 Road & Drainage Imp. Fund	2015 Road & Drainage Imp. Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$	\$ 186,864	\$	\$	\$ 2,368
Investments							
Receivables:							
Accounts				85			
Intergovernmental							
Due from other funds			951,445		109,343	372,492	
Total Assets	\$ -	\$ -	\$ 951,445	\$ 186,949	\$ 109,343	\$ 372,492	\$ 2,368
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 99,597	\$	\$	\$	\$	\$ 38,737	\$ 397,412
Due to other funds	2,668,855	689,036		107,006	109,343	421,149	2,041,852
Total liabilities	2,768,452	689,036	-	107,006	109,343	459,886	2,439,264
Fund Balances:							
Committed			951,445	79,943			
Assigned							
Unassigned	(2,768,452)	(689,036)				(87,394)	(2,436,896)
Total fund balances	(2,768,452)	(689,036)	951,445	79,943	-	(87,394)	(2,436,896)
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 951,445	\$ 186,949	\$ 109,343	\$ 372,492	\$ 2,368

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT  
 CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET - BY PROJECT (CONTINUED)  
 JUNE 30, 2016

	2015 Bridge					
	2015 Town Hall Renovations & Improvements Project	Street School Renovations & Improvements Fund	Utility Extension Project	Capital Non-recurring Expenditure Fund	Interfund Eliminations	Total Capital Projects Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 750,913
Investments				1,701,952		1,701,952
Receivables:						
Accounts						210
Intergovernmental						423,087
Due from other funds			28,517		(661,492)	7,913,342
Total Assets	\$ -	\$ -	\$ 28,517	\$ 1,701,952	\$ (661,492)	\$ 10,789,504
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 250	\$	\$ 4,127		\$	\$ 1,023,154
Due to other funds	3,744	7,144			(661,492)	6,595,498
Total liabilities	3,994	7,144	4,127	-	(661,492)	7,618,652
Fund Balances:						
Committed				1,701,952		8,459,715
Assigned						679,663
Unassigned	(3,994)	(7,144)	24,390			(5,968,526)
Total fund balances	(3,994)	(7,144)	24,390	1,701,952	-	3,170,852
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 28,517	\$ 1,701,952	\$ (661,492)	\$ 10,789,504

**TOWN OF SUFFIELD, CONNECTICUT**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$
Current services and fees							
Interest income			620				
Donations							
Total revenues	<u>-</u>	<u>-</u>	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:							
Debt service							
Libraries							
Public works							
Capital outlay			461,465				2,452,471
Total expenditures			<u>461,465</u>				<u>2,452,471</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(460,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,452,471)</u>
Other financing sources:							
Transfers in							3,559,159
Transfers out						(263,149)	(589,379)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263,149)</u>	<u>2,969,780</u>
Net Change in Fund Balances	-	-	(460,845)	-	-	(263,149)	517,309
Fund Balances at Beginning of Year	<u>-</u>	<u>156,997</u>	<u>671,527</u>	<u>4,586</u>	<u>9,948</u>	<u>296,402</u>	<u>5,473,263</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 156,997</u>	<u>\$ 210,682</u>	<u>\$ 4,586</u>	<u>\$ 9,948</u>	<u>\$ 33,253</u>	<u>\$ 5,990,572</u>

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TOWN OF SUFFIELD, CONNECTICUT  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2016

	Kent Memorial Library Renovation Fund	Agriscience Project	Open Space	Capital Reserve	Fire Trucks Fund	2011 Road & Drainage Imp. Fund	2015 Road & Drainage Imp. Fund
Revenues:							
Intergovernmental	\$ 200,000	\$	\$	\$	\$	\$	\$
Current services and fees			20,033				
Interest income				277			
Donations	1,120,150			3,330			
Total revenues	<u>1,320,150</u>	<u>-</u>	<u>20,033</u>	<u>3,607</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:							
Debt service							22,145
Libraries			19,585				
Public works							
Capital outlay	3,015,918	23,771		30,075		1,681,878	2,414,751
Total expenditures	<u>3,015,918</u>	<u>23,771</u>	<u>19,585</u>	<u>30,075</u>	<u>-</u>	<u>1,681,878</u>	<u>2,436,896</u>
Excess (deficiency) of revenues over expenditures	<u>(1,695,768)</u>	<u>(23,771)</u>	<u>448</u>	<u>(26,468)</u>	<u>-</u>	<u>(1,681,878)</u>	<u>(2,436,896)</u>
Other financing sources:							
Transfers in	500,000		100,000			372,492	
Transfers out					(109,343)		
Total other financing sources	<u>500,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(109,343)</u>	<u>372,492</u>	<u>-</u>
Net Change in Fund Balances	(1,195,768)	(23,771)	100,448	(26,468)	(109,343)	(1,309,386)	(2,436,896)
Fund Balances at Beginning of Year	<u>(1,572,684)</u>	<u>(665,265)</u>	<u>850,997</u>	<u>106,411</u>	<u>109,343</u>	<u>1,221,992</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (2,768,452)</u>	<u>\$ (689,036)</u>	<u>\$ 951,445</u>	<u>\$ 79,943</u>	<u>\$ -</u>	<u>\$ (87,394)</u>	<u>\$ (2,436,896)</u>

TOWN OF SUFFIELD, CONNECTICUT  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2016

	2015 Town Hall Renovations & Improvements Project	2015 Bridge Street School Renovations & Improvements Fund	Utility Extension Project	Capital Non-Recurring Expenditure Fund	Interfund Eliminations	Total Capital Projects Funds
Revenues:						
Intergovernmental	\$	\$	\$ 63,142	\$	\$	\$ 263,142
Current services and fees						20,033
Interest income				28,616		29,513
Donations						1,123,480
Total revenues	<u>-</u>		<u>63,142</u>	<u>28,616</u>	<u>-</u>	<u>1,436,168</u>
Expenditures:						
Debt service						22,145
Libraries						19,585
Public works			38,752			38,752
Capital outlay	3,994	7,144		6,500		10,097,967
Total expenditures	<u>3,994</u>	<u>7,144</u>	<u>38,752</u>	<u>6,500</u>		<u>10,178,449</u>
Excess (deficiency) of revenues over expenditures	<u>(3,994)</u>	<u>(7,144)</u>	<u>24,390</u>	<u>22,116</u>	<u>-</u>	<u>(8,742,281)</u>
Other financing sources:						
Transfers in					(872,492)	3,659,159
Transfers out					872,492	(89,379)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,569,780</u>
Net Change in Fund Balances	(3,994)	(7,144)	24,390	22,116	-	(5,172,501)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,679,836</u>	<u>-</u>	<u>8,343,353</u>
Fund Balances at End of Year	<u>\$ (3,994)</u>	<u>\$ (7,144)</u>	<u>\$ 24,390</u>	<u>\$ 1,701,952</u>	<u>\$ -</u>	<u>\$ 3,170,852</u>



**TOWN OF SUFFIELD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 984,045	\$	\$ 984,045
Due from other funds	7,328		7,328
Receivables, net	<u>48,673</u>	<u>31,205</u>	<u>79,878</u>
Total	<u>\$ 1,040,046</u>	<u>\$ 31,205</u>	<u>\$ 1,071,251</u>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 481,428	\$ 2,599	\$ 484,027
Due to other funds		<u>24,698</u>	<u>24,698</u>
Total liabilities	<u>481,428</u>	<u>27,297</u>	<u>508,725</u>
Net position:			
Unrestricted	<u>558,618</u>	<u>3,908</u>	<u>562,526</u>
Total	<u>\$ 1,040,046</u>	<u>\$ 31,205</u>	<u>\$ 1,071,251</u>

**TOWN OF SUFFIELD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 6,390,136	\$ 240,374	\$ 6,630,510
Operating expenses:			
Administration	816,184		816,184
Insurance and benefits	5,376,509		5,376,509
Fuel		253,241	253,241
Total operating expenses	<u>6,192,693</u>	<u>253,241</u>	<u>6,445,934</u>
Operating income (loss)	197,443	(12,867)	184,576
Nonoperating revenue:			
Investment income	<u>2,109</u>		<u>2,109</u>
Change in net position	199,552	(12,867)	186,685
Net position at beginning of year	<u>359,066</u>	<u>16,775</u>	<u>375,841</u>
Net Position at End of Year	<u>\$ 558,618</u>	<u>\$ 3,908</u>	<u>\$ 562,526</u>

**TOWN OF SUFFIELD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from users	\$ 6,182,823	\$ 255,857	\$ 6,438,680
Cash paid to vendors	<u>(6,159,025)</u>	<u>(255,857)</u>	<u>(6,414,882)</u>
Net cash provided by (used in) operating activities	23,798	-	23,798
Cash Flows From Investing Activities:			
Interest on investments	<u>2,109</u>	<u>-</u>	<u>2,109</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,907	-	25,907
Cash and Cash Equivalents at Beginning of Year	<u>958,138</u>	<u>-</u>	<u>958,138</u>
Cash and Cash Equivalents at End of Year	<u>\$ 984,045</u>	<u>\$ -</u>	<u>\$ 984,045</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 197,443	\$ (12,867)	\$ 184,576
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	17,001	973	17,974
Increase (decrease) in due to other funds	(224,314)	14,510	(209,804)
Increase (decrease) in accounts payable and accrued liabilities	<u>33,668</u>	<u>(2,616)</u>	<u>31,052</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 23,798</u>	<u>\$ -</u>	<u>\$ 23,798</u>

**TOWN OF SUFFIELD, CONNECTICUT  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>School Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 250,722	\$ 497,257	\$ 467,645	\$ 280,334
Investments	<u>14,067</u>	<u>1,189</u>	<u>          </u>	<u>15,256</u>
Total Assets	<u>\$ 264,789</u>	<u>\$ 498,446</u>	<u>\$ 467,645</u>	<u>\$ 295,590</u>
Liabilities:				
Due to student groups and others	<u>\$ 264,789</u>	<u>\$ 498,446</u>	<u>\$ 467,645</u>	<u>\$ 295,590</u>
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	<u>\$ 135,308</u>	<u>\$ 61</u>	<u>\$ 26,364</u>	<u>\$ 109,005</u>
Liabilities:				
Due to student groups and others	<u>\$ 135,308</u>	<u>\$ 61</u>	<u>\$ 26,364</u>	<u>\$ 109,005</u>
<b>Total Assets</b>				
Assets:				
Cash and cash equivalents	\$ 386,030	\$ 497,318	\$ 494,009	\$ 389,339
Investments	<u>14,067</u>	<u>1,189</u>	<u>          </u>	<u>15,256</u>
Total Assets	<u>\$ 400,097</u>	<u>\$ 498,507</u>	<u>\$ 494,009</u>	<u>\$ 404,595</u>
Liabilities:				
Due to student groups and others	<u>\$ 400,097</u>	<u>\$ 498,507</u>	<u>\$ 494,009</u>	<u>\$ 404,595</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF DEBT LIMITATION**  
**JUNE 30, 2016**  
**(In Thousands)**

Total cash collections for the year ended June 30, 2016:

Taxes, interest and lien fees	\$ <u>38,383</u>
Base	\$ <u><u>38,383</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitations:					
2-1/4 times base	\$ 86,362	\$	\$	\$	\$
4-1/2 times base		172,724			
3-3/4 times base			143,936		
3-1/4 times base				124,745	
3 times base					115,149
	<u>86,362</u>	<u>172,724</u>	<u>143,936</u>	<u>124,745</u>	<u>115,149</u>
Total debt limitation	<u>86,362</u>	<u>172,724</u>	<u>143,936</u>	<u>124,745</u>	<u>115,149</u>
Indebtedness:					
Bonds and notes payable		<u>14,700</u>			
Total indebtedness	<u>-</u>	<u>14,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 86,362</u>	<u>\$ 158,024</u>	<u>\$ 143,936</u>	<u>\$ 124,745</u>	<u>\$ 115,149</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$268,681).