

**TOWN OF SUFFIELD, CONNECTICUT**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2019**

**TOWN OF SUFFIELD, CONNECTICUT**  
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**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Suffield, Connecticut (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2019, 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.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the information on pages 67 through 78 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules on pages 79 through 100 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants  
Glastonbury, Connecticut  
December 23, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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The management of the Town of Suffield, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019.

**HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,851,959 (net position). Of this amount, \$1,566,736 represents the Town's unrestricted net position.
- The Town's total net position increased by \$1,878,212 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,319,401, a decrease of \$1,721,635 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$7,701,353 or 13.0% of the Town's fiscal year 2020 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 1.56 months of the Town's General Fund budgetary expenditure appropriations.
- The Town's total long-term bonded debt and capital lease obligations decreased by \$2,237,132 or 11.3% during the current fiscal year due to scheduled principal repayments, offset by new capital lease financing in the amount of \$436,768.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.



**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

**Fund Financial Statements**

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

***Governmental Funds***

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

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

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

The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

***Proprietary Funds***

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

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

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 66 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, and combining fund and individual fund statements and schedules, which can be found on pages 67 through 100 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

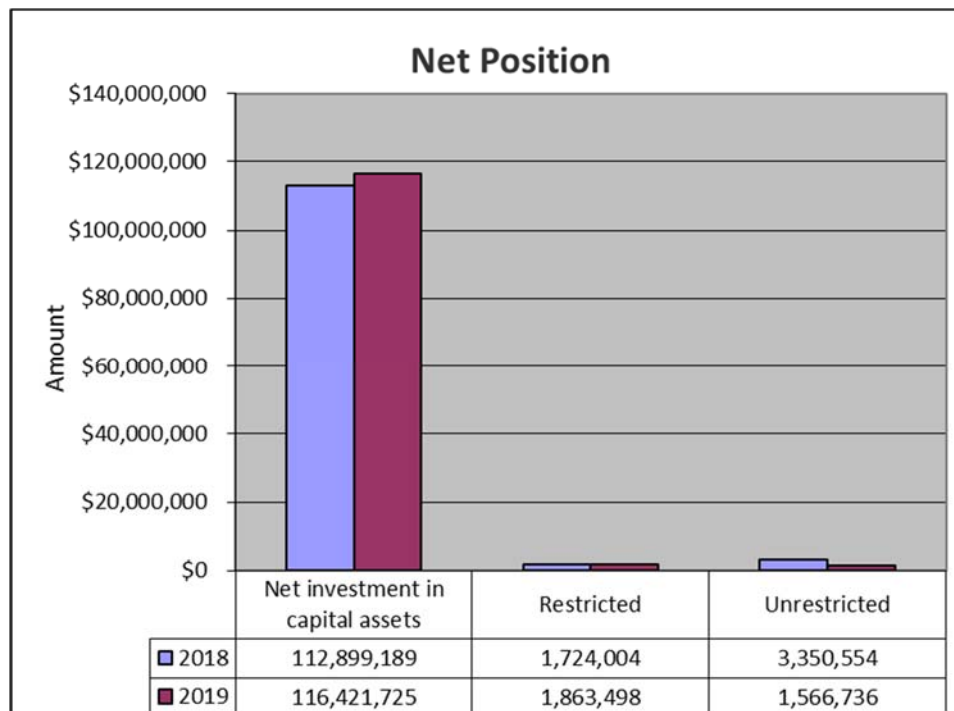
Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$119,851,959 as of June 30, 2019 and \$117,973,747 as of June 30, 2018, as adjusted, and is summarized as follows:

**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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

**Net Position (Continued)**

	June 30, 2019			June 30, 2018
	Governmental Activities	Business-type Activities	Total	Total
Current and other assets	\$ 20,948,392	\$ 2,085,277	\$ 23,033,669	\$ 25,068,472
Capital assets	115,351,426	19,322,671	134,674,097	133,475,707
Total assets	136,299,818	21,407,948	157,707,766	158,544,179
Deferred outflows of resources	2,635,234	-	2,635,234	2,825,137
Other liabilities	3,717,692	160,211	3,877,903	7,450,859
Long-term liabilities	34,496,099	365,988	34,862,087	35,605,353
Total liabilities	38,213,791	526,199	38,739,990	43,056,212
Deferred inflows of resources	1,751,051	-	1,751,051	339,357
Net position:				
Net investment in capital assets	97,465,042	18,956,683	116,421,725	112,899,189
Restricted	1,863,498	-	1,863,498	1,724,004
Unrestricted	(358,330)	1,925,066	1,566,736	3,350,554
Total net position	\$ 98,970,210	\$ 20,881,749	\$ 119,851,959	\$ 117,973,747



As of June 30, 2019, approximately 97.14% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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

**Net Position (Continued)**

As of June 30, 2019, approximately 1.55% of net position represents resources that are subject to external restrictions on how they may be used.

The remainder of the Town's net position is considered unrestricted and consisted of a deficit of \$358,330 attributable to its governmental activities and \$1,925,066 attributable to its business-type (sewer) activities.

Overall, net position increased by \$1,878,212 in comparison with the prior year.

**Change in Net Position**

Changes in net position for the years ended June 30, 2019 and 2018 are as follows. Certain reclassifications have been made to the amounts reported for the year ended June 30, 2018 to conform with the current year presentation.

	<b>June 30, 2019</b>			<b>June 30, 2018</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Total</b>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 3,626,416	\$ 3,186,977	\$ 6,813,393	\$ 6,136,623
Operating grants and contributions	12,995,953	3,412	12,999,365	16,193,550
Capital grants and contributions	1,252,855	-	1,252,855	2,029,368
General revenues:				
Property taxes, levied for general purposes	41,479,071	-	41,479,071	40,387,553
Grants and contributions not restricted to specific programs	4,814,383	-	4,814,383	5,753,463
Sale of property	-	-	-	77,500
Investment earnings	309,608	41,827	351,435	223,452
Total revenues	<u>64,478,286</u>	<u>3,232,216</u>	<u>67,710,502</u>	<u>70,801,509</u>
<b>Expenses</b>				
General government	3,093,870	-	3,093,870	2,990,599
Planning and development	432,907	-	432,907	387,510
Public safety	7,736,942	-	7,736,942	6,375,275
Public works	6,088,793	-	6,088,793	6,640,213
Health and social services	1,196,565	-	1,196,565	1,061,943
Library, parks and recreation	1,492,658	-	1,492,658	1,662,956
Education	40,197,582	-	40,197,582	40,459,904
Education - State Teachers' Retirement	2,658,624	-	2,658,624	7,663,725
Interest expense	500,136	-	500,136	608,240
Sewers	-	2,434,213	2,434,213	2,462,841
Total expenses	<u>63,398,077</u>	<u>2,434,213</u>	<u>65,832,290</u>	<u>70,313,206</u>
Changes in net position before transfers	1,080,209	798,003	1,878,212	488,303
Transfers	121,850	(121,850)	-	-
Change in net position	<u>\$ 1,202,059</u>	<u>\$ 676,153</u>	<u>\$ 1,878,212</u>	<u>\$ 488,303</u>

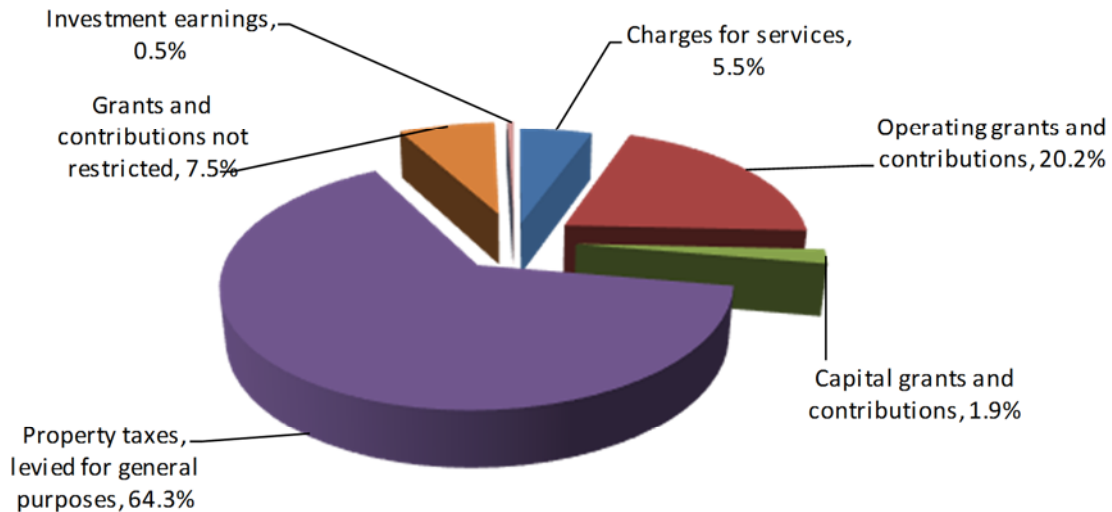
**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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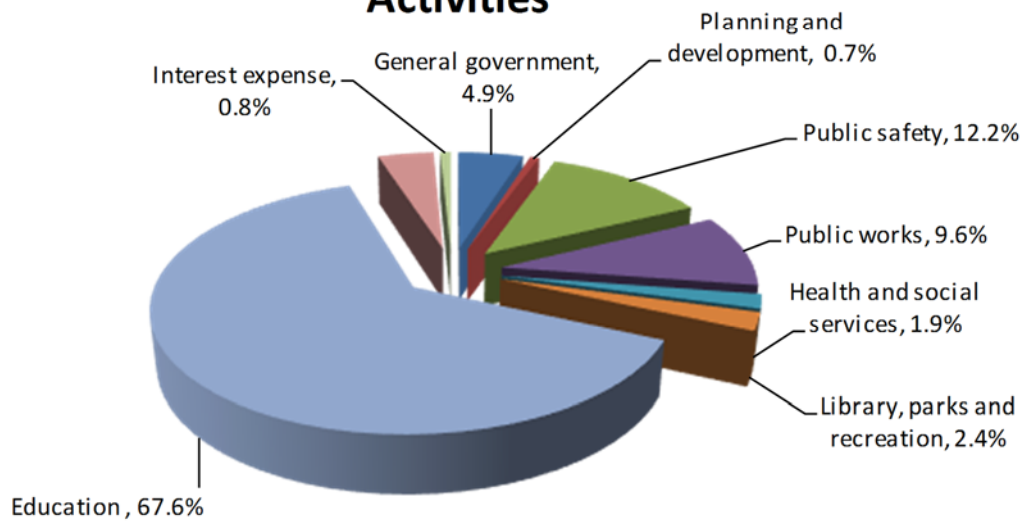
**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

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

**2019 Revenue by Source - Governmental Activities**



**2019 Expenses by Function - Governmental Activities**

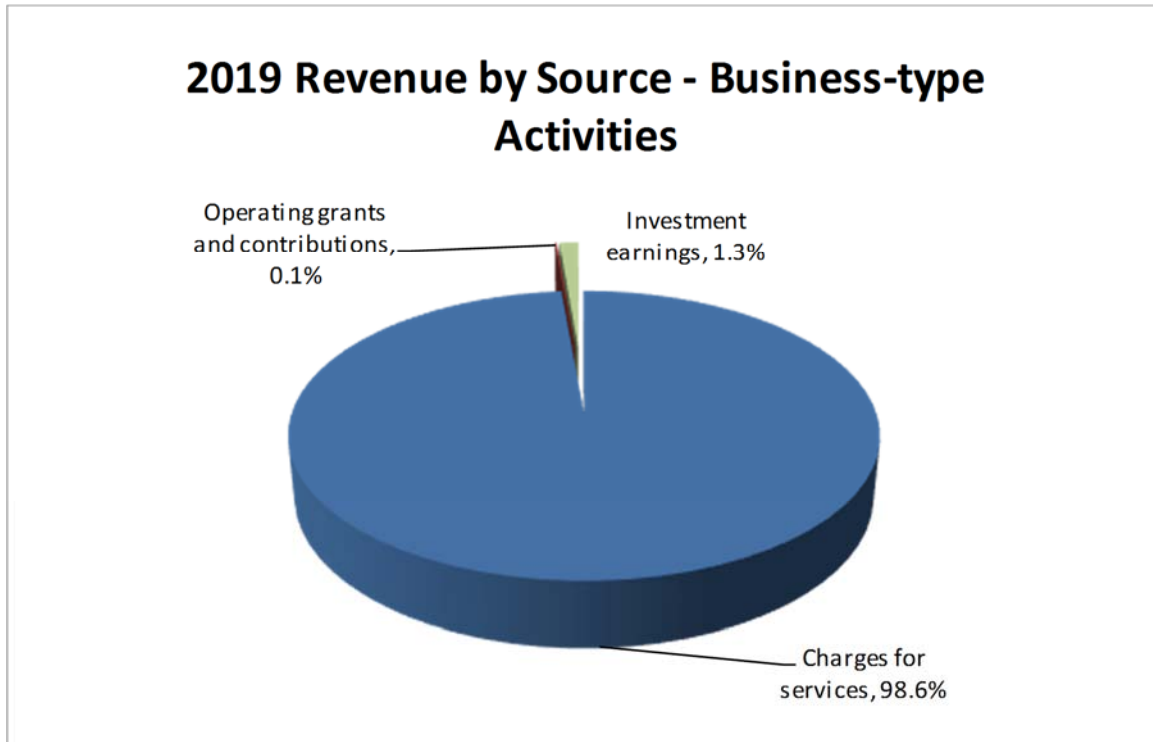


**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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



Governmental activities increased the Town's net position by \$1,202,059. Business-type activities increased the Town's net position by \$676,153.

Revenues generated by the Town decreased by \$3,091,007 or 4.4% over the prior year. Significant changes from prior year consisted of the following:

- a decrease in operating grants and contributions primarily due to a reduction of \$5,005,101 in the amount of on-behalf pension and OPEB expenses recognized by the State of Connecticut in connection with the Town's participation in the State of Connecticut State Teachers' Retirement System. This decrease also resulted in a direct decrease in education expenses;
- an increase in property tax revenues in the amount of \$1,091,518 or 2.7%; offset by
- a decrease in grants and contributions not restricted to specific programs driven by an overall reduction in State aid from municipal stabilization and Mashantucket Pequot and Mohegan funds.

Expenses incurred by the Town decreased by \$4,480,916 or 6.4% over the prior year. Significant changes from prior year consisted of a decrease of \$5,005,101 in the amount of on-behalf pension and OPEB expenses recognized by the State of Connecticut in connection with the Town's participation in the State of Connecticut State Teachers' Retirement System.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

### **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances \$16,319,401. Of this amount, \$14,455,903 is available for spending at the discretion of the Town (i.e. committed, assigned and unassigned).

### **General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,701,353, while total fund balance was \$8,246,097. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance increased by \$304,040 and represents 13.0% of the Town's fiscal year 2020 General Fund budgetary appropriations. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 1.56 months of the Town's General Fund budgetary expenditure appropriations.

The total fund balance of the Town's General Fund decreased by \$1,731,788 during the current fiscal year.

### **Capital Projects Fund**

The fund balance of the Capital Projects Fund decreased by \$46,483 during the current fiscal year from \$5,779,988 to \$5,733,505.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original and final budget for the General Fund included the planned use of fund balance in the amount of \$2,152,281. No additional appropriations were authorized during the year ended June 30, 2019. The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$1,310,682 in the current fiscal year. Revenues and other financing sources were \$825,972 more than budgeted and expenditures and other financing uses were \$15,627 less than budgeted. The revenue surplus reflects favorable changes in State aid after the original budget was adopted by the Town, including an increase of \$668,016 in education cost sharing funds. In addition, budgetary expenditures include encumbrances charged against current year appropriations in the amount of \$144,744 for education commitments.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The Town's investment in capital assets as of June 30, 2019 and 2018 totaled \$134,674,097 and \$133,475,707, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$1,198,390 or 0.9%.

**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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

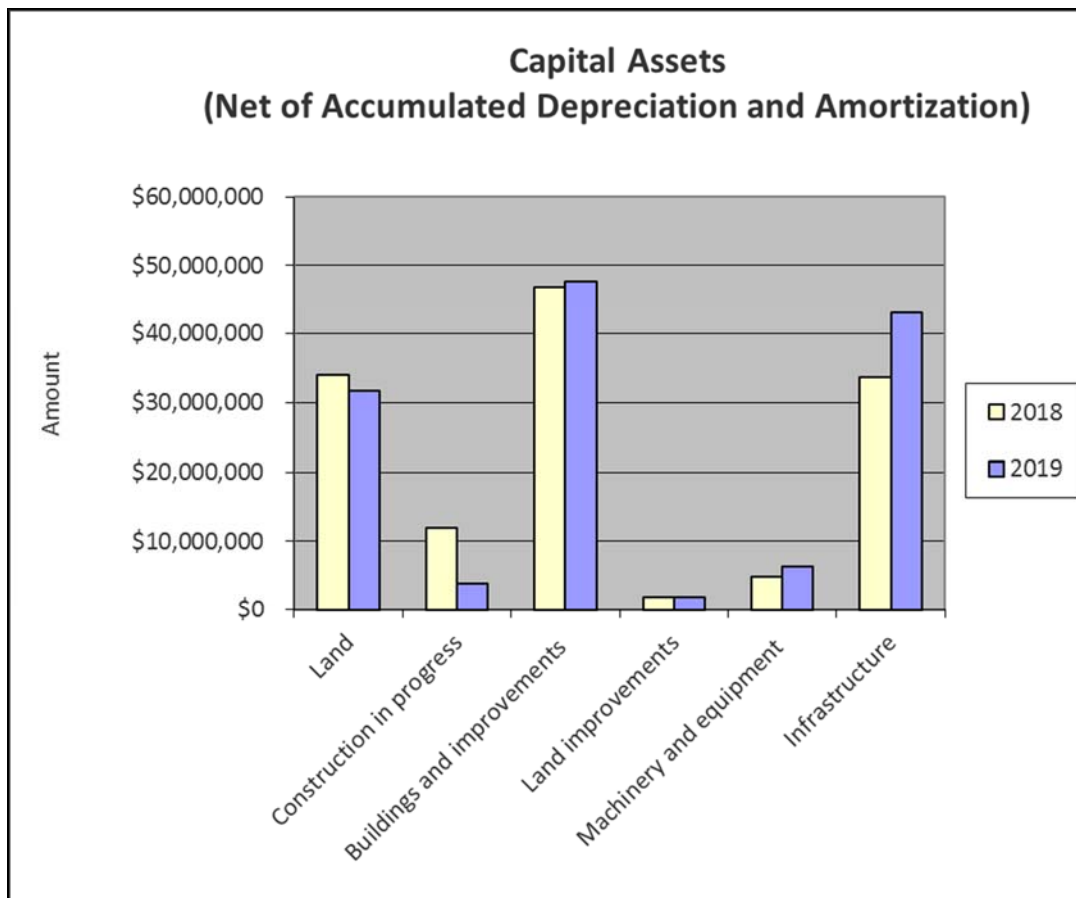
**Capital Assets (Continued)**

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

- outlays for various ongoing projects, including road and drainage projects;
- outlays for the purchase of a fire truck; and
- outlays for a sewer vector truck.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 15,604,234	\$ 18,023,616	\$ 16,038,335	\$ 16,038,335	\$ 31,642,569	\$ 34,061,951
Construction in progress	3,636,818	11,928,712	345,999	24,820	3,982,817	11,953,532
Buildings and improvements	46,936,949	46,235,541	814,354	581,991	47,751,303	46,817,532
Land improvements	1,847,127	1,984,050	-	-	1,847,127	1,984,050
Machinery and equipment	5,073,438	4,112,997	1,232,080	855,679	6,305,518	4,968,676
Infrastructure	42,252,860	32,702,584	891,903	987,382	43,144,763	33,689,966
Totals	<u>\$ 115,351,426</u>	<u>\$ 114,987,500</u>	<u>\$ 19,322,671</u>	<u>\$ 18,488,207</u>	<u>\$ 134,674,097</u>	<u>\$ 133,475,707</u>



Additional information on the Town's capital assets can be found in Note 4 of this report.



**TOWN OF SUFFIELD, CONNECTICUT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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

**Long-term Debt**

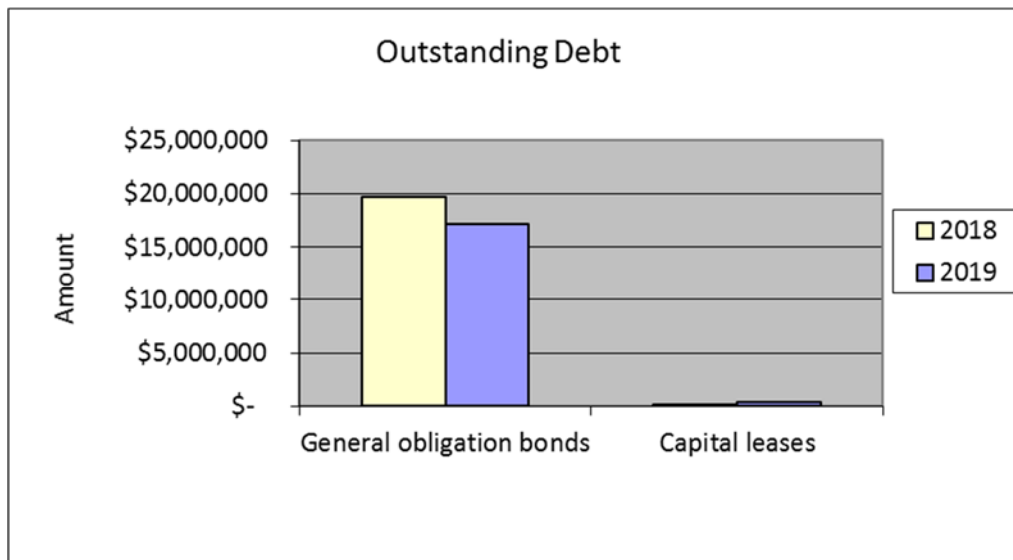
At the end of the current fiscal year, the Town had total long-term debt outstanding of \$17,606,360, consisting of general obligation bonds outstanding of \$17,175,000 and capital leases from direct borrowings in the amount of \$431,360. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$2,237,132 or 11.3% during the current fiscal year due to scheduled principal repayments, offset by new capital lease financing in the amount of \$436,768.

The Town currently maintains a bond rating of AA+ by Standard & Poor's.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 17,175,000	\$ 19,715,000	\$ -	\$ -	\$ 17,175,000	\$ 19,715,000
Capital leases	65,372	128,492	365,988	-	431,360	128,492
Totals	<u>\$ 17,240,372</u>	<u>\$ 19,843,492</u>	<u>\$ 365,988</u>	<u>\$ -</u>	<u>\$ 17,606,360</u>	<u>\$ 19,843,492</u>



Additional information on the Town's long-term debt can be found in Note 7 of this report.

**TOWN OF SUFFIELD, CONNECTICUT**  
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

- For purposes of calculating property tax revenues for fiscal year 2020, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits towns from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2020. The Town's fiscal year 2020 General Fund budget was approved on May 8, 2019. The approved General Fund budgetary expenditure appropriation totaled \$59,403,109, which is an increase of 1.8% over the Town's fiscal year 2019 budget. The fiscal year 2020 budget contemplates the use of fund balance in the amount of \$400,000 to offset increases in the Town's mill rate.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Town of Suffield, 83 Mountain Road, Suffield, Connecticut 06078.

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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,075,448	\$ 1,631,028	\$ 16,706,476
Investments	2,377,777	-	2,377,777
Receivables:			
Property taxes and interest, net	1,536,292	-	1,536,292
Assessments, net	154,774	448,918	603,692
Grants and contracts	1,040,649	-	1,040,649
Loans	118,244	-	118,244
Other	622,060	3,479	625,539
Inventories	25,000	-	25,000
Internal balances	(1,852)	1,852	-
Capital assets:			
Non-depreciable	19,241,052	16,384,334	35,625,386
Depreciable, net	96,110,374	2,938,337	99,048,711
Total assets	<u>136,299,818</u>	<u>21,407,948</u>	<u>157,707,766</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on pension expense	1,552,835	-	1,552,835
Deferred charges on OPEB expense	1,082,399	-	1,082,399
Total deferred outflows of resources	<u>2,635,234</u>	<u>-</u>	<u>2,635,234</u>
<b>LIABILITIES</b>			
Accounts payable	2,216,252	123,833	2,340,085
Accrued liabilities	636,352	36,378	672,730
Unearned revenue	865,088	-	865,088
Noncurrent liabilities:			
Due within one year	2,656,118	57,151	2,713,269
Due in more than one year	31,839,981	308,837	32,148,818
Total liabilities	<u>38,213,791</u>	<u>526,199</u>	<u>38,739,990</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on OPEB expense	1,573,710	-	1,573,710
Deferred charges on pension expense	168,809	-	168,809
Advance property tax collections	8,532	-	8,532
Total deferred inflows of resources	<u>1,751,051</u>	<u>-</u>	<u>1,751,051</u>
<b>NET POSITION</b>			
Net investment in capital assets	97,465,042	18,956,683	116,421,725
Restricted for:			
Trust purposes	514,543	-	514,543
Grant and other programs	1,348,955	-	1,348,955
Unrestricted	(358,330)	1,925,066	1,566,736
Total net position	<u>\$ 98,970,210</u>	<u>\$ 20,881,749</u>	<u>\$ 119,851,959</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 3,093,870	\$ 1,301,246	\$ 208,947	\$ -	\$ (1,583,677)	\$ -	\$ (1,583,677)
Planning and development	432,907	21,854	-	-	(411,053)	-	(411,053)
Public safety	7,736,942	365,654	43,655	213,384	(7,114,249)	-	(7,114,249)
Public works	6,088,793	291,318	471,258	429,335	(4,896,882)	-	(4,896,882)
Health and social services	1,196,565	40,119	-	-	(1,156,446)	-	(1,156,446)
Library, recreation and parks	1,492,658	272,487	-	-	(1,220,171)	-	(1,220,171)
Education	40,197,582	1,333,738	9,613,469	610,136	(28,640,239)	-	(28,640,239)
Education - State Teachers' Retirement	2,658,624	-	2,658,624	-	-	-	-
Interest expense	500,136	-	-	-	(500,136)	-	(500,136)
Total governmental activities	<u>63,398,077</u>	<u>3,626,416</u>	<u>12,995,953</u>	<u>1,252,855</u>	<u>(45,522,853)</u>	<u>-</u>	<u>(45,522,853)</u>
<b>Business-type activities:</b>							
Sewer	<u>2,434,213</u>	<u>3,186,977</u>	<u>3,412</u>	<u>-</u>	<u>-</u>	<u>756,176</u>	<u>756,176</u>
<b>Total</b>	<u>\$ 65,832,290</u>	<u>\$ 6,813,393</u>	<u>\$ 12,999,365</u>	<u>\$ 1,252,855</u>	<u>(45,522,853)</u>	<u>756,176</u>	<u>(44,766,677)</u>
General revenues:							
Property taxes, levied for general purposes					41,479,071	-	41,479,071
Grants and contributions not restricted to specific programs					4,814,383	-	4,814,383
Investment earnings					309,608	41,827	351,435
Transfers, net					121,850	(121,850)	-
Total general revenues					<u>46,724,912</u>	<u>(80,023)</u>	<u>46,644,889</u>
Change in net position					1,202,059	676,153	1,878,212
Net position - beginning, as originally reported					96,851,570	20,205,596	117,057,166
Adjustment ( <i>see Note 1</i> )					916,581	-	916,581
Net position - beginning, as adjusted					<u>97,768,151</u>	<u>20,205,596</u>	<u>117,973,747</u>
Net position - ending					<u>\$ 98,970,210</u>	<u>\$ 20,881,749</u>	<u>\$ 119,851,959</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2019

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,937,048	\$ 724,858	\$ 840,150	\$ 14,502,056
Investments	-	2,377,777	-	2,377,777
Receivables:				
Property taxes, net	1,022,371	-	-	1,022,371
Interest on property taxes, net	513,921	-	-	513,921
Assessments, net	-	-	154,775	154,775
Grants and contracts	550,000	419,570	71,079	1,040,649
Loans	-	-	118,244	118,244
Other	100,246	25,407	274,441	400,094
Due from other funds	14,635,045	15,860,116	2,046,550	32,541,711
Inventories	-	-	25,000	25,000
Total assets	<u>\$ 29,758,631</u>	<u>\$ 19,407,728</u>	<u>\$ 3,530,239</u>	<u>\$ 52,696,598</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 877,292	\$ 475,747	\$ 195,069	\$ 1,548,108
Accrued liabilities	458,948	-	23,312	482,260
Due to other funds	17,908,518	13,066,080	223,364	31,197,962
Unearned revenue	257,016	132,396	475,676	865,088
Total liabilities	<u>19,501,774</u>	<u>13,674,223</u>	<u>917,421</u>	<u>34,093,418</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes and interest	1,452,228	-	-	1,452,228
Unavailable revenue - grants and other	550,000	-	273,019	823,019
Advance property tax collections	8,532	-	-	8,532
Total deferred inflows of resources	<u>2,010,760</u>	<u>-</u>	<u>273,019</u>	<u>2,283,779</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	514,543	514,543
Restricted	-	-	1,348,955	1,348,955
Committed	-	8,370,435	537,340	8,907,775
Assigned	544,744	-	-	544,744
Unassigned	7,701,353	(2,636,930)	(61,039)	5,003,384
Total fund balances	<u>8,246,097</u>	<u>5,733,505</u>	<u>2,339,799</u>	<u>16,319,401</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,758,631</u>	<u>\$ 19,407,728</u>	<u>\$ 3,530,239</u>	<u>\$ 52,696,598</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

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Total fund balances for governmental funds	\$ 16,319,401
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	115,351,426
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Some of the Town's taxes, sewer assessments and loan receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.	2,275,247
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental funds. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.

Bonds payable	\$ (17,175,000)	
Unamortized bond premiums	(646,012)	
Accrued interest payable	(154,093)	
Net OPEB liability	(5,377,298)	
Net pension liability	(10,855,954)	
Landfill post-closure care liability	(81,000)	
Compensated absences	(295,463)	
Capital lease obligations	(65,372)	
Total long-term liabilities		(34,650,192)

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(1,218,387)
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Deferred charges on net pension and net OPEB liabilities are not susceptible to accrual and therefore are not reported in the funds.	892,715
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Net position of governmental activities	\$ 98,970,210
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*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 41,343,705	\$ -	\$ -	\$ 41,343,705
Intergovernmental	18,674,066	386,586	1,638,046	20,698,698
Charges for services	2,557,502	-	1,225,370	3,782,872
Interest income	297,445	373	8,209	306,027
Other	459,266	153,774	97,893	710,933
Total revenues	<u>63,331,984</u>	<u>540,733</u>	<u>2,969,518</u>	<u>66,842,235</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,790,096	-	11,573	5,801,669
Planning and development	299,184	-	-	299,184
Public safety	4,163,011	-	259,927	4,422,938
Public works	4,096,982	-	-	4,096,982
Health and social services	708,572	-	59,391	767,963
Library, recreation and parks	402,295	-	603,163	1,005,458
Education	41,380,658	-	2,190,052	43,570,710
Miscellaneous	36,290	-	-	36,290
Debt service	3,206,275	-	-	3,206,275
Capital outlays	-	5,630,451	-	5,630,451
Total expenditures	<u>60,083,363</u>	<u>5,630,451</u>	<u>3,124,106</u>	<u>68,837,920</u>
Excess (deficiency) of revenues over expenditures	3,248,621	(5,089,718)	(154,588)	(1,995,685)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	248,719	9,299,069	495,224	10,043,012
Transfers out	(5,229,128)	(4,255,834)	(284,000)	(9,768,962)
Total other financing sources (uses)	<u>(4,980,409)</u>	<u>5,043,235</u>	<u>211,224</u>	<u>274,050</u>
Net change in fund balances	(1,731,788)	(46,483)	56,636	(1,721,635)
Fund balances - beginning, as originally reported	9,977,885	5,779,988	1,366,582	17,124,455
Adjustment (see Note 1)	-	-	916,581	916,581
Fund balances - beginning, as adjusted	<u>9,977,885</u>	<u>5,779,988</u>	<u>2,283,163</u>	<u>18,041,036</u>
Fund balances - ending	<u>\$ 8,246,097</u>	<u>\$ 5,733,505</u>	<u>\$ 2,339,799</u>	<u>\$ 16,319,401</u>

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



**TOWN OF SUFFIELD, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds \$ (1,721,635)

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

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

Expenditures for capital assets	\$ 4,384,036	
Depreciation and amortization expense	(4,020,110)	
Net adjustment		363,926

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

Principal repayments:		
Bonds payable	2,540,000	
Capital lease financing	63,120	
Net adjustment		2,603,120

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

Accrued interest	13,713	
Deferred charges on refunding	(6,794)	
Amortization of bond premiums	96,100	
Compensated absences	(11,669)	
Landfill post-closure care costs	16,200	
Net pension liability	(122,226)	
Net OPEB liability	1,175,428	
		1,160,752

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues.

736,794  
(Continued)

**TOWN OF SUFFIELD, CONNECTICUT**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES *(Concluded)*  
FOR THE YEAR ENDED JUNE 30, 2019

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An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Town's internal service fund is reported with governmental activities.	\$ (296,620)
Deferred outflows of resources resulting from changes in the components of the net pension and net OPEB liabilities are amortized as a component of pension expense in the statements of activities.	<u>(1,644,278)</u>
Change in net position of governmental activities	<u>\$ 1,202,059</u> <i>(Concluded)</i>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**AS OF JUNE 30, 2019**

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,631,028	\$ 573,392
Receivables:		
User charges	448,918	-
Other	3,479	221,966
Due from other funds	1,852	-
Total current assets	<u>2,085,277</u>	<u>795,358</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	16,384,334	-
Depreciable, net	2,938,337	-
Total noncurrent assets	<u>19,322,671</u>	<u>-</u>
Total assets	<u>21,407,948</u>	<u>795,358</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	123,833	88,734
Accrued liabilities	36,378	579,410
Due to other funds	-	1,345,601
Total liabilities	<u>160,211</u>	<u>2,013,745</u>
Noncurrent liabilities:		
Due within one year	57,151	-
Due in more than one year	308,837	-
Total noncurrent liabilities	<u>365,988</u>	<u>-</u>
Total liabilities	<u>526,199</u>	<u>2,013,745</u>
<b>NET POSITION</b>		
Net investment in capital assets	18,956,683	-
Unrestricted	1,925,066	(1,218,387)
Total net position	<u>\$ 20,881,749</u>	<u>\$ (1,218,387)</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>WPCA Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,174,862	\$ 7,041,670
Grants and contracts	3,412	-
Other income	12,115	-
Total operating revenues	<u>3,190,389</u>	<u>7,041,670</u>
<b>OPERATING EXPENSES</b>		
Payroll and benefits	1,386,186	-
Sludge disposal	129,332	-
Plant maintenance, supplies and materials	225,907	-
Utilities	292,943	-
Depreciation and amortization	315,828	-
Insurance and program services	29,954	6,896,315
Administration	53,404	690,664
Other	659	254,892
Total operating expenses	<u>2,434,213</u>	<u>7,841,871</u>
Operating income (loss)	756,176	(800,201)
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Interest income	16,827	3,581
Other	25,000	-
Total non-operating revenue, net	<u>41,827</u>	<u>3,581</u>
Income (loss) before capital contributions and transfers	798,003	(796,620)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Capital contributions	652,200	-
Transfer in	-	500,000
Transfer out	(774,050)	-
Total capital contributions and transfers	<u>(121,850)</u>	<u>500,000</u>
Change in net position	676,153	(296,620)
Net position - beginning	<u>20,205,596</u>	<u>(921,767)</u>
Net position - ending	<u>\$ 20,881,749</u>	<u>\$ (1,218,387)</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from the following:		
Customers and users	\$ 2,900,034	\$ 7,738,863
Intergovernmental	3,412	-
Cash paid for the following:		
Payroll and benefits	(1,349,808)	-
Insurance	(29,954)	(8,369,757)
Goods and services	(802,298)	(260,645)
Net cash provided by (used in) operating activities	<u>721,386</u>	<u>(891,539)</u>
<b>CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES</b>		
Interfund borrowings	-	760,144
Interfund transfer	-	500,000
Net cash provided by non-capital related financing activities	<u>-</u>	<u>1,260,144</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Interfund activities	(774,050)	-
Acquisition of capital assets	(36,324)	-
Payment on capital lease	(70,780)	-
Net cash (used in) provided by capital financing activities	<u>(881,154)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	16,827	3,581
Net cash provided by investing activities	<u>16,827</u>	<u>3,581</u>
Net (decrease) increase in cash and cash equivalents	(142,941)	372,186
Cash and cash equivalents, beginning of year	<u>1,773,969</u>	<u>201,206</u>
Cash and cash equivalents, end of year	<u>\$ 1,631,028</u>	<u>\$ 573,392</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 756,176	\$ (800,201)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	315,828	-
Change in assets and liabilities:		
Increase in receivables	(286,943)	(62,951)
Decrease in accounts payable	(64,794)	(74,538)
Increase in accrued liabilities	1,119	46,151
Net cash provided by (used in) operating activities	<u>\$ 721,386</u>	<u>\$ (891,539)</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 302,324	\$ 478,162
Investments:		
Certificates of deposit	-	1,753
Corporate bonds	6,222,951	-
Municipal bonds	191,339	-
U.S. Treasury securities	4,344,849	-
Asset backed securities	813,876	-
Mutual funds	31,683,710	-
Common stock	1,340,052	-
Other	993,605	-
Receivables	225,476	-
Total assets	<u>46,118,182</u>	<u>\$ 479,915</u>
<b>LIABILITIES</b>		
Due to student groups	-	\$ 331,168
Due to others	-	148,747
Total liabilities	<u>-</u>	<u>\$ 479,915</u>
<b>NET POSITION</b>		
Restricted for pension and OPEB benefits	<u>\$ 46,118,182</u>	

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,861,193
Employee	426,837
Total contributions	<u>2,288,030</u>
Investment earnings:	
Net increase in fair value of investments, net of investment fees	<u>2,589,700</u>
Net investment earnings	<u>2,589,700</u>
Total additions	<u>4,877,730</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,492,971
Administrative expenses	<u>35,289</u>
Total deductions	<u>2,528,260</u>
Change in net position	2,349,470
Net position - beginning	<u>43,768,712</u>
Net position - ending	<u><u>\$ 46,118,182</u></u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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

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

**Financial Reporting Entity**

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

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

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary fund:

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

In addition, the Town reports the following fund types:

**Internal Service Funds *(proprietary)*** - These funds are used to account for the Town's self-insured healthcare plans and the purchases of fuel by various departments.

**Pension Trust Funds** - These funds are used to account for the activities of the Town's defined benefit pension plan and other post-employment benefits plan.

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

**Measurement Focus and Basis of Accounting**

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

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

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

**Implementation of Accounting Standards**

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to the financial statements as a liability (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The adoption of this statement did not have a material effect on the Town's financial statements.

Effective July 1, 2018, the Town adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). The Statement established criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The adoption of this statement did not have a material effect on the Town's financial statements.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Adjustments to Amounts Reported in Previously Issued Financial Statements**

The Town has reported the following adjustments to the beginning net position/fund balances as of July 1, 2018:

	<b>Governmental Activities</b>	<b>Nonmajor Governmental Funds</b>
Net position - beginning, as originally reported	\$ 96,851,570	\$ 1,366,582
Adjustment to recognize restricted open choice revenues previously reported as unearned	<u>916,581</u>	<u>916,581</u>
Net position - beginning, as adjusted	<u><u>\$ 97,768,151</u></u>	<u><u>\$ 2,283,163</u></u>

The effect of the above adjustment on the Town's prior year change in net position/fund balances was an increase in \$416,257.

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

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

**Property Taxes**

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest receivable of \$43,000 and \$22,000, respectively, as of June 30, 2019.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Sewer Assessments and Usage Charges**

Sewer assessments are levied by the Water Pollution Control Authority annually, upon issuance of a certificate of occupancy or completion of a connection permit for existing homes/businesses. Assessment charges are billed annually in September. Usage charges are billed annually in July. Commercial usage is billed based on water usage – with a minimum charge of 1 Equivalent Dwelling Unit (EDU), and residential usage is billed at a flat fee of \$320 in fiscal 2019. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens filed on all properties until the assessment is paid in full.

**Inventories and Prepaid Items**

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

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

**Loans Receivable**

Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding received by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program. The loans bear no interest. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2019, loans receivable totaled \$118,244 under this program.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town and WPCA as assets with an initial individual cost of more than \$5,000 and \$500, respectively. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Capital Assets *(Continued)***

Capital assets of the Town are 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

**Unearned Revenue**

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

**Deferred Outflows and Inflows of Resources**

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

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

Deferred inflows of resources also consist of revenue that is considered unavailable under the modified accrual basis of accounting. Unavailable revenue is reported within the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Compensated Absences**

Town employees earn and carryover various amounts of vacation and leave time based upon Town policy or bargaining unit contracts. All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

**Net Position and Fund Balance**

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

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

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

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

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

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

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

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

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

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

***Net Position Flow Assumption***

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

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The Town's policy is to first use restricted resources when available. When committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

***Interfund Receivables and Payables***

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

***Interfund Services Provided and Used***

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

***Interfund Transfers***

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

***Interfund Reimbursements***

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

**Use of Estimates**

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash deposits as of June 30, 2019 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 16,706,476
Statement of fiduciary net position	780,486
Plus: certificate of deposit considered cash deposits for disclosure purposes	1,753
Less: cash equivalents considered investments for disclosure purposes	(3,663,382)
	<u>\$ 13,825,333</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$13,981,879 of the Town's bank balance of \$14,521,683 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,583,691
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,398,188
	<u>\$ 13,981,879</u>

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

**Investments**

A reconciliation of the Town's investments as of June 30, 2019 is as follows:

Investments:	
Government-wide statement of net position	\$ 2,377,777
Statement of fiduciary net position	45,592,135
Plus: cash equivalents considered investments for disclosure purposes	3,663,382
Less: certificate of deposit considered cash deposits for disclosure purposes	(1,753)
	<u>\$ 51,631,541</u>



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments**

As of June 30, 2019, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:						
Governmental activities:						
Short-term Investment Fund (STIF)	Net asset value	\$ 3,327,569	\$ 3,327,569	\$ -	\$ -	\$ -
Money market mutual funds	Net asset value	33,489	33,489	-	-	-
U.S. Treasury securities	Fair Value	895,020	110,200	535,189	218,923	30,708
Asset backed securities	Fair Value	415,469	-	308,355	-	107,114
Fiduciary:						
Money market mutual funds	Net asset value	302,324	302,324	-	-	-
Corporate bonds	Fair Value	6,222,951	486,221	3,229,460	2,261,840	245,430
Municipal bonds	Fair Value	191,339	35,339	-	103,108	52,892
U.S. Treasury securities	Fair Value	4,344,849	298,667	2,911,878	917,153	217,151
Asset backed securities	Fair Value	813,876	16,728	302,682	28,957	465,509
		16,546,886	\$ 4,610,537	\$ 7,287,564	\$ 3,529,981	\$ 1,118,804
Other investments:						
Governmental activities:						
Mutual funds	Fair value	1,067,288				
Fiduciary:						
Mutual funds	Fair value	31,683,710				
Common stock	Fair value	1,340,052				
Other	Contract value	993,605				
		\$ 51,631,541				

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

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

**Credit Risk**

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

The Town's investments in debt securities, excluding U.S. Treasury securities, were rated as follows at June 30, 2019:

<b>Investment Type</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Unrated</b>
<b>Debt Securities:</b>					
Short-Term Investment Fund	\$ 3,327,569	\$ -	\$ -	\$ -	\$ -
Money market mutual funds	-	-	-	-	335,813
Corporate bonds	124,863	988,529	2,424,012	2,685,547	-
Asset backed securities	196,561	-	-	-	1,032,784
Municipal bonds	103,108	52,892	35,339	-	-

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments in external investment pools and insurance contracts are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

**Concentrations of Credit Risk**

The Town's investment policy generally restricts investments in any one issuer that is in excess of 25.0%. As of June 30, 2019, 71.2% of the Town's governmental activities investments were invested in the State of Connecticut Short-Term investment Fund. Additional disclosures regarding concentration of credit risk related to the Town's fiduciary funds have been disclosed in Note 10 and 11.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 3 - FAIR VALUE MEASUREMENTS**

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

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2019, by level within the fair value hierarchy are presented in the table below:

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds	\$ 32,750,998	\$ -	\$ -
Corporate Bonds	-	6,222,951	-
U.S. Treasury securities	5,239,869	-	-
Common stock	1,340,052	-	-
Asset backed securities	-	1,229,345	-
Municipal Bonds	-	191,339	-
	<u>\$ 39,330,919</u>	<u>\$ 7,643,635</u>	<u>\$ -</u>

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2019 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 18,023,616	\$ -	\$ -	\$ (2,419,382)	\$ 15,604,234
Construction in progress	11,928,712	1,359,506	-	(9,651,400)	3,636,818
Total capital assets, not being depreciated	<u>29,952,328</u>	<u>1,359,506</u>	<u>-</u>	<u>(12,070,782)</u>	<u>19,241,052</u>
Capital assets, being depreciated:					
Buildings and improvements	75,659,386	1,815,417	(61,325)	1,037,941	78,451,419
Land improvements	2,899,939	67,369	(99,958)	-	2,867,350
Machinery and equipment	11,420,673	1,014,125	(301,130)	700,585	12,834,253
Infrastructure	41,731,326	358,291	-	10,332,256	52,421,873
Total capital assets, being depreciated	<u>131,711,324</u>	<u>3,255,202</u>	<u>(462,413)</u>	<u>12,070,782</u>	<u>146,574,895</u>
Less accumulated depreciation for:					
Buildings and improvements	(29,423,845)	(2,156,826)	66,201	-	(31,514,470)
Land improvements	(915,889)	(104,334)	-	-	(1,020,223)
Machinery and equipment	(7,307,676)	(508,214)	55,075	-	(7,760,815)
Infrastructure	(9,028,742)	(1,250,736)	110,465	-	(10,169,013)
Total accumulated depreciation	<u>(46,676,152)</u>	<u>(4,020,110)</u>	<u>231,741</u>	<u>-</u>	<u>(50,464,521)</u>
Total capital assets, being depreciated, net	<u>85,035,172</u>	<u>(764,908)</u>	<u>(230,672)</u>	<u>12,070,782</u>	<u>96,110,374</u>
Governmental activities capital assets, net	<u>\$ 114,987,500</u>	<u>\$ 594,598</u>	<u>\$ (230,672)</u>	<u>\$ -</u>	<u>\$ 115,351,426</u>

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

Governmental Activities:	
Education	\$ 1,920,563
Public works	1,397,936
Public safety	221,738
Health and social services	87,483
General government	85,999
Library, parks and recreation	298,090
Planning and development	8,301
Total depreciation expense	<u>\$ 4,020,110</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 4 - CAPITAL ASSETS *(Continued)***

Capital asset activity for business-type activities for the year ended June 30, 2019 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 16,038,335	\$ -	\$ -	\$ 16,038,335
Construction in progress	24,820	321,179	-	345,999
Total capital assets, not being depreciated	<u>16,063,155</u>	<u>321,179</u>	<u>-</u>	<u>16,384,334</u>
Capital assets, being depreciated:				
Buildings	10,359,499	287,417	(189,987)	10,456,929
Machinery and equipment	17,545,355	79,928	-	17,625,283
Vehicles	281,281	461,768	-	743,049
Infrastructure	1,248,811	-	-	1,248,811
Total capital assets, being depreciated	<u>29,434,946</u>	<u>829,113</u>	<u>(189,987)</u>	<u>30,074,072</u>
Less accumulated depreciation for:				
Buildings	(9,777,508)	(55,054)	189,987	(9,642,575)
Machinery and equipment	(16,789,779)	(123,470)	-	(16,913,249)
Vehicles	(181,178)	(41,825)	-	(223,003)
Infrastructure	(261,429)	(95,479)	-	(356,908)
Total accumulated depreciation	<u>(27,009,894)</u>	<u>(315,828)</u>	<u>189,987</u>	<u>(27,135,735)</u>
Total capital assets, being depreciated, net	<u>2,425,052</u>	<u>513,285</u>	<u>-</u>	<u>2,938,337</u>
Governmental activities capital assets, net	<u>\$ 18,488,207</u>	<u>\$ 834,464</u>	<u>\$ -</u>	<u>\$ 19,322,671</u>

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

Business-Type Activities:	
Sewer	<u>\$ 315,828</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital Projects Fund	\$ 13,066,080
	Nonmajor Governmental Funds	223,364
	Internal Service Funds	1,345,601
		<u>14,635,045</u>
Capital Projects Fund	General Fund	<u>15,860,116</u>
Nonmajor Governmental Funds	General Fund	2,046,550
		<u>\$ 32,541,711</u>
<b>Proprietary Funds</b>		
WPCA Enterprise Fund	General Fund	<u>\$ 1,852</u>

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

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital Projects Fund	\$ 123,719
	Nonmajor Governmental Funds	125,000
		<u>248,719</u>
Capital Projects Fund	General Fund	4,233,904
	WPCA Enterprise Fund	774,050
	Capital Projects Fund	4,132,115
	Nonmajor Governmental Funds	159,000
		<u>9,299,069</u>
Nonmajor Governmental Funds	General Fund	495,224
		<u>\$ 10,043,012</u>
<b>Proprietary Funds</b>		
Internal Service Fund	General Fund	<u>\$ 500,000</u>

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 7 - LONG-TERM DEBT**

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 19,715,000	\$ -	\$ (2,540,000)	\$ 17,175,000	\$ 2,545,000
Unamortized premium	742,112	-	(96,100)	646,012	-
Total bonds payable	20,457,112	-	(2,636,100)	17,821,012	2,545,000
Capital leases from direct borrowings	128,492	-	(63,120)	65,372	65,372
	<u>\$ 20,585,604</u>	<u>\$ -</u>	<u>\$ (2,699,220)</u>	<u>\$ 17,886,384</u>	<u>\$ 2,610,372</u>
<b>Business-Type Activities</b>					
Capital leases from direct borrowings	\$ -	\$ 436,768	\$ (70,780)	\$ 365,988	\$ 57,151

Bonds payable typically have been liquidated by the General Fund for governmental activities and the WPCA Fund for business-type activities.

**General Obligation Bonds**

A summary of general obligation bonds outstanding at June 30, 2019 is as follows:

Purpose of Bonds	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
<b>Governmental Activities</b>				
2005 General Obligation Refunding Bonds	\$ 14,305,000	3.00 - 5.00%	6/15/2021	\$ 2,800,000
2012 General Obligation Bonds	9,000,000	2.00 - 3.00%	12/15/2027	5,775,000
2016 General Obligation Bonds	9,100,000	3.00 - 3.25%	1/15/2036	8,600,000
				<u>\$ 17,175,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2019:

Year ending June 30:	Governmental Activities General Obligation Bonds		
	Principal	Interest	Totals
2020	\$ 2,545,000	\$ 557,175	\$ 3,102,175
2021	2,545,000	447,825	2,992,825
2022	1,145,000	338,475	1,483,475
2023	1,145,000	299,125	1,444,125
2024	1,145,000	263,000	1,408,000
2025-2029	5,080,000	878,650	5,958,650
2030-2034	2,550,000	395,250	2,945,250
2035-2036	1,020,000	49,725	1,069,725
	<u>\$ 17,175,000</u>	<u>\$ 3,229,225</u>	<u>\$ 20,404,225</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 7 - LONG-TERM DEBT *(Continued)***

**General Obligation Bonds *(Continued)***

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$289,542,582 as of June 30, 2019. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2019.

**Authorized, Unissued Bonds**

As of June 30, 2019, the Town had authorized but unissued bonds totaling \$15,585,000; \$4,385,000 for a Town Hall Project, \$8,400,000 for the Bridge Street Community Center Project and \$2,800,000 for Fire Equipment.

**Capital Leases from Direct Borrowings**

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default.

A summary of assets acquired through capital leases outstanding as of June 30, 2019:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Equipment	\$ 315,989	\$ 461,768
Less: accumulated amortization	188,070	13,499
	<u>\$ 127,919</u>	<u>\$ 448,269</u>

Governmental activities amortization expense relative to leased equipment under the capital lease totaled \$37,614 for the year ended June 30, 2019. Business-type activities amortization expense relative to leased equipment under the capital lease totaled \$13,499 for the year ended June 30, 2019. Such amounts are included in depreciation and amortization expense disclosed in Note 4.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019 are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Year Ending June 30:		
2020	\$ 67,704	\$ 69,471
2021	-	69,471
2022	-	69,471
2023	-	69,472
2024	-	69,472
Thereafter:	-	63,051
Total minimum lease payments	67,704	410,408
Less: amount representing interest	2,332	44,420
Present value of minimum lease payments	<u>\$ 65,372</u>	<u>\$ 365,988</u>



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 8 - OTHER LONG-TERM LIABILITIES**

Change in other long-term liabilities for the year ended June 30, 2019 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 283,794	\$ 11,669	\$ -	\$ 295,463	\$ 29,546
Landfill post-closure care liability	97,200	-	(16,200)	81,000	16,200
Net pension liability <i>(see Note 10)</i>	10,733,728	122,226	-	10,855,954	-
Net OPEB liability <i>(see Note 11)</i>	6,552,726	-	(1,175,428)	5,377,298	-
	<u>\$ 17,667,448</u>	<u>\$ 133,895</u>	<u>\$ (1,191,628)</u>	<u>\$ 16,609,715</u>	<u>\$ 45,746</u>

Other long-term liabilities are typically liquidated by the General Fund for governmental activities.

**Landfill Post-Closure Care Liability**

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill for thirty years after closure. Estimated monitoring costs of \$16,200 per year for the next 5 years total \$81,000 at June 30, 2019. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**NOTE 9 - FUND BALANCE**

The various components of fund balance at June 30, 2019 are as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventories	\$ -	\$ -	\$ 25,000	\$ 25,000
Endowments	-	-	489,543	489,543
Restricted for:				
Grants	-	-	139,884	139,884
Public safety	-	-	125,075	125,075
Health and social services	-	-	2,302	2,302
Library, recreation and parks	-	-	83,718	83,718
Education	-	-	997,976	997,976
Committed to:				
General government	-	-	2,620	2,620
Public safety	-	-	186,640	186,640
Public works	-	-	107,213	107,213
Library, recreation and parks	-	-	64,193	64,193
Education	-	-	176,095	176,095
Capital purposes	-	8,370,435	-	8,370,435
Debt service	-	-	579	579
Assigned to:				
Education encumbrances	144,744	-	-	144,744
Subsequent year's budget	400,000	-	-	400,000
Unassigned	<u>7,701,353</u>	<u>(2,636,930)</u>	<u>(61,039)</u>	<u>5,003,384</u>
	<u>\$ 8,246,097</u>	<u>\$ 5,733,505</u>	<u>\$ 2,339,799</u>	<u>\$ 16,319,401</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - FUND BALANCE *(Continued)***

**Deficit Fund Balances**

The following funds have deficit fund balances as of June 30, 2019, which do not constitute a violation of statutory provisions. The deficits are expected to be eliminated by future grant funding and/or appropriations from the General Fund.

<b>Fund</b>	<b>Deficit Fund Balances</b>
Insurance Fund	\$ 1,196,012
Municipal Grant Fund	58,623
Gas/Diesel Fund	22,375
Farmington Canal Trail Fund	2,396
Drug Education & Enforcement Grant Fund	20

**NOTE 10 - EMPLOYEE RETIREMENT PLANS**

**Employee's Retirement System**

**Plan Description**

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

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

**Summary of Significant Accounting Policies**

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

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

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

*Concentrations* - As of June 30, 2019, more than 10% of the Town Employee Retirement Plan's investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Town Plan Investments</u>
Vanguard	500 Index Admin	\$ 3,377,823	10.1%

*Rate of return* - For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan, net of pension plan investment expense, was 5.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Plan Membership**

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

Inactive plan members or beneficiaries currently receiving benefits	139
Inactive plan members entitled to but not yet receiving benefits	56
Active plan members	134
	<u>329</u>

**Benefit Provisions**

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

**Contributions**

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Net Pension Liability**

The components of the net pension liability of the Town as of June 30, 2019, were as follows:

Total pension liability	\$ 44,515,602
Plan fiduciary net position	<u>33,659,648</u>
Town's net pension liability - Town Plan	<u><u>\$ 10,855,954</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 75.61%

The components of the changes in the net pension liability of the Town at June 30, 2019, were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balance as of June 30, 2018	\$ 43,014,525	\$ 32,280,797	\$ 10,733,728
Changes for the year:			
Service cost	1,099,140	-	1,099,140
Interest	2,894,908	-	2,894,908
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	1,595,065	(1,595,065)
Contributions - employee	-	426,837	(426,837)
Net investment income	-	1,852,004	(1,852,004)
Benefit payments, including refunds	(2,492,971)	(2,492,971)	-
Administrative expense	-	(2,084)	2,084
Net changes	<u>1,501,077</u>	<u>1,378,851</u>	<u>122,226</u>
Balance as of June 30, 2019	<u><u>\$ 44,515,602</u></u>	<u><u>\$ 33,659,648</u></u>	<u><u>\$ 10,855,954</u></u>

*Actuarial assumptions* - The total pension liability was determined by actuarial valuations as of July 1, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases, including inflation	Service Based
Investment rate of return	6.75%
Discount rate	6.75%

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Net Pension Liability *(Continued)***

The long-term expected rate of returns on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each of the Plan's target asset allocation as of June 30, 2019 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 Equity	24.50%	4.40%
Mid Cap Equity	7.00%	4.80%
Small Cap Equity	6.00%	5.10%
Developed International Equity	14.00%	6.60%
Emerging International Equity	6.50%	8.60%
Real Estate/MLPs	7.00%	5.60%
Intermediate Fixed Income	25.50%	1.60%
High Yield Fixed Income	6.00%	3.90%
Emerging Market Bonds	2.00%	3.50%
Cash Equivalents	1.50%	0.10%
	<u>100.00%</u>	

*Discount rate* - The discount rate used to measure the total pension liability for the pension plan was 6.75%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the Plan's investments were applied to all periods of projected benefit payments to determine the Plan's total pension liability.

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

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability as of June 30, 2019	\$ 15,841,388	\$ 10,855,954	\$ 6,638,906

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

For the year ended June 30, 2019, the Town recognized pension expense of \$2,524,610 for the Plan. At June 30, 2019, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Net difference between projected and actual earnings on pension plan investments	\$ 109,702	\$ -	\$ 109,702
Changes of assumptions	1,010,585	-	1,010,585
Differences between expected and actual experience	432,548	(168,809)	263,739
Total	<u>\$ 1,552,835</u>	<u>\$ (168,809)</u>	<u>\$ 1,384,026</u>

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

Year ended June 30,	<b>Pension Expense</b>
2020	\$ 818,902
2021	394,464
2022	103,532
2023	67,128
	<u>\$ 1,384,026</u>

**Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Plan as of and for the year ended June 30, 2019:

<b>Statement of Fiduciary Net Position</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 34,925
Investments	33,399,247
Receivables	225,476
Total assets	<u>33,659,648</u>
<b>NET POSITION</b>	
Restricted for pensions	<u>\$ 33,659,648</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

<b>Statement of Changes in Fiduciary Net Position</b>	
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,595,065
Plan members	426,837
Total contributions	<u>2,021,902</u>
Investment earnings:	
Net change in the fair value of investments, net of fees	1,852,004
Total investment earnings	<u>1,852,004</u>
Total additions	<u>3,873,906</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,492,971
Administration	2,084
Total deductions	<u>2,495,055</u>
Change in net position	1,378,851
Net position held in trust for pension benefits:	
Beginning of year	32,280,797
End of year	<u>\$ 33,659,648</u>

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan that provides retirement, Disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The TRS is included as a fiduciary pension trust fund in the State of Connecticut's Comprehensive Annual Financial Report and the Board issues publicly available financial reports. These reports can be obtained from the Connecticut Office of the State Comptroller.

**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.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Benefit Provisions *(Continued)***

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit of 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derive from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years proceeding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

*Disability Retirement:* Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per years of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**Contributions**

Per CGS 10-183z, contribution requirements of active employees and the State are amended and certified by the Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

In accordance with CGS Section 10-183z, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of an employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Effective January 1, 2018, active employees are required to contribute 7.0%, previously 6.0%, of their annual earnings to the plan.

**Administrative Expenses**

Administrative costs of the plan are funded by the State.



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Basis of Presentation**

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2019.

**Allocation Methodology**

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2019 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2019, the Town's expected contribution effort for allocation purposes totaled \$5,607,373 or 0.441% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

The components associated with the collective pension expense and deferred outflows and inflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the collective pension expense allocated to the Town totaled \$6,511,568.

The total collective net pension liability of participating employers for the TRS was approximately \$13.164 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$58,018,646 or 0.441% of the total collective net pension liability.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	43.50% - 10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Actuarial Assumptions *(Continued)***

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

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

**Long-Term Rate of Return**

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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative Investments	8.0%	4.1%
Fixed Income (Core)	7.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bond	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100.0%</u>	

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State 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.

**Proportionate Share of the Collective Net Pension Liability**

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<b>1% Decrease (7.00%)</b>	<b>Current Discount (8.00%)</b>	<b>1% Increase (9.00%)</b>
Proportionate share of the net pension liability attributed to the Town	\$ 73,325,041	\$ 58,018,646	\$ 45,074,508

**Deferred Compensation Plans**

The Town offers certain full-time employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Employer contributions are determined based on agreements for each participant's group or collective bargaining unit.

Amounts contributed by the Town into the plans totaled \$178,943 for the year ended June 30, 2019.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Other Retirement Plan**

The Board of Education has established a money-purchase retirement plan in accordance with Section 401(a) of the Internal Revenue Code (the "401(a) Plan") to provide retirement benefits for non-union employees and custodians, secretaries, para-educators, technology support, academic support, food service and nurses hired after July 1, 2016 or July 1, 2017 for all others. Under the provisions of the Plan, all eligible employees (except those covered under a comparable employer plan) may participate. Contribution requirements are established and may be amended by the Board of Education. Participants must contribute 5.25% of their compensation. The Board of Education is currently required to match this 5.25% of the employee's base compensation. In addition, the plan provides for the employees to contribute an optional amount to a separate 403(b) plan. The Board of Education will match up to 1.75% of the employee's compensation contributed to the 403(b) plan. The Board of Education matching contribution will be deposited to the 401(a) plan. Participants become 100% vested in employer contributions upon completion of five years of service.

Amounts contributed by the Board of Education into this plan totaled \$63,145 for the year ended June 30, 2019.

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

**Town Plan**

**Plan Description**

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town. 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.

**Funding Policy**

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

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Town Plan *(Continued)***

**Employees Covered by Benefit Terms**

Membership of the Plan consisted of the following as of July 1, 2018, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	67
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	420
	<u>487</u>

**Contributions**

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Plan members are currently required to contribute 100% of their premiums to the Town, less any reimbursements received by the Town from the State Retirement Board for retired teachers. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions into the Trust totaled \$266,128 for the year ended June 30, 2019. Total Town contributions under the Plan totaled \$1,123,832 and include contributions paid out of the Town's Insurance Fund.

**Net OPEB Liability**

The Town's net OPEB liability reported as of June 30, 2019 totaled \$5,377,298. The net OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

*Actuarial Assumptions* - The total OPEB liability as of June 30, 2019 was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Inflation	2.60%
Investment rate of return	6.75%
Discount rate	6.75%
Medical trend	7.00% decreasing 0.5% per year to an ultimate rate of 4.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for General employees, Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Town Plan *(Continued)***

**Net OPEB Liability *(Continued)***

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Lap Cap Equity	27.00%	4.00%
Mid Cap Equity	5.00%	4.60%
Small Cap Equity	4.00%	5.10%
Developed International Equity	17.50%	6.10%
Emerging International Equity	7.50%	8.30%
Real Estate	4.00%	5.20%
Intermediate Fixed Income	27.00%	1.20%
High Yield Fixed Income	5.00%	3.50%
Emerging Market Bonds	3.00%	3.20%
	<u>100%</u>	

*Discount rate* - The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Town Plan *(Continued)***

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2018	\$ 18,040,641	\$ 11,487,915	\$ 6,552,726
Changes for the year:			
Service cost	397,058	-	397,058
Interest	1,259,951	-	1,259,951
Differences between expected and actual experience	(1,648,958)	-	(1,648,958)
Changes of benefit terms	(6,748)	-	(6,748)
Changes of assumptions	685,783	-	685,783
Contributions - employer	-	1,123,832	(1,123,832)
Contributions - TRB subsidy	-	34,191	(34,191)
Net investment income	-	704,491	(704,491)
Benefit payments, including refunds	(891,895)	(891,895)	-
Net changes	(204,809)	970,619	(1,175,428)
Balance as of June 30, 2019	<u>\$ 17,835,832</u>	<u>\$ 12,458,534</u>	<u>\$ 5,377,298</u>

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

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability as of June 30, 2019	\$ 7,732,893	\$ 5,377,298	\$ 3,437,926

*Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates* - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (6.00% decreasing to 3.60%) or 1-percentage-point higher (8.00% decreasing to 5.60%) than the current rate:

	Healthcare Cost		
	1% Decrease (6.00% decreasing to 3.60%)	Trend Rates (7.00% decreasing to 4.60%)	1% Increase (8.00% decreasing to 5.60%)
Net OPEB liability as of June 30, 2019	\$ 3,135,488	\$ 5,377,298	\$ 8,146,878

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Town Plan *(Continued)***

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$785,363. At June 30, 2019, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 111,445	\$ -	\$ 111,445
Changes of assumptions	685,783	(53,577)	632,206
Differences between expected and actual experience	285,171	(1,520,133)	(1,234,962)
Total	<u>\$ 1,082,399</u>	<u>\$ (1,573,710)</u>	<u>\$ (491,311)</u>

Amounts reported as deferred outflows and inflows of resources will be recognized as a net reduction of OPEB expense as follows:

	<u>OPEB Expense</u>
Year ended June 30,	
2020	\$ (17,396)
2021	(17,396)
2022	(17,397)
2023	(25,526)
2024	(47,290)
Thereafter	<u>(366,306)</u>
	<u>\$ (491,311)</u>



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Town Plan *(Continued)***

**OPEB Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB Plan as of and for the year ended June 30, 2019:

<b>Statement of Fiduciary Net Position</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 267,399
Investments	<u>12,191,135</u>
Total assets	<u>12,458,534</u>
<b>NET POSITION</b>	
Restricted for OPEB	<u><u>\$ 12,458,534</u></u>
<b>Statement of Changes in Fiduciary Net Position</b>	
<b>ADDITIONS</b>	
Contributions:	
Employer	<u>\$ 266,128</u>
Total contributions	<u>266,128</u>
Investment earnings:	
Net change in the fair value of investments, net of fees	<u>737,696</u>
Total investment earnings	<u>737,696</u>
Total additions	<u>1,003,824</u>
<b>DEDUCTIONS</b>	
Administration	<u>33,205</u>
Total deductions	<u>33,205</u>
Change in net position	970,619
Net position held in trust for OPEB benefits:	
Beginning of year	<u>11,487,915</u>
End of year	<u><u>\$ 12,458,534</u></u>

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. These reports can be obtained from the Connecticut Office of the State Comptroller.

**Benefit Provisions**

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug 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.

**Contributions**

Per CGS 10-183z, which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Contributions *(Continued)***

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Administrative Expenses**

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2019.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2018.

**Allocation Methodology**

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2018.

For fiscal year 2019, the Town's expected contribution effort for allocation purposes totaled \$155,575 or 0.441% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Allocation Methodology *(Continued)***

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the negative collective OPEB expense allocated to the Town totaled \$(3,852,944).

The total collective net OPEB liability of participating employers for the TRS was approximately \$2.632 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$11,598,287 or approximately 0.441% of the total collective net OPEB liability.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25% - 6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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

**Long-Term Rate of Return**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate.
- Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**Proportionate Share of the Collective Net OPEB Liability**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 3.87%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount (3.87%)</b>	<b>1% Increase (4.87%)</b>
Proportionate share of the net OPEB liability attributed to the Town	\$ 13,772,106	\$ 11,598,287	\$ 9,863,392

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

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

**Proportionate Share of the Collective Net OPEB Liability *(Continued)***

*Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Proportionate share of the net			
OPEB liability attributed to the Town	\$ 9,719,721	\$ 11,598,287	\$ 14,091,943

**NOTE 12 - RISK MANAGEMENT**

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

Effective July 1, 2001, the town created a separate fund to account for its self-insured medical plan. 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 \$175,000 for hospitalization and for major medical. The Town pays an administration fee to Anthem Blue Cross/Blue Shield for administering the fund.

Claims expense as reported in the Insurance Fund (Internal Service Fund) amounted to \$6,896,315. This amount includes an estimate of claims incurred but not reported at June 30, 2019 of \$579,410. A schedule of changes in the claims liability for the years ended June 30, 2019 and 2018 are presented below:

<b>Year Ended June 30</b>	<b>Claims Payable, Beginning of Year</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable, End of Year</b>
2019	\$ 688,960	\$ 6,896,315	\$ 6,927,385	\$ 657,890
2018	577,543	6,429,860	6,318,443	688,960

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

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

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

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

As of June 30, 2019, the Town has recorded \$144,744 in encumbrances for the commitments made for the purchase of goods and services. Such encumbrances have been included as part of the assigned fund balance in the General Fund.

**NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town is currently evaluating the potential impact of adopting the Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town is currently evaluating the potential impact of adopting the Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect this statement to have a material effect on its financial statements.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the District's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for the District's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.



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## REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Over (Under)
REVENUES				
Property taxes	\$ 41,241,294	\$ 41,241,294	\$ 41,343,705	\$ 102,411
Intergovernmental	11,575,450	11,575,450	12,101,749	526,299
Charges for services	2,634,642	2,634,642	2,557,502	(77,140)
Investment income	110,000	110,000	297,445	187,445
Other	384,149	384,149	471,550	87,401
Total revenues	55,945,535	55,945,535	56,771,951	826,416
EXPENDITURES				
Current:				
General government	5,694,451	5,753,073	5,753,073	-
Planning and development	301,424	292,335	292,335	-
Public safety	4,168,404	4,158,196	4,158,196	-
Public works	3,914,439	4,095,501	4,095,501	-
Health and social services	714,188	708,572	708,572	-
Library, recreation and parks	477,676	402,288	402,288	-
Miscellaneous	36,290	36,290	36,290	-
Education	34,807,232	34,807,232	34,807,222	(10)
Contingency	360,000	210,617	195,000	(15,617)
Debt service	3,206,275	3,206,275	3,206,275	-
Total expenditures	53,680,379	53,670,379	53,654,752	(15,627)
Excess of revenues over expenditures	2,265,156	2,275,156	3,117,199	842,043
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	2,152,281	2,152,281	-	(2,152,281)
Transfers in	249,163	249,163	248,719	(444)
Transfers out	(4,666,600)	(4,676,600)	(4,676,600)	-
Total other financing sources (uses)	(2,265,156)	(2,275,156)	(4,427,881)	(2,152,725)
Net change in fund balance	\$ -	\$ -	\$ (1,310,682)	\$ (1,310,682)

*See accompanying notes to required supplementary information.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**TOWN PENSION PLAN (UNAUDITED)**  
**LAST SIX FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability:						
Service cost	\$ 1,099,140	\$ 1,151,372	\$ 1,160,086	\$ 1,019,628	\$ 980,412	\$ 942,703
Interest	2,894,908	2,863,054	2,745,126	2,629,704	2,509,771	2,396,241
Differences between expected and actual experience	-	844,498	-	(618,973)	-	-
Changes in assumptions	-	1,071,141	-	1,693,828	-	-
Benefit payments, including refunds	(2,492,971)	(2,421,089)	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Net change in total pension liability	1,501,077	3,508,976	1,736,383	2,763,407	1,589,294	1,512,659
Total pension liability - beginning	43,014,525	39,505,549	37,769,166	35,005,759	33,416,465	31,903,806
Total pension liability - ending	44,515,602	43,014,525	39,505,549	37,769,166	35,005,759	33,416,465
Plan net position:						
Contributions - employer	1,595,065	1,461,147	1,432,199	1,333,075	1,292,936	1,248,754
Contributions - members	426,837	474,593	495,823	521,490	474,495	482,833
Net investment income	1,852,004	2,251,890	3,131,328	411,116	401,414	3,385,717
Benefit payments, including refunds	(2,492,971)	(2,421,089)	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Administrative expenses	(2,084)	(17,202)	(2,254)	(23,198)	(5,044)	(37,288)
Other	-	-	16,271	35,798	15,316	-
Net change in plan net position	1,378,851	1,749,339	2,904,538	317,501	278,228	3,253,731
Plan net position - beginning	32,280,797	30,531,458	27,626,920	27,309,419	27,031,191	23,777,460
Plan net position - ending	33,659,648	32,280,797	30,531,458	27,626,920	27,309,419	27,031,191
Town's net pension liability	<u>\$ 10,855,954</u>	<u>\$ 10,733,728</u>	<u>\$ 8,974,091</u>	<u>\$ 10,142,246</u>	<u>\$ 7,696,340</u>	<u>\$ 6,385,274</u>
Plan net pension as percentage of total pension liability	75.61%	75.05%	77.28%	73.15%	78.01%	80.89%
Covered payroll	\$ 8,257,616	\$ 8,048,359	\$ 9,608,088	\$ 9,238,546	\$ 8,831,530	\$ 8,493,969
Town net pension liability as a percentage of covered payroll	131.47%	133.37%	93.40%	109.78%	87.15%	75.17%

*See accompanying notes to required supplementary information.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS**  
**TOWN PENSION PLAN (UNAUDITED)**  
**LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,595,065	\$ 1,461,147	\$ 1,432,199	\$ 1,333,075	\$ 1,292,936	\$ 1,209,502
Contributions in relation to actuarially determined contributions	<u>1,595,065</u>	<u>1,461,147</u>	<u>1,432,199</u>	<u>1,333,075</u>	<u>1,292,936</u>	<u>1,248,754</u>
(Excess) deficiency of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,252)</u>
Covered payroll	\$ 8,257,616	\$ 8,048,359	\$ 9,608,088	\$ 9,238,546	\$ 8,831,530	\$ 8,493,969
Contributions as a percentage of covered payroll	19.32%	18.15%	14.91%	14.43%	14.64%	14.70%
Annual money-weighted rate of return, net of investment expense	5.57%	7.38%	11.37%	1.60%	1.52%	14.01%

*See accompanying notes to required supplementary information.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST FIVE FISCAL YEARS**  
**(Rounded to nearest thousand)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.441%	0.445%	0.445%	0.433%	0.433%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	58,019,000	60,061,000	63,365,000	47,465,000	43,872,000
Total	<u>\$ 58,019,000</u>	<u>\$ 60,061,000</u>	<u>\$ 63,365,000</u>	<u>\$ 47,465,000</u>	<u>\$ 43,872,000</u>
Covered payroll	\$ 18,288,188	\$ 18,187,053	\$ 18,493,213	\$ 17,631,720	\$ 16,925,781
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

*See accompanying notes to required supplementary information.*

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total OPEB liability:			
Service cost	\$ 397,058	\$ 372,338	\$ 362,903
Interest	1,259,951	1,197,869	1,163,059
Changes in benefit terms	(6,748)	-	-
Differences between expected and actual experience	(1,648,958)	341,087	145,349
Changes in assumptions	685,783	-	-
Benefit payments, including refunds	(891,895)	(1,201,118)	(1,025,913)
Net change in total OPEB liability	(204,809)	710,176	645,398
Total OPEB liability - beginning	18,040,641	17,330,465	16,685,067
Total OPEB liability - ending	17,835,832	18,040,641	17,330,465
Plan fiduciary net position:			
Contributions - employer	1,123,832	1,457,479	1,666,760
Contributions - TRB subsidy	34,191	39,897	51,583
Net investment income	704,491	703,702	1,117,525
Benefit payments, including refunds	(891,895)	(1,201,118)	(1,025,913)
Net change in plan net position	970,619	999,960	1,809,955
Plan fiduciary net position - beginning	11,487,915	10,487,955	8,678,000
Plan fiduciary net position - ending	12,458,534	11,487,915	10,487,955
Town's net OPEB liability	\$ 5,377,298	\$ 6,552,726	\$ 6,842,510
Plan fiduciary net pension as percentage of total OPEB liability	69.85%	63.68%	60.52%
Covered employee payroll	\$ 29,576,359	\$ 27,028,027	\$ 26,343,106
Town net OPEB liability as a percentage of covered employee payroll	18.18%	24.24%	25.97%

*See accompanying notes to required supplementary information.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST THREE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,177,653	\$ 1,167,634	\$ 1,858,040
Contributions in relation to actuarially determined contribution	<u>1,123,832</u>	<u>1,457,479</u>	<u>1,666,760</u>
(Excess) deficiency of contribution	<u>\$ 53,821</u>	<u>\$ (289,845)</u>	<u>\$ 191,280</u>
Covered payroll	\$ 29,576,359	\$ 27,028,027	\$ 26,343,106
Contributions as a percentage of covered employee payroll	3.80%	5.39%	6.33%
Annual money-weighted rate of return, net of investment expense	6.01%	6.72%	12.32%

*See accompanying notes to required supplementary information.*

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST TWO FISCAL YEARS**  
**(Rounded to nearest thousand)**

	<u><b>2019</b></u>	<u><b>2018</b></u>
Proportion of the net OPEB liability attributed to the Town	0.441%	0.445%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	11,598,000	15,459,000
Total	<u><u>\$ 11,598,000</u></u>	<u><u>\$ 15,459,000</u></u>
Covered payroll	\$ 18,288,188	\$ 18,187,053
Town's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

*See accompanying notes to required supplementary information.*



**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**

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

- Not later than the fifteenth day of January, the Board of Finance will make known to the Chairman of those Boards, Committees, Agencies and office of the Town dependent on the Annual Town Budget for any portion of their operating income, such guidelines, forms, requisites as may direct and assist the preparation and presentation of their respective budget proposals.
- The Board of Selectman will receive from all Offices, Department Boards, Committees or Agencies of the Town dependent on the Annual Town Budget for any portion of their operating income, excepting the Board of Education, not later than February 1<sup>st</sup> a copy of their separate itemized recommended Annual Town Budget for the ensuing year.
- Not later than March 1<sup>st</sup>, the Board of Selectman will present to the Board of Finance a consolidated recommended Annual Town Budget, containing such detail as required by the Board of Finance and outlining the financial policy of the town government, describing therein features of the Annual Town Budget plan, indicating any major changes from the current fiscal year and changes from those recommendations of the several Boards, Commissions, Agencies with reasons therefore.
- As part of the Annual Town Budget, the Board of Selectman shall present a recommended program concerning municipal improvements or proposed capital projects for the ensuing fiscal year and for five years thereafter.
- The budget proposal of the Board of Education shall be presented to the Board of Finance not later than the last Monday of March.
- The Board of Finance will review the several and joint estimates of expenditures; it will attempt to reconcile priorities, estimates, proposals through meetings with the Chairman and First Selectman; it will refine its review of the preliminary Annual Town Budget with estimates of income and will prepare its own preliminary Annual Town Budget which shall become the proposed Annual Town Budget. These actions should be completed not later than May 1<sup>st</sup>.
- Not later than fourteen (14) days prior to the scheduled Annual Town Meeting for Annual Town Budget Approval, the Board of Finance will hold at least one public hearing at which time any elector or taxpayer shall have the opportunity to be heard regarding appropriations for the ensuing year.
- Printed copies of the proposed Annual Town Budget shall be available at the office of the Town Clerk not less than forty-eight (48) hours prior to said hearing, and the Board may make such copies available at such other locations and through distributions as it may prescribe.
- After the hearing, the Board of Finance shall then revise the preliminary Annual Town Budget if/as it deems desirable, and shall prepare a final proposed Annual Town Budget which shall be filed with the Town Clerk for presentation at the Town Meeting for its adoption. At least five (5) days prior to the Town Meeting the final proposed Annual Town Budget shall be published in accordance with the General Statutes.
- Within ten (10) days after the adoption of the Annual Town Budget the Board of Finance shall fix the tax rate in mills which shall be levied on the taxable property in the Town for the ensuing fiscal year.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 1 - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)***

- Management may not exceed appropriations at the department level and must seek approval from the Board of Selectman to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than one quarter of one percent of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2019:

	Total Revenues	Total Expenditures	Total Other Financing Sources (Uses)	Net Change in Fund Balance
Budgetary basis	\$ 56,771,951	\$ 53,654,752	\$ (4,427,881)	\$ (1,310,682)
"On-behalf" payments - State Teachers Retirement Fund	5,762,948	5,762,948	-	-
Change in encumbrances	-	71,106	-	(71,106)
Certain transfers recorded as expenditures for budgetary purposes	-	(202,528)	(552,528)	(350,000)
Intergovernmental grants netted against expenditures	797,085	797,085	-	-
GAAP basis	<u>\$ 63,331,984</u>	<u>\$ 60,083,363</u>	<u>\$ (4,980,409)</u>	<u>\$ (1,731,788)</u>

**NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

*Assumption Changes* - The following assumption changes have had a significant effect on the measurement of the total pension liability.

- the investment rate of return assumption was reduced from 7.25% to 6.75% in connection with the June 30, 2019 measurement, and
- the inflation rate assumption was reduced from 3.00% to 2.60% in connection with the June 30, 2019 measurement.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of July 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2019 were determined from the July 1, 2017 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019.

Actuarial Cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	20 years, closed
Asset valuation method	5 year period at 20% per year
Inflation rate	2.60%
Salary Increases	Based on years of service
Investment rate of return	6.75%

Mortality rates were based RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the measurement date with Scale MP - 2017.

**NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2019.

- the inflation assumption was reduced from 2.75% to 2.50%,
- the real rate of return assumption was reduced from 5.25% to 4.40%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.00% to 6.90%, and
- the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2019.

- the investment rate of return was reduced from 7.00% to 6.75%.

**NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of July 1, one fiscal years prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2019 were determined from the July 1, 2017 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019.

Actuarial Cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	20 years, closed
Asset valuation method	5 year period at 20% per year
Inflation rate	2.60%
Investment rate of return	6.75%
Healthcare trend costs	7.00% initial
	4.60% final

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for General employees, Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018.

**TOWN OF SUFFIELD, CONNECTICUT**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

*Benefit Changes* - Effective July 1, 2018, the Plan changed the "base plan" to Medicare Advantage Plan for the purposes of determining retiree health care plan subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a system-sponsored health care plan for those who cancel their coverage or choose not to enroll in a health care coverage option on or after the effective date.

*Assumption Changes* - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2019:

- the expected rate of return on Plan assets was changed from 4.25% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments;
- the discount rate used to measure Plan obligations and amortize supplemental costs was updated to match the expected rate of return on assets selected as of June 30, 2018;
- the long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods; and
- the percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a system-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GENERAL FUND**

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**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>PROPERTY TAXES:</b>				
Current List	\$ 40,461,294	\$ 40,461,294	\$ 40,357,931	\$ (103,363)
Supplemental motor vehicle	350,000	350,000	446,851	96,851
Taxes, prior year	280,000	280,000	308,389	28,389
Interest and fees	150,000	150,000	230,534	80,534
Total property taxes	41,241,294	41,241,294	41,343,705	102,411
<b>INTERGOVERNMENTAL REVENUES:</b>				
State grants unspecified:				
Mashantucket Pequot and Mohegan Fund	2,760,598	2,760,598	2,760,598	-
Payment in lieu of taxes - State property	1,648,564	1,648,564	1,801,140	152,576
Municipal stabilization grant	198,287	198,287	206,051	7,764
Capital expenditure reimbursements	407,500	407,500	158,364	(249,136)
Town Aid Road grants	289,569	289,569	289,784	215
Municipal Grants-In-Aid	180,663	180,663	180,663	-
LOCIP reimbursement	107,207	107,207	97,386	(9,821)
Youth services	14,000	14,000	14,000	-
Tax relief - veterans exemption	8,900	8,900	8,620	(280)
Tax relief - totally disabled persons	900	900	948	48
Tax relief - elderly freeze	80,000	80,000	-	(80,000)
Other	32,419	32,419	69,674	37,255
Total state grants unspecified	5,728,607	5,728,607	5,587,228	(141,379)
State grants for school aid:				
Education cost sharing	5,505,592	5,505,592	6,173,608	668,016
Vocational agriculture grant	333,277	333,277	333,277	-
Other educational grants	7,974	7,974	7,636	(338)
Total state grants for school aid	5,846,843	5,846,843	6,514,521	667,678
Total intergovernmental revenues	11,575,450	11,575,450	12,101,749	526,299
INVESTMENT INCOME	110,000	110,000	297,445	187,445
<b>CHARGES FOR SERVICES:</b>				
Current services and fees:				
Building Department	400,000	400,000	356,781	(43,219)
Zoning and planning	20,000	20,000	21,854	1,854
Zoning Board of Appeals	1,240	1,240	1,550	310
Police permits	11,000	11,000	12,259	1,259
Conservation	4,000	4,000	4,795	795
Historic District fees	800	800	800	-
Total current services and fees	437,040	437,040	398,039	(39,001)

*(Continued)*



**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>CHARGES FOR SERVICES: (Continued)</b>				
Landfill:				
Operating	\$ 35,000	\$ 35,000	\$ 47,919	\$ 12,919
Recycling rebates	6,000	6,000	6,257	257
Sale of Scrap metal	22,000	22,000	44,846	22,846
Permits	4,000	4,000	990	(3,010)
Total Landfill	67,000	67,000	100,012	33,012
Charges for current services:				
Bulky waste	3,000	3,000	2,888	(112)
Assessor's map sales	300	300	300	-
Real estate conveyance fee	181,650	181,650	203,779	22,129
Mini-bus transportation	5,200	5,200	5,126	(74)
Animal control fees	24,325	24,325	32,521	8,196
Town clerk historic document fees	3,960	3,960	-	(3,960)
Town clerk recording fees	194,000	194,000	107,802	(86,198)
Total charges for current services	412,435	412,435	352,416	(60,019)
Recreation:				
Camps	43,055	43,055	48,806	5,751
Activities	95,000	95,000	113,973	18,973
Total Recreation	138,055	138,055	162,779	24,724
Revenue from other agencies:				
Telecommunications grant	20,000	20,000	16,850	3,150
Tuition, Vo-ag	716,415	716,415	658,419	57,996
Tuition, other	149,788	149,788	175,078	(25,290)
Payment in lieu of taxes, CT Airport Authority	693,909	693,909	693,909	-
Total revenue from other agencies	1,580,112	1,580,112	1,544,256	(35,856)
Total charges for services	2,634,642	2,634,642	2,557,502	(77,140)
<b>MISCELLANEOUS:</b>				
Rent - Town property	112,000	112,000	125,529	13,529
Cell tower	175,000	175,000	186,966	11,966
Resource officer	52,149	52,149	52,149	-
Other	45,000	45,000	106,906	61,906
Total miscellaneous	384,149	384,149	471,550	87,401
Total revenues	55,945,535	55,945,535	56,771,951	826,416
<b>OTHER FINANCING SOURCES:</b>				
Appropriation of fund balance	2,152,281	2,152,281	-	(2,152,281)
Transfers in:				
Capital and Nonrecurring Fund	124,163	124,163	123,155	(1,008)
Off Duty Fund	125,000	125,000	125,000	-
Other Funds	-	-	564	564
Total other financing sources	2,401,444	2,401,444	248,719	(2,152,725)
Total revenues and other financing sources	\$ 58,346,979	\$ 58,346,979	\$ 57,020,670	\$ (1,326,309)
				(Concluded)

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Original Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>GENERAL GOVERNMENT:</b>				
Board of Selectman	\$ 247,930	\$ 240,641	\$ 240,641	\$ -
Human resources	168,336	149,104	149,104	-
Probate court	6,100	5,754	5,754	-
Election	56,422	43,945	43,945	-
Board of Finance	13,704	10,853	10,853	-
Assessors	152,098	149,732	149,732	-
Board of Assessment Appeals	1,900	747	747	-
Tax collector	180,756	175,381	175,381	-
Tax rebates	65,000	40,846	40,846	-
Finance	340,274	308,177	308,177	-
Information technology	296,136	308,366	308,366	-
Town counsel	108,000	128,287	128,287	-
Town clerk	210,209	207,481	207,481	-
Town hall	132,975	156,593	156,593	-
OPEB fund	148,220	148,220	148,220	-
Insurance and employee benefits	3,566,391	3,678,946	3,678,946	-
Total general government	5,694,451	5,753,073	5,753,073	-
<b>PLANNING AND DEVELOPMENT:</b>				
Planning and zoning	192,371	185,071	185,071	-
Zoning Board of Appeals	4,468	1,495	1,495	-
Economic development	45,800	45,564	45,564	-
Historic District Commission	2,231	2,160	2,160	-
Conservation Commission	56,554	58,045	58,045	-
Total planning and development	301,424	292,335	292,335	-
<b>PUBLIC SAFETY:</b>				
Fire Commission	1,027,175	1,033,738	1,033,738	-
Police Commission	2,709,307	2,667,697	2,667,697	-
Emergency management	5,383	5,360	5,360	-
Building Department	243,669	255,992	255,992	-
Town Engineer	125,131	124,821	124,821	-
Animal control	57,739	70,588	70,588	-
Total public safety	4,168,404	4,158,196	4,158,196	-
<b>PUBLIC WORKS:</b>				
Public works	3,061,870	3,188,163	3,188,163	-
State aid road funds	289,569	293,380	293,380	-
Public utilities	563,000	613,958	613,958	-
Total public works	3,914,439	4,095,501	4,095,501	-

(Continued)

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Original Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>HEALTH AND SOCIAL SERVICES:</b>				
Health and social services	\$ 188,704	\$ 188,704	\$ 188,704	\$ -
Social services commission	1,480	1,211	1,211	-
Senior center	120,463	123,456	123,456	-
Mini- bus transportation	200,541	192,201	192,201	-
EMS/ambulance	203,000	203,000	203,000	-
Total health and social services	<u>714,188</u>	<u>708,572</u>	<u>708,572</u>	<u>-</u>
<b>LIBRARY, RECREATION AND PARKS:</b>				
Recreation	299,627	238,182	238,182	-
Recreation activities	112,476	96,320	96,320	-
Youth services	65,573	67,786	67,786	-
Total library, recreation and parks	<u>477,676</u>	<u>402,288</u>	<u>402,288</u>	<u>-</u>
<b>BOARD OF EDUCATION</b>	<u>34,807,232</u>	<u>34,807,232</u>	<u>34,807,222</u>	<u>(10)</u>
<b>OTHER:</b>				
Cemeteries	<u>36,290</u>	<u>36,290</u>	<u>36,290</u>	<u>-</u>
<b>DEBT SERVICE</b>	<u>3,206,275</u>	<u>3,206,275</u>	<u>3,206,275</u>	<u>-</u>
<b>CONTINGENCY</b>	<u>360,000</u>	<u>210,617</u>	<u>195,000</u>	<u>(15,617)</u>
Total expenditures	<u>53,680,379</u>	<u>53,670,379</u>	<u>53,654,752</u>	<u>(15,627)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out:				
Capital Projects Funds	3,678,904	3,688,904	3,688,904	-
Insurance Fund	500,000	500,000	500,000	-
Kent Memorial Library	487,696	487,696	487,696	-
Total other financing uses	<u>4,666,600</u>	<u>4,676,600</u>	<u>4,676,600</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 58,346,979</u>	<u>\$ 58,346,979</u>	<u>\$ 58,331,352</u>	<u>\$ (15,627)</u> <i>(Concluded)</i>

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Balance Uncollected July 1, 2018	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections, net of refunds			Balance Uncollected June 30, 2019
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2017	\$ -	\$ 41,505,583	\$ 76,818	\$ 313,391	\$ 975	\$ 41,268,035	\$ 40,794,135	\$ 94,739	\$ 40,888,874	\$ 473,900
2016	426,419	-	758	7,210	12	419,955	183,507	42,858	226,365	236,448
2015	173,582	-	185	1,778	12	171,977	51,429	26,200	77,629	120,548
2014	131,283	-	-	248	30,003	101,032	41,695	22,140	63,835	59,337
2013	54,434	-	-	-	11	54,423	17,878	11,602	29,480	36,545
2012	63,652	-	-	-	134	63,518	20,754	13,117	33,871	42,764
2011	46,272	-	-	-	133	46,139	8,320	10,817	19,137	37,819
2010	37,539	-	-	-	129	37,410	6,494	3,983	10,477	30,916
2009	17,791	-	-	-	124	17,667	708	1,122	1,830	16,959
2008	7,029	-	-	-	124	6,905	527	1,039	1,566	6,378
2007	(1,807)	-	-	-	76	(1,883)	-	-	-	(1,883)
2006	(2,154)	-	-	-	-	(2,154)	-	-	-	(2,154)
2005	4,641	-	-	-	-	4,641	175	419	594	4,466
2004	27	-	-	-	-	27	-	-	-	27
2003	3,298	-	-	-	-	3,298	-	-	-	3,298
2002	2,135	-	-	2,135	-	-	-	-	-	-
Total	<u>\$ 964,141</u>	<u>\$ 41,505,583</u>	<u>\$ 77,761</u>	<u>\$ 324,762</u>	<u>\$ 31,733</u>	<u>\$ 42,190,990</u>	<u>\$ 41,125,622</u>	<u>\$ 228,036</u>	<u>\$ 41,353,658</u>	<u>\$ 1,065,368</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**AS OF JUNE 30, 2019**

Total cash collections for the year ended

June 30, 2019:

Taxes	\$ 41,125,622
Interest and lien fees	228,036
Total	<u>41,353,658</u>

Reimbursement for loss

Tax relief (CGS 12-129d)	9,568
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Base	<u><u>\$ 41,363,226</u></u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 93,067,259	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	186,134,517	-	-	-
3-3/4 times base	-	-	155,112,098	-	-
3-1/4 times base	-	-	-	134,430,485	-
3 times base	-	-	-	-	124,089,678
	<u>93,067,259</u>	<u>186,134,517</u>	<u>155,112,098</u>	<u>134,430,485</u>	<u>124,089,678</u>
Total debt limitation					
	<u>93,067,259</u>	<u>186,134,517</u>	<u>155,112,098</u>	<u>134,430,485</u>	<u>124,089,678</u>
Indebtedness:					
Bonds payable	14,375,000	2,800,000	-	-	-
Authorized but unissued bonds	15,585,000	-	-	-	-
Total indebtedness	<u>29,960,000</u>	<u>2,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	154,775	-	-	-	-
Net indebtedness	<u>29,805,225</u>	<u>2,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 63,262,034</u></u>	<u><u>\$ 183,334,517</u></u>	<u><u>\$ 155,112,098</u></u>	<u><u>\$ 134,430,485</u></u>	<u><u>\$ 124,089,678</u></u>
Total capacity of borrowing (7 times base)	\$ 289,542,582				
Total present indebtedness	<u>32,605,225</u>				
Margin for additional borrowing	<u><u>\$ 256,937,357</u></u>				

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**CAPITAL PROJECTS FUNDS**

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**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Capital Project Funds</b>					
	<b>School Building Fund</b>	<b>Town Improvement Fund</b>	<b>Sewer Capital Projects Fund</b>	<b>Industrial Park Fund</b>	<b>LOT/CIP Grant Fund</b>	<b>Bridge Projects Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 498,194	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	375,944	-	43,626	-	-	-
Other	-	-	-	-	-	23,407
Due from other funds	-	-	-	82,086	132,396	33,997
Total assets	<u>\$ 375,944</u>	<u>\$ -</u>	<u>\$ 541,820</u>	<u>\$ 82,086</u>	<u>\$ 132,396</u>	<u>\$ 57,404</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 104,161	\$ -	\$ -	\$ 24,151
Due to other funds	375,944	-	-	-	-	-
Unearned revenue	-	-	-	-	132,396	-
Total liabilities	<u>375,944</u>	<u>-</u>	<u>104,161</u>	<u>-</u>	<u>132,396</u>	<u>24,151</u>
<b>FUND BALANCES</b>						
Committed	-	-	437,659	82,086	-	33,253
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>437,659</u>	<u>82,086</u>	<u>-</u>	<u>33,253</u>
Total liabilities and fund balances	<u>\$ 375,944</u>	<u>\$ -</u>	<u>\$ 541,820</u>	<u>\$ 82,086</u>	<u>\$ 132,396</u>	<u>\$ 57,404</u>

*(Continued)*

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS (Continued)**  
**AS OF JUNE 30, 2019**

	<b>Capital Project Funds</b>						
	<b>Capital &amp; Nonrecurring Fund</b>	<b>Kent Memorial Library Renovation Fund</b>	<b>Agriscience Project Fund</b>	<b>Open Space Fund</b>	<b>Capital Reserve Fund</b>	<b>Fire Trucks Fund</b>	<b>2011 Road &amp; Drainage Improvements Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 193,175	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	8,484,359	4,121,038	-	913,410	-	109,343	615,266
Total assets	<u>\$ 8,484,359</u>	<u>\$ 4,121,038</u>	<u>\$ -</u>	<u>\$ 913,410</u>	<u>\$ 193,175</u>	<u>\$ 109,343</u>	<u>\$ 615,266</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 192,157	\$ 120,810	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,867,754	4,136,659	696,643	-	107,006	109,343	615,266
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>5,059,911</u>	<u>4,257,469</u>	<u>696,643</u>	<u>-</u>	<u>107,006</u>	<u>109,343</u>	<u>615,266</u>
<b>FUND BALANCES</b>							
Committed	3,424,448	-	-	913,410	86,169	-	-
Unassigned	-	(136,431)	(696,643)	-	-	-	-
Total fund balances	<u>3,424,448</u>	<u>(136,431)</u>	<u>(696,643)</u>	<u>913,410</u>	<u>86,169</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 8,484,359</u>	<u>\$ 4,121,038</u>	<u>\$ -</u>	<u>\$ 913,410</u>	<u>\$ 193,175</u>	<u>\$ 109,343</u>	<u>\$ 615,266</u>

*(Continued)*



**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS (Concluded)**  
**AS OF JUNE 30, 2019**

	<b>Capital Project Funds</b>						
	<b>2015 Road &amp; Drainage Improvements Fund</b>	<b>2015 Town Hall Renovations &amp; Improvements Fund</b>	<b>2015 Bridge Street School Renovations &amp; Improvements Fund</b>	<b>Utility Extension Project Fund</b>	<b>Capital &amp; Nonrecurring Expenditures Fund</b>	<b>Fire Equipment Acquisition Fund</b>	<b>Total Capital Projects Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 33,489	\$ -	\$ 724,858
Investments	-	-	-	-	2,377,777	-	2,377,777
Receivables:							
Grants and contracts	-	-	-	-	-	-	419,570
Other	-	-	-	-	-	2,000	25,407
Due from other funds	240,398	745,000	-	132,823	250,000	-	15,860,116
Total assets	<u>\$ 240,398</u>	<u>\$ 745,000</u>	<u>\$ -</u>	<u>\$ 132,823</u>	<u>\$ 2,661,266</u>	<u>\$ 2,000</u>	<u>\$ 19,407,728</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 9,638	\$ -	\$ -	\$ -	\$ 24,830	\$ 475,747
Due to other funds	242,774	136,041	33,573	-	-	1,745,077	13,066,080
Unearned revenue	-	-	-	-	-	-	132,396
Total liabilities	<u>242,774</u>	<u>145,679</u>	<u>33,573</u>	<u>-</u>	<u>-</u>	<u>1,769,907</u>	<u>13,674,223</u>
<b>FUND BALANCES</b>							
Committed	-	599,321	-	132,823	2,661,266	-	8,370,435
Unassigned	(2,376)	-	(33,573)	-	-	(1,767,907)	(2,636,930)
Total fund balances	<u>(2,376)</u>	<u>599,321</u>	<u>(33,573)</u>	<u>132,823</u>	<u>2,661,266</u>	<u>(1,767,907)</u>	<u>5,733,505</u>
Total liabilities and fund balances	<u>\$ 240,398</u>	<u>\$ 745,000</u>	<u>\$ -</u>	<u>\$ 132,823</u>	<u>\$ 2,661,266</u>	<u>\$ 2,000</u>	<u>\$ 19,407,728</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Capital Project Funds</b>					
	<b>School Building Fund</b>	<b>Town Improvement Fund</b>	<b>Sewer Capital Projects Fund</b>	<b>Industrial Park Fund</b>	<b>LOT/CIP Grant Fund</b>	<b>Bridge Projects Fund</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 173,202	\$ -	\$ 213,384	\$ -
Interest income	-	18	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	18	173,202	-	213,384	-
<b>EXPENDITURES</b>						
Capital outlays	-	-	692,389	-	213,384	-
Excess (deficiency) of revenues over expenditures	-	18	(519,187)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	933,050	-	-	-
Transfers out	-	(11,077)	-	-	-	-
Total other financing sources (uses)	-	(11,077)	933,050	-	-	-
Net change in fund balances	-	(11,059)	413,863	-	-	-
Fund balances - beginning	-	11,059	23,796	82,086	-	33,253
Fund balances - ending	\$ -	\$ -	\$ 437,659	\$ 82,086	\$ -	\$ 33,253

(Continued)

**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2019

	Capital Project Funds						2011 Road & Drainage Improvements Bond Fund
	Capital & Nonrecurring Fund	Kent Memorial Library Renovation Fund	Agriscience Project Fund	Open Space Fund	Capital Reserve Fund	Fire Trucks Fund	
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	355	-	-
Other	-	600	-	-	2,274	-	-
Total revenues	-	600	-	-	2,629	-	-
<b>EXPENDITURES</b>							
Capital outlays	2,325,007	1,761,099	2,855	67,369	-	-	-
Excess (deficiency) of revenues over expenditures	(2,325,007)	(1,760,499)	(2,855)	(67,369)	2,629	-	-
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	3,633,904	4,471,038	-	-	-	-	-
Transfers out	(4,244,193)	-	-	-	(564)	-	-
Total other financing sources (uses)	(610,289)	4,471,038	-	-	(564)	-	-
Net change in fund balances	(2,935,296)	2,710,539	(2,855)	(67,369)	2,065	-	-
Fund balances - beginning	6,359,744	(2,846,970)	(693,788)	980,779	84,104	-	-
Fund balances - ending	\$ 3,424,448	\$ (136,431)	\$ (696,643)	\$ 913,410	\$ 86,169	\$ -	\$ -

*(Continued)*

**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS *(Concluded)*  
FOR THE YEAR ENDED JUNE 30, 2019

	<b>Capital Project Funds</b>						
	<b>2015 Road &amp; Drainage Improvements Fund</b>	<b>2015 Town Hall Renovations &amp; Improvements Fund</b>	<b>2015 Bridge Street School Renovations &amp; Improvements Fund</b>	<b>Utility Extension Project Fund</b>	<b>Capital &amp; Nonrecurring Expenditures Fund</b>	<b>Fire Equipment Acquisition Fund</b>	<b>Total Capital Projects Funds</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,586
Interest income	-	-	-	-	-	-	373
Other	-	-	-	-	150,900	-	153,774
Total revenues	-	-	-	-	150,900	-	540,733
<b>EXPENDITURES</b>							
Capital outlays	4,668	60,042	369	-	7,325	495,944	5,630,451
Excess (deficiency) of revenues over expenditures	(4,668)	(60,042)	(369)	-	143,575	(495,944)	(5,089,718)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	261,077	-	9,299,069
Transfers out	-	-	-	-	-	-	(4,255,834)
Total other financing sources (uses)	-	-	-	-	261,077	-	5,043,235
Net change in fund balances	(4,668)	(60,042)	(369)	-	404,652	(495,944)	(46,483)
Fund balances - beginning	2,292	659,363	(33,204)	132,823	2,256,614	(1,271,963)	5,779,988
Fund balances - ending	\$ (2,376)	\$ 599,321	\$ (33,573)	\$ 132,823	\$ 2,661,266	\$ (1,767,907)	\$ 5,733,505

*(Concluded)*

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**NONMAJOR GOVERNMENTAL FUNDS**

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**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Nonmajor Special Revenue Funds</b>							
	<b>Police Off Duty Fund</b>	<b>School Cafeteria Fund</b>	<b>Town Donations Fund</b>	<b>Education Grants Fund</b>	<b>CADAC Grant Fund</b>	<b>Sewer Assessment Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Recreation Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 73,456	\$ -	\$ -	\$ -	\$ 616	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	154,775	-	-
Grants and contracts	-	32,709	-	14,963	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	116,996	1,957	-	-	-	-	-	-
Due from other funds	75,677	-	128,341	1,193,274	185	-	10,051	18,503
Inventories	-	25,000	-	-	-	-	-	-
Total assets	<u>\$ 192,673</u>	<u>\$ 133,122</u>	<u>\$ 128,341</u>	<u>\$ 1,208,237</u>	<u>\$ 185</u>	<u>\$ 155,391</u>	<u>\$ 10,051</u>	<u>\$ 18,503</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 57,063	\$ 2,766	\$ 103,807	\$ -	\$ 37	\$ -	\$ -
Accrued liabilities	6,033	-	-	-	-	-	-	-
Due to other funds	-	13,269	-	-	-	-	-	-
Unearned revenue	-	-	500	144,244	-	-	-	-
Total liabilities	<u>6,033</u>	<u>70,332</u>	<u>3,266</u>	<u>248,051</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	-	-	-	-	-	154,775	-	-
<b>FUND BALANCES</b>								
Nonspendable	-	25,000	-	-	-	-	-	-
Restricted	-	37,790	125,075	960,186	185	-	10,051	-
Committed	186,640	-	-	-	-	579	-	18,503
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>186,640</u>	<u>62,790</u>	<u>125,075</u>	<u>960,186</u>	<u>185</u>	<u>579</u>	<u>10,051</u>	<u>18,503</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 192,673</u>	<u>\$ 133,122</u>	<u>\$ 128,341</u>	<u>\$ 1,208,237</u>	<u>\$ 185</u>	<u>\$ 155,391</u>	<u>\$ 10,051</u>	<u>\$ 18,503</u>

*(Continued)*

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**AS OF JUNE 30, 2019**

	<b>Nonmajor Special Revenue Funds</b>							
	<b>Senior Center Activity Fund</b>	<b>Municipal Grant Fund</b>	<b>Emergency Food and Shelter Fund</b>	<b>Small Cities Grant Fund</b>	<b>Drug Education &amp; Enforcement Grant Fund</b>	<b>Sunrise Park Fund</b>	<b>Farmington Canal Trail Fund</b>	<b>Veterans Memorial Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 2,302	\$ 69,120	\$ -	\$ -	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	-	-	-
Grants and contracts	-	23,407	-	-	-	-	-	-
Loans	-	-	-	118,244	-	-	-	-
Other	6,393	3,567	-	-	-	175	-	-
Due from other funds	46,390	253,459	-	70,579	-	10,199	-	2,620
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 52,783</u>	<u>\$ 280,433</u>	<u>\$ 2,302</u>	<u>\$ 257,943</u>	<u>\$ -</u>	<u>\$ 10,374</u>	<u>\$ -</u>	<u>\$ 2,620</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 7,093	\$ 7,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	390	-	-	-	-	-	-
Due to other funds	-	-	-	-	20	-	2,396	-
Unearned revenue	-	330,932	-	-	-	-	-	-
Total liabilities	<u>7,093</u>	<u>339,056</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>2,396</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	-	-	-	118,244	-	-	-	-
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	2,302	139,699	-	10,374	-	-
Committed	45,690	-	-	-	-	-	-	2,620
Unassigned	-	(58,623)	-	-	(20)	-	(2,396)	-
Total fund balances	<u>45,690</u>	<u>(58,623)</u>	<u>2,302</u>	<u>139,699</u>	<u>(20)</u>	<u>10,374</u>	<u>(2,396)</u>	<u>2,620</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,783</u>	<u>\$ 280,433</u>	<u>\$ 2,302</u>	<u>\$ 257,943</u>	<u>\$ -</u>	<u>\$ 10,374</u>	<u>\$ -</u>	<u>\$ 2,620</u>

(Continued)

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Concluded)**  
**AS OF JUNE 30, 2019**

	<b>Nonmajor Special Revenue Funds</b>				<b>Nonmajor Permanent Funds</b>		
	<b>Kent Memorial Library Fund</b>	<b>Kent Farm Sewer District Fund</b>	<b>Town Clerk Dollar Fund</b>	<b>School Activity Fund</b>	<b>Memorial Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 112,105	\$ -	\$ -	\$ 58,415	\$ 524,136	\$ 840,150
Receivables:							
Assessments	-	-	-	-	-	-	154,775
Grants and contracts	-	-	-	-	-	-	71,079
Loans	-	-	-	-	-	-	118,244
Other	143,237	-	-	2,116	-	-	274,441
Due from other funds	-	-	63,293	173,979	-	-	2,046,550
Inventories	-	-	-	-	-	-	25,000
Total assets	<u>\$ 143,237</u>	<u>\$ 112,105</u>	<u>\$ 63,293</u>	<u>\$ 176,095</u>	<u>\$ 58,415</u>	<u>\$ 524,136</u>	<u>\$ 3,530,239</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 10,488	\$ -	\$ -	\$ -	\$ -	\$ 6,081	\$ 195,069
Accrued liabilities	16,889	-	-	-	-	-	23,312
Due to other funds	115,860	4,892	-	-	13,753	73,174	223,364
Unearned revenue	-	-	-	-	-	-	475,676
Total liabilities	<u>143,237</u>	<u>4,892</u>	<u>-</u>	<u>-</u>	<u>13,753</u>	<u>79,255</u>	<u>917,421</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	-	-	-	-	-	-	273,019
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	44,662	444,881	514,543
Restricted	-	-	63,293	-	-	-	1,348,955
Committed	-	107,213	-	176,095	-	-	537,340
Unassigned	-	-	-	-	-	-	(61,039)
Total fund balances	<u>-</u>	<u>107,213</u>	<u>63,293</u>	<u>176,095</u>	<u>44,662</u>	<u>444,881</u>	<u>2,339,799</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 143,237</u>	<u>\$ 112,105</u>	<u>\$ 63,293</u>	<u>\$ 176,095</u>	<u>\$ 58,415</u>	<u>\$ 524,136</u>	<u>\$ 3,530,239</u>
							(Concluded)



**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds							
	Police Off Duty Fund	School Cafeteria Fund	Town Donations Fund	Education Grants Fund	CADAC Grant Fund	Sewer Assessment Fund	Asset Forfeiture Fund	Recreation Fund
REVENUES								
Intergovernmental	\$ -	\$ 250,113	\$ -	\$ 1,325,075	\$ -	\$ -	\$ 812	\$ -
Charges for services	320,874	517,400	-	-	-	86,500	-	-
Assessments	-	-	-	-	-	52,554	-	-
Interest income	-	89	-	-	-	4	-	-
Other	-	-	21,868	-	-	-	-	-
Total revenues	320,874	767,602	21,868	1,325,075	-	139,058	812	-
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	202,904	-	16,861	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Library, recreation and parks	-	-	-	-	-	-	-	-
Education	-	767,986	-	1,281,470	-	-	-	-
Total expenditures	202,904	767,986	16,861	1,281,470	-	-	-	-
Excess (deficiency) of revenues over expenditures	117,970	(384)	5,007	43,605	-	139,058	812	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(125,000)	-	-	-	-	(159,000)	-	-
Total other financing sources (uses)	(125,000)	-	-	-	-	(159,000)	-	-
Net change in fund balances	(7,030)	(384)	5,007	43,605	-	(19,942)	812	-
Fund balances - beginning, as originally reported	193,670	63,174	120,068	-	185	20,521	9,239	18,503
Adjustment (see Note 1)	-	-	-	916,581	-	-	-	-
Fund balances - beginning, as adjusted	193,670	63,174	120,068	916,581	185	20,521	9,239	18,503
Fund balances - ending	\$ 186,640	\$ 62,790	\$ 125,075	\$ 960,186	\$ 185	\$ 579	\$ 10,051	\$ 18,503

(Continued)

**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds							
	Senior Center Activity Fund	Municipal Grant Fund	Emergency Food and Shelter Fund	Small Cities Grant Fund	Drug Education & Enforcement Grant Fund	Sunrise Park Fund	Farmington Canal Trail Fund	Veterans Memorial Fund
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 61,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	14,134	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Interest income	-	-	84	-	-	-	-	-
Other	24,860	-	1,125	44,200	-	670	20	-
Total revenues	38,994	61,970	1,209	44,200	-	670	20	-
<b>EXPENDITURES</b>								
Current:								
General government	-	9,933	-	-	-	-	-	-
Public safety	-	40,162	-	-	-	-	-	-
Health and social services	50,115	-	2,250	945	-	-	-	-
Library, recreation and parks	-	11,875	-	-	-	-	300	-
Education	-	-	-	-	-	-	-	-
Total expenditures	50,115	61,970	2,250	945	-	-	300	-
Excess (deficiency) of revenues over expenditures	(11,121)	-	(1,041)	43,255	-	670	(280)	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(11,121)	-	(1,041)	43,255	-	670	(280)	-
Fund balances - beginning	56,811	(58,623)	3,343	96,444	(20)	9,704	(2,116)	2,620
Adjustment <i>(see Note 1)</i>	-	-	-	-	-	-	-	-
Fund balances - beginning, as adjusted	56,811	(58,623)	3,343	96,444	(20)	9,704	(2,116)	2,620
Fund balances - ending	\$ 45,690	\$ (58,623)	\$ 2,302	\$ 139,699	\$ (20)	\$ 10,374	\$ (2,396)	\$ 2,620

*(Continued)*

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Nonmajor Special Revenue Funds</b>				<b>Nonmajor Permanent Funds</b>		
	<b>Kent Memorial Library Fund</b>	<b>Kent Farm Sewer District Fund</b>	<b>Town Clerk Dollar Fund</b>	<b>School Activity Fund</b>	<b>Memorial Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>							
Intergovernmental	\$ 76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,638,046
Charges for services	103,216	-	-	130,692	-	-	1,172,816
Assessments	-	-	-	-	-	-	52,554
Interest income	-	1,301	-	-	650	6,081	8,209
Other	-	-	-	-	400	4,750	97,893
Total revenues	103,292	1,301	-	130,692	1,050	10,831	2,969,518
<b>EXPENDITURES</b>							
Current:							
General government	-	-	1,640	-	-	-	11,573
Public safety	-	-	-	-	-	-	259,927
Health and social services	-	-	-	-	-	6,081	59,391
Library, recreation and parks	590,988	-	-	-	-	-	603,163
Education	-	-	-	140,596	-	-	2,190,052
Total expenditures	590,988	-	1,640	140,596	-	6,081	3,124,106
Excess (deficiency) of revenues over expenditures	(487,696)	1,301	(1,640)	(9,904)	1,050	4,750	(154,588)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	487,696	-	7,528	-	-	-	495,224
Transfers out	-	-	-	-	-	-	(284,000)
Total other financing sources (uses)	487,696	-	7,528	-	-	-	211,224
Net change in fund balances	-	1,301	5,888	(9,904)	1,050	4,750	56,636
Fund balances - beginning	-	105,912	57,405	185,999	43,612	440,131	1,366,582
Adjustment (see Note 1)	-	-	-	-	-	-	916,581
Fund balances - beginning, as adjusted	-	105,912	57,405	185,999	43,612	440,131	2,283,163
Fund balances - ending	\$ -	\$ 107,213	\$ 63,293	\$ 176,095	\$ 44,662	\$ 444,881	\$ 2,339,799

(Concluded)

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**INTERNAL SERVICE FUNDS**

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**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**AS OF JUNE 30, 2019**

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	<b>Insurance Fund</b>	<b>Gas/Diesel Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 573,392	\$ -	\$ 573,392
Receivables	176,778	45,188	221,966
Total assets	<u>750,170</u>	<u>45,188</u>	<u>795,358</u>
<b>LIABILITIES</b>			
Accounts payable	78,480	10,254	88,734
Claims incurred but not reported	579,410	-	579,410
Due to other funds	1,288,292	57,309	1,345,601
Total liabilities	<u>1,946,182</u>	<u>67,563</u>	<u>2,013,745</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ (1,196,012)</u>	<u>\$ (22,375)</u>	<u>\$ (1,218,387)</u>

**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

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	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
User charges	\$ 6,796,284	\$ 245,386	\$ 7,041,670
<b>OPERATING EXPENSES</b>			
Insurance and benefits	6,896,315	-	6,896,315
Administration	690,664	-	690,664
Fuel	-	254,892	254,892
Total operating expenses	<u>7,586,979</u>	<u>254,892</u>	<u>7,841,871</u>
Operating loss	(790,695)	(9,506)	(800,201)
<b>NONOPERATING REVENUE</b>			
Interest income	<u>3,581</u>	<u>-</u>	<u>3,581</u>
Loss before transfers	(787,114)	(9,506)	(796,620)
<b>TRANSFERS</b>			
Transfer in	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Change in net position	(287,114)	(9,506)	(296,620)
Net position - beginning of year	<u>(908,898)</u>	<u>(12,869)</u>	<u>(921,767)</u>
Net position - end of year	<u><u>\$ (1,196,012)</u></u>	<u><u>\$ (22,375)</u></u>	<u><u>\$ (1,218,387)</u></u>

**TOWN OF SUFFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from users	\$ 7,486,654	\$ 252,209	\$ 7,738,863
Cash paid to vendors	(8,369,757)	(260,645)	(8,630,402)
Net cash used in operating activities	<u>(883,103)</u>	<u>(8,436)</u>	<u>(891,539)</u>
<b>CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES</b>			
Interfund borrowings	751,708	8,436	760,144
Interfund transfer	500,000	-	500,000
Net cash used in non-capital related financing activities	<u>1,251,708</u>	<u>8,436</u>	<u>1,260,144</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	<u>3,581</u>	<u>-</u>	<u>3,581</u>
Net increase in cash and cash equivalents	372,186	-	372,186
Cash and cash equivalents - beginning of year	<u>201,206</u>	<u>-</u>	<u>201,206</u>
Cash and cash equivalents - end of year	<u><u>\$ 573,392</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 573,392</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating loss	\$ (790,695)	\$ (9,506)	\$ (800,201)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Change in assets and liabilities:			
Increase in receivables	(61,338)	(1,613)	(62,951)
(Decrease) increase in accounts payable	(77,221)	2,683	(74,538)
Increase in claims incurred but not reported	<u>46,151</u>	<u>-</u>	<u>46,151</u>
Net cash used in operating activities:	<u><u>\$ (883,103)</u></u>	<u><u>\$ (8,436)</u></u>	<u><u>\$ (891,539)</u></u>

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**FIDUCIARY FUNDS**

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**TOWN OF SUFFIELD, CONNECTICUT**  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Student Activities Funds</b>				
Assets				
Cash and cash equivalents	\$ 320,309	\$ 524,544	\$ 515,438	\$ 329,415
Investments	16,496	-	14,743	1,753
Total assets	<u>\$ 336,805</u>	<u>\$ 524,544</u>	<u>\$ 530,181</u>	<u>\$ 331,168</u>
Liabilities				
Due to student groups	\$ 336,805	\$ 524,544	\$ 530,181	\$ 331,168
Total liabilities	<u>\$ 336,805</u>	<u>\$ 524,544</u>	<u>\$ 530,181</u>	<u>\$ 331,168</u>
<b>Performance Bonds Fund</b>				
Assets				
Cash and cash equivalents	\$ 111,588	\$ 53,159	\$ 16,000	\$ 148,747
Investments	17,500	-	17,500	-
Total assets	<u>\$ 129,088</u>	<u>\$ 53,159</u>	<u>\$ 33,500</u>	<u>\$ 148,747</u>
Liabilities				
Due to others	\$ 129,088	\$ 53,159	\$ 33,500	\$ 148,747
Total liabilities	<u>\$ 129,088</u>	<u>\$ 53,159</u>	<u>\$ 33,500</u>	<u>\$ 148,747</u>
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 431,897	\$ 577,703	\$ 531,438	\$ 478,162
Investments	33,996	-	32,243	1,753
Total assets	<u>\$ 465,893</u>	<u>\$ 577,703</u>	<u>\$ 563,681</u>	<u>\$ 479,915</u>
Liabilities				
Due to student groups	\$ 336,805	\$ 524,544	\$ 530,181	\$ 331,168
Due to others	129,088	53,159	33,500	148,747
Total liabilities	<u>\$ 465,893</u>	<u>\$ 577,703</u>	<u>\$ 563,681</u>	<u>\$ 479,915</u>