

TOWN OF SUFFIELD, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2020**

TOWN OF SUFFIELD, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Suffield, Connecticut (the "Town"), as of and for the year ended June 30, 2020, 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, 2020, 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 68 through 79 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 80 through 101 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 January 25, 2021, 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
January 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020.

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 \$122,714,833 (net position). Of this amount, \$835,222 represents the Town's unrestricted net position. The unrestricted net position represents the amounts available to meet the Town's ongoing obligations to citizens and creditors. The Town is committed to provide pension and other post-employment benefits to its employees. As a result, the Town has recognized significant pension and other post-employment benefit liabilities of \$17.36 million. These benefits are being funded over time based on actuarially recommended contributions.
- The Town's total net position increased by \$2,862,874 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 \$15,672,055, a decrease of \$647,346 in comparison with the prior year. Of this amount \$2,694,270, or 17.2%, is considered unassigned and available for spending at the Town's discretion. Unassigned fund balance includes temporary deficits of approximately \$3.08 million in capital projects subsequently financed on a long-term basis through the issuance of general obligation bonds.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$6,875,650 or 13.2% of the Town's fiscal year 2021 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 1.6 months of the Town's General Fund budgetary expenditure appropriations.

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, 2020

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, 2020

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 67 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 68 through 101 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

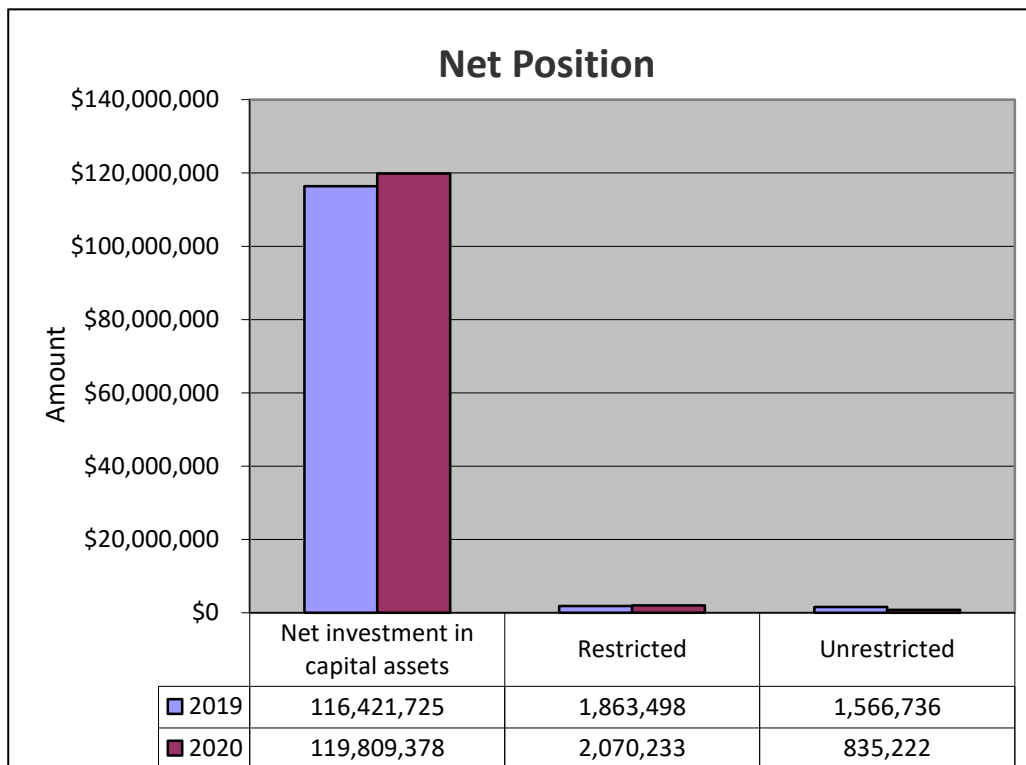
Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$122,714,833 as of June 30, 2020 and \$119,851,959 as of June 30, 2019 and is summarized as follows:

TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

	June 30, 2020			June 30, 2019		% Variance
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	
Current and other assets	\$ 21,682,164	\$ 2,426,953	\$ 24,109,117	\$ 23,033,669	\$ 1,075,448	4.7%
Capital assets	116,581,540	18,858,096	135,439,636	134,674,097	765,539	0.6%
Total assets	138,263,704	21,285,049	159,548,753	157,707,766	1,840,987	1.2%
Deferred outflows of resources	3,615,188	-	3,615,188	2,635,234	979,954	37.2%
Other liabilities	4,318,250	250,097	4,568,347	3,877,903	690,444	17.8%
Long-term liabilities	33,062,329	315,257	33,377,586	34,862,087	(1,484,501)	-4.3%
Total liabilities	37,380,579	565,354	37,945,933	38,739,990	(794,057)	-2.0%
Deferred inflows of resources	2,503,175	-	2,503,175	1,751,051	752,124	43.0%
Net position:						
Net investment in capital assets	101,266,539	18,542,839	119,809,378	116,421,725	3,387,653	2.9%
Restricted	2,070,233	-	2,070,233	1,863,498	206,735	11.1%
Unrestricted	(1,341,634)	2,176,856	835,222	1,566,736	(731,514)	-46.7%
Total net position	\$ 101,995,138	\$ 20,719,695	\$ 122,714,833	\$ 119,851,959	\$ 2,862,874	2.4%



As of June 30, 2020, approximately 97.6% 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, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

As of June 30, 2020, approximately 1.7% 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 \$1,341,634 attributable to its governmental activities and \$2,176,856 attributable to its business-type (sewer) activities.

Overall, net position increased by \$2,862,874 in comparison with the prior year.

Change in Net Position

Changes in net position for the years ended June 30, 2020 and 2019 are as follows.

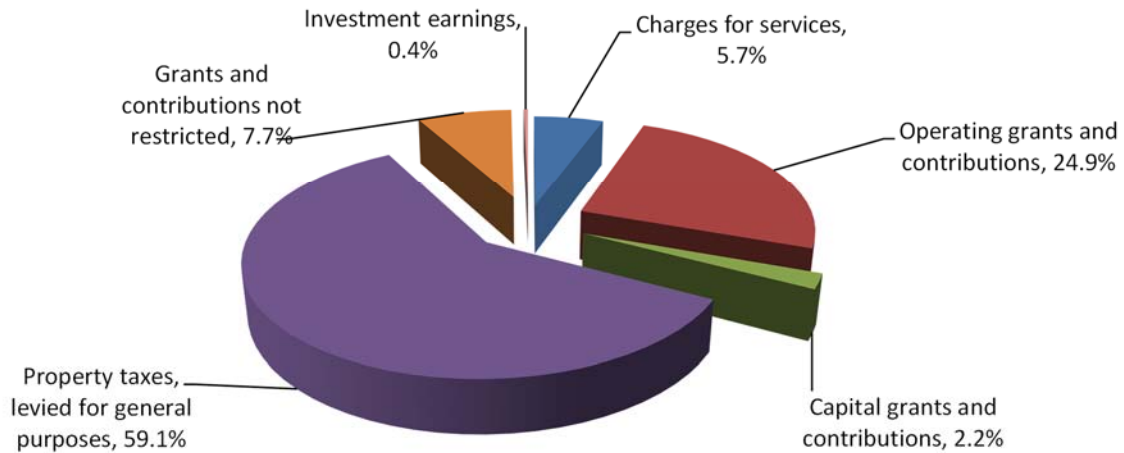
	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Revenues						
Program revenues:						
Charges for services	\$ 4,087,417	\$ 2,959,314	\$ 7,046,731	\$ 6,398,147	\$ 648,584	10.1%
Operating grants and contributions	17,912,453	18,213	17,930,666	12,999,365	4,931,301	37.9%
Capital grants and contributions	1,563,422	-	1,563,422	1,252,855	310,567	24.8%
General revenues:						
Property taxes, levied for general purposes	42,617,877	-	42,617,877	41,479,071	1,138,806	2.7%
Grants and contributions not restricted to specific programs	5,533,301	-	5,533,301	5,229,629	303,672	5.8%
Sale of property	-	-	-	-	-	100.0%
Investment earnings	252,721	19,722	272,443	351,435	(78,992)	-22.5%
Total revenues	71,967,191	2,997,249	74,964,440	67,710,502	7,253,938	10.7%
Expenses						
General government	2,985,495	-	2,985,495	3,093,870	(108,375)	-3.5%
Planning and development	462,099	-	462,099	432,907	29,192	6.7%
Public safety	7,220,026	-	7,220,026	7,736,942	(516,916)	-6.7%
Public works	6,280,527	-	6,280,527	6,088,793	191,734	3.1%
Health and social services	1,673,203	-	1,673,203	1,196,565	476,638	39.8%
Library, parks and recreation	1,541,908	-	1,541,908	1,492,658	49,250	3.3%
Education	40,505,766	-	40,505,766	40,197,582	308,184	0.8%
Education - State Teachers' Retirement	8,382,705	-	8,382,705	2,658,624	5,724,081	215.3%
Interest expense	344,069	-	344,069	500,136	(156,067)	-31.2%
Sewers	-	2,705,768	2,705,768	2,434,213	271,555	11.2%
Total expenses	69,395,798	2,705,768	72,101,566	65,832,290	6,269,276	9.5%
Changes in net position before transfers	2,571,393	291,481	2,862,874	1,878,212	984,662	52.4%
Transfers	453,535	(453,535)	-	-	-	0.0%
Change in net position	\$ 3,024,928	\$ (162,054)	\$ 2,862,874	\$ 1,878,212	\$ 984,662	52.4%

TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

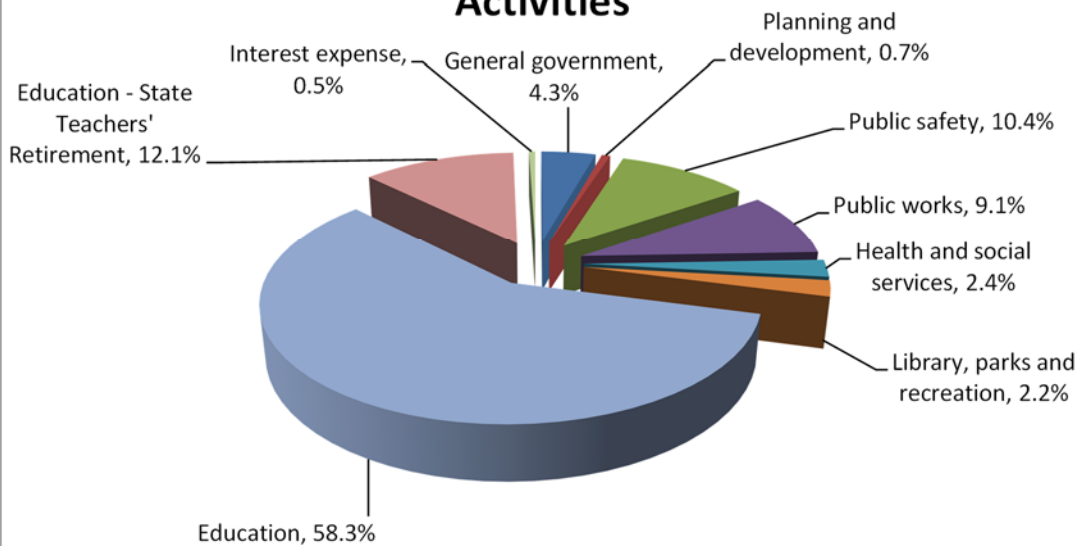
GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*

2020 Revenue by Source - Governmental Activities



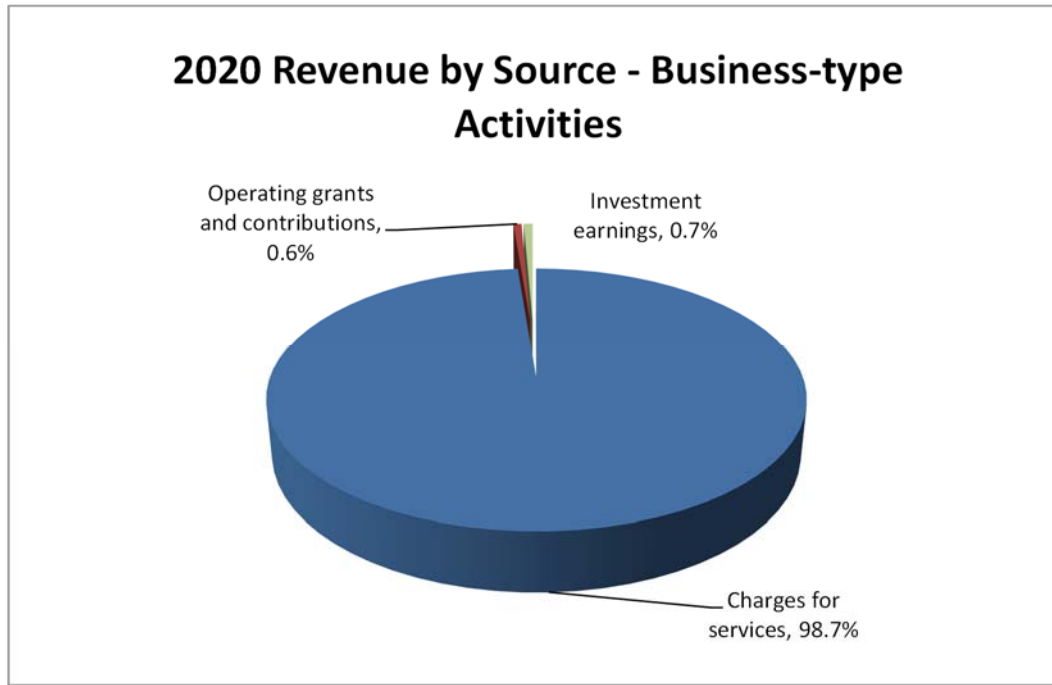
2020 Expenses by Function - Governmental Activities



TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*



Governmental activities increased the Town's net position by \$3,024,928. Business-type activities decreased the Town's net position by \$162,054.

Revenues generated by the Town increased by \$7,253,938 or 10.7% over the prior year. Significant changes from prior year consisted of the following:

- an increase in operating grants and contributions primarily due to an increase in the non-cash expense for on-behalf pension and OPEB benefits recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System;
- an increase in charges for services primarily due to current year sewer assessments levied; and
- an increase in property tax revenues driven by an increase in the Town's overall grand list.

Expenses incurred by the Town increased by \$6,269,276 or 9.5% over the prior year. Significant changes from prior year consisted of the following:

- an increase in education expenses primarily due to an increase in the non-cash expense for on-behalf pension and OPEB benefits recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System;
- an increase in health and social services expenses driven by costs incurred in connection with the administration of a Small Cities Community Development Block Grant. The costs funded by the grant consist of capital improvements and the modernization of the Suffield Housing Authority's facilities; offset by
- a decrease in public safety expenses driven by an overall decrease in pension expense associated with Town's police department.

TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 of \$15,672,055. Of this amount \$2,694,270, or 17.2%, is considered unassigned and available for spending at the Town's discretion. Unassigned fund balance includes temporary deficits of approximately \$3.08 million in capital projects subsequently financed on a long-term basis through the issuance of general obligation bonds.

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 \$6,875,650, while total fund balance was \$8,116,559. Included in assigned fund balance is \$1,000,000, which has been appropriated for use in the Town's fiscal year 2021 budget. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13.2% of the Town's fiscal year 2021 General Fund budgetary appropriations. Expressed another way, unassigned fund balance for the General Fund is sufficient to cover approximately 1.6 months of the Town's General Fund budgetary expenditure appropriations.

The total fund balance of the Town's General Fund decreased by \$129,538 during the current fiscal year.

Capital Projects Fund

The fund balance of the Capital Projects Fund decreased by \$1,222,271 during the current fiscal year. This decrease is primarily due to capital outlays for fire equipment, the streetlight acquisition and retrofit project and Town Hall renovations. These projects are being fund through proceeds from general obligation bonds that were issued subsequent to June 30, 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final budget for the General Fund included the planned use of fund balance in the amount of \$400,000. No additional appropriations were authorized during the year ended June 30, 2020. The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$225,703 in the current fiscal year, resulting in a favorable budgetary variance of \$174,297. Shortfalls in revenues and other financing sources were offset by favorable budgetary expenditure variances across all departments.

TOWN OF SUFFIELD, CONNECTICUT
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

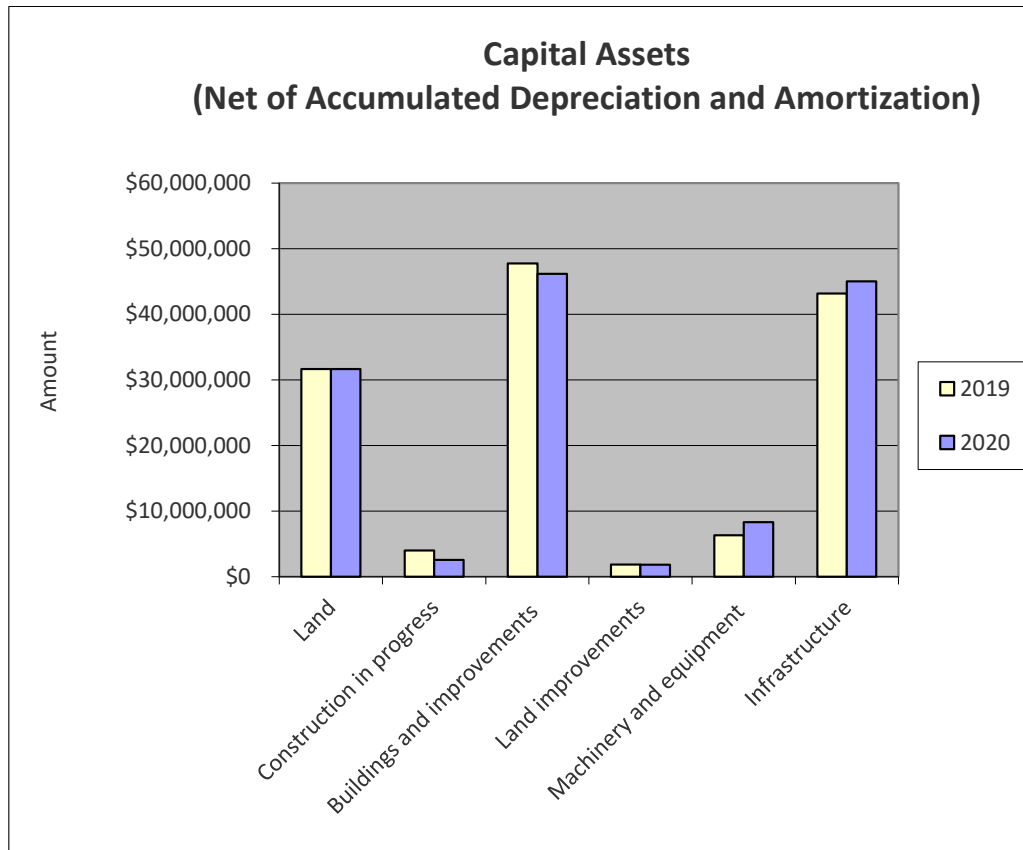
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2020 and 2019 totaled \$135,439,636 and \$134,674,097, 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 \$765,539 or 0.6%.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 15,604,234	\$ 15,604,234	\$ 16,038,335	\$ 16,038,335	\$ 31,642,569	\$ 31,642,569
Construction in progress	2,529,347	3,636,818	-	345,999	2,529,347	3,982,817
Buildings and improvements	45,416,078	46,936,949	758,005	814,354	46,174,083	47,751,303
Land improvements	1,800,489	1,847,127	-	-	1,800,489	1,847,127
Machinery and equipment	7,026,225	5,073,438	1,265,332	1,232,080	8,291,557	6,305,518
Infrastructure	44,205,167	42,252,860	796,424	891,903	45,001,591	43,144,763
Totals	<u>\$ 116,581,540</u>	<u>\$ 115,351,426</u>	<u>\$ 18,858,096</u>	<u>\$ 19,322,671</u>	<u>\$ 135,439,636</u>	<u>\$ 134,674,097</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, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

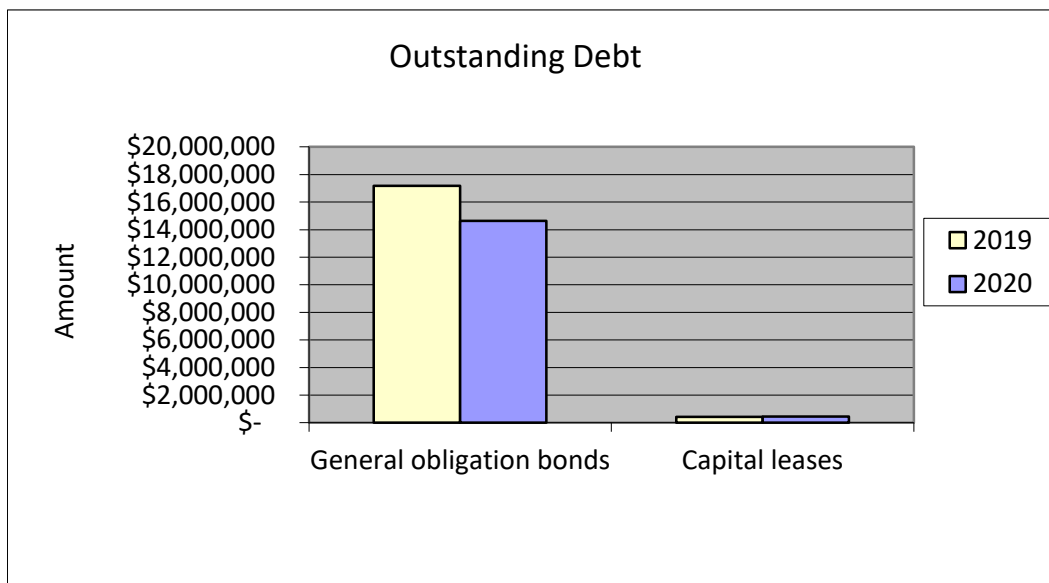
At the end of the current fiscal year, the Town had total long-term debt outstanding of \$15,080,346, consisting of general obligation bonds outstanding of \$14,630,000 and capital leases from direct borrowings in the amount of \$450,346. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$2,526,014 or 14.3% during the current fiscal year due to scheduled principal repayments, offset by new capital lease financing.

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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 14,630,000	\$ 17,175,000	\$ -	\$ -	\$ 14,630,000	\$ 17,175,000
Capital leases	135,089	65,372	315,257	365,988	450,346	431,360
Totals	<u>\$ 14,765,089</u>	<u>\$ 17,240,372</u>	<u>\$ 315,257</u>	<u>\$ 365,988</u>	<u>\$ 15,080,346</u>	<u>\$ 17,606,360</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, 2020

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 2021, 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.
- In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The Town has received and continues to apply for additional funding from federal and state agencies to assist in covering certain costs associated with the response to the pandemic. However, the extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's budget for fiscal year 2021.

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.

BASIC FINANCIAL STATEMENTS

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,949,985	\$ 1,899,875	\$ 15,849,860
Investments	2,627,068	-	2,627,068
Receivables:			
Property taxes and interest, net	1,796,215	-	1,796,215
Assessments, net	146,883	492,132	639,015
Grants and contracts	2,442,975	18,213	2,461,188
Loans	100,249	-	100,249
Other	594,355	16,167	610,522
Inventories	25,000	-	25,000
Internal balances	(566)	566	-
Capital assets:			
Non-depreciable	18,133,581	16,038,335	34,171,916
Depreciable, net	98,447,959	2,819,761	101,267,720
Total assets	<u>138,263,704</u>	<u>21,285,049</u>	<u>159,548,753</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on pension expense	2,605,349	-	2,605,349
Deferred charges on OPEB expense	1,009,839	-	1,009,839
Total deferred outflows of resources	<u>3,615,188</u>	<u>-</u>	<u>3,615,188</u>
LIABILITIES			
Accounts payable	2,088,488	207,160	2,295,648
Accrued liabilities	1,357,907	42,937	1,400,844
Unearned revenue	871,855	-	871,855
Noncurrent liabilities:			
Due within one year	2,624,826	59,023	2,683,849
Due in more than one year	30,437,503	256,234	30,693,737
Total liabilities	<u>37,380,579</u>	<u>565,354</u>	<u>37,945,933</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on OPEB expense	1,542,118	-	1,542,118
Deferred charges on pension expense	948,568	-	948,568
Advance property tax collections	12,489	-	12,489
Total deferred inflows of resources	<u>2,503,175</u>	<u>-</u>	<u>2,503,175</u>
NET POSITION			
Net investment in capital assets	101,266,539	18,542,839	119,809,378
Restricted for:			
Trust purposes	417,787	-	417,787
Grant and other programs	1,652,446	-	1,652,446
Unrestricted	(1,341,634)	2,176,856	835,222
Total net position	<u>\$ 101,995,138</u>	<u>\$ 20,719,695</u>	<u>\$ 122,714,833</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, 2020

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
Primary Government:							
Governmental activities:							
General government	\$ 2,985,495	\$ 1,076,279	\$ 275,501	\$ -	\$ (1,633,715)	\$ -	\$ (1,633,715)
Planning and development	462,099	45,322	-	-	(416,777)	-	(416,777)
Public safety	7,220,026	356,717	100,089	30,155	(6,733,065)	-	(6,733,065)
Public works	6,280,527	790,970	549,603	1,043,008	(3,896,946)	-	(3,896,946)
Health and social services	1,673,203	104,996	-	-	(1,568,207)	-	(1,568,207)
Library, recreation and parks	1,541,908	381,768	7,231	490,259	(662,650)	-	(662,650)
Education	48,888,471	1,331,365	16,980,029	-	(30,577,077)	-	(30,577,077)
Interest expense	344,069	-	-	-	(344,069)	-	(344,069)
Total governmental activities	<u>69,395,798</u>	<u>4,087,417</u>	<u>17,912,453</u>	<u>1,563,422</u>	<u>(45,832,506)</u>	<u>-</u>	<u>(45,832,506)</u>
Business-type activities:							
Sewer	<u>2,705,768</u>	<u>2,959,314</u>	<u>18,213</u>	<u>-</u>	<u>-</u>	<u>271,759</u>	<u>271,759</u>
Total	<u>\$ 72,101,566</u>	<u>\$ 7,046,731</u>	<u>\$ 17,930,666</u>	<u>\$ 1,563,422</u>	<u>(45,832,506)</u>	<u>271,759</u>	<u>(45,560,747)</u>
General revenues:							
Property taxes, levied for general purposes					42,617,877	-	42,617,877
Grants and contributions not restricted to specific programs					5,533,301	-	5,533,301
Investment earnings					252,721	19,722	272,443
Transfers, net					453,535	(453,535)	-
Total general revenues					<u>48,857,434</u>	<u>(433,813)</u>	<u>48,423,621</u>
Change in net position					3,024,928	(162,054)	2,862,874
Net position - beginning					98,970,210	20,881,749	119,851,959
Net position - ending					<u>\$ 101,995,138</u>	<u>\$ 20,719,695</u>	<u>\$ 122,714,833</u>

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

TOWN OF SUFFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,318,599	\$ 1,083,567	\$ 1,550,844	\$ 12,953,010
Investments	-	2,627,068	-	2,627,068
Receivables:				
Property taxes, net	1,184,313	-	-	1,184,313
Interest on property taxes, net	611,902	-	-	611,902
Assessments, net	-	-	146,883	146,883
Grants and contracts	808,234	1,164,324	470,417	2,442,975
Loans	-	-	100,249	100,249
Other	211,049	-	156,173	367,222
Due from other funds	8,421,788	7,155,497	2,117,941	17,695,226
Inventories	-	-	25,000	25,000
Total assets	<u>\$ 21,555,885</u>	<u>\$ 12,030,456</u>	<u>\$ 4,567,507</u>	<u>\$ 38,153,848</u>
LIABILITIES				
Accounts payable	\$ 1,063,111	\$ 639,995	\$ 381,121	\$ 2,084,227
Accrued liabilities	579,686	-	13,451	593,137
Due to other funds	9,274,004	6,776,986	315,933	16,366,923
Unearned revenue	204,006	102,241	565,608	871,855
Total liabilities	<u>11,120,807</u>	<u>7,519,222</u>	<u>1,276,113</u>	<u>19,916,142</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes and interest	1,756,030	-	-	1,756,030
Unavailable revenue - grants and other	550,000	-	247,132	797,132
Advance property tax collections	12,489	-	-	12,489
Total deferred inflows of resources	<u>2,318,519</u>	<u>-</u>	<u>247,132</u>	<u>2,565,651</u>
FUND BALANCES				
Nonspendable	-	-	417,787	417,787
Restricted	-	-	1,652,446	1,652,446
Committed	50,000	8,633,968	1,032,675	9,716,643
Assigned	1,190,909	-	-	1,190,909
Unassigned	6,875,650	(4,122,734)	(58,646)	2,694,270
Total fund balances	<u>8,116,559</u>	<u>4,511,234</u>	<u>3,044,262</u>	<u>15,672,055</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,555,885</u>	<u>\$ 12,030,456</u>	<u>\$ 4,567,507</u>	<u>\$ 38,153,848</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, 2020

Total fund balances for governmental funds	\$ 15,672,055
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.	116,581,540
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.	2,553,162
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	\$ (14,630,000)
Unamortized bond premiums	(549,912)
Accrued interest payable	(140,370)
Net OPEB liability	(5,311,382)
Net pension liability	(12,049,291)
Landfill post-closure care liability	(64,800)
Compensated absences	(321,855)
Capital lease obligations	(135,089)
Total long-term liabilities	(33,202,699)
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.	(733,422)
Deferred charges on net pension and net OPEB liabilities are not susceptible to accrual and therefore are not reported in the funds.	1,124,502
Net position of governmental activities	<u>\$ 101,995,138</u>

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

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 42,266,261	\$ -	\$ 57,835	\$ 42,324,096
Intergovernmental	18,808,926	940,803	1,979,264	21,728,993
Charges for services	2,580,123	-	1,396,833	3,976,956
Interest income	242,841	747	9,133	252,721
Other	315,750	317,492	241,914	875,156
Total revenues	<u>64,213,901</u>	<u>1,259,042</u>	<u>3,684,979</u>	<u>69,157,922</u>
EXPENDITURES				
Current:				
General government	5,739,359	-	66,900	5,806,259
Planning and development	269,725	-	-	269,725
Public safety	4,189,192	-	365,413	4,554,605
Public works	3,959,601	-	-	3,959,601
Health and social services	739,214	-	585,238	1,324,452
Library, recreation and parks	415,392	-	553,695	969,087
Education	41,888,403	-	1,641,441	43,529,844
Miscellaneous	40,290	-	-	40,290
Debt service	3,102,175	-	-	3,102,175
Capital outlays	173,000	6,702,765	-	6,875,765
Total expenditures	<u>60,516,351</u>	<u>6,702,765</u>	<u>3,212,687</u>	<u>70,431,803</u>
Excess (deficiency) of revenues over expenditures	3,697,550	(5,443,723)	472,292	(1,273,881)
OTHER FINANCING SOURCES (USES)				
Capital lease financing	173,000	-	-	173,000
Transfers in	793,893	4,955,792	477,971	6,227,656
Transfers out	(4,793,981)	(734,340)	(245,800)	(5,774,121)
Total other financing sources (uses)	<u>(3,827,088)</u>	<u>4,221,452</u>	<u>232,171</u>	<u>626,535</u>
Net change in fund balances	(129,538)	(1,222,271)	704,463	(647,346)
Fund balances - beginning	<u>8,246,097</u>	<u>5,733,505</u>	<u>2,339,799</u>	<u>16,319,401</u>
Fund balances - ending	<u>\$ 8,116,559</u>	<u>\$ 4,511,234</u>	<u>\$ 3,044,262</u>	<u>\$ 15,672,055</u>

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

TOWN OF SUFFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds \$ (647,346)

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	\$ 5,669,633	
Depreciation and amortization expense	(4,371,786)	
Loss on disposal/write-off of capital assets	<u>(67,733)</u>	
Net adjustment		1,230,114

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

Debt incurred:		
Capital lease financing	(173,000)	
Principal repayments:		
Bonds payable	2,545,000	
Capital lease financing	<u>103,283</u>	
Net adjustment		2,475,283

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	13,723	
Amortization of bond premiums	96,100	
Compensated absences	(26,392)	
Landfill post-closure care costs	16,200	
Net pension liability	(1,193,337)	
Net OPEB liability	<u>65,916</u>	
		(1,027,790)

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.

277,915
(Continued)

TOWN OF SUFFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2020

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.	\$ 484,965
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>231,787</u>
Change in net position of governmental activities	<u>\$ 3,024,928</u> <i>(Concluded)</i>

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

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	WPCA	Internal Service
	Enterprise Fund	Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,899,875	\$ 996,975
Receivables:		
User charges	492,132	-
Grants and contracts	18,213	-
Other	16,167	227,133
Due from other funds	566	-
Total current assets	<u>2,426,953</u>	<u>1,224,108</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	16,038,335	-
Depreciable, net	<u>2,819,761</u>	<u>-</u>
Total noncurrent assets	<u>18,858,096</u>	<u>-</u>
Total assets	<u>21,285,049</u>	<u>1,224,108</u>
LIABILITIES		
Current liabilities:		
Accounts payable	207,160	4,261
Accrued liabilities	42,937	624,400
Due to other funds	-	1,328,869
Total liabilities	<u>250,097</u>	<u>1,957,530</u>
Noncurrent liabilities:		
Due within one year	59,023	-
Due in more than one year	<u>256,234</u>	<u>-</u>
Total noncurrent liabilities	<u>315,257</u>	<u>-</u>
Total liabilities	<u>565,354</u>	<u>1,957,530</u>
NET POSITION		
Net investment in capital assets	18,542,839	-
Unrestricted	<u>2,176,856</u>	<u>(733,422)</u>
Total net position	<u>\$ 20,719,695</u>	<u>\$ (733,422)</u>

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

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	WPCA Enterprise Fund	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 2,933,403	\$ 6,988,756
Contributions	-	775,460
Grants and contracts	18,213	-
Other income	25,911	-
Total operating revenues	<u>2,977,527</u>	<u>7,764,216</u>
OPERATING EXPENSES		
Payroll and benefits	1,316,701	-
Sludge disposal	140,819	-
Plant maintenance, supplies and materials	370,533	-
Utilities	225,660	-
Depreciation and amortization	347,780	-
Insurance and program services	31,391	6,416,012
Administration	64,320	680,410
Other	1,738	190,942
Total operating expenses	<u>2,498,942</u>	<u>7,287,364</u>
Operating income	478,585	476,852
NONOPERATING REVENUE (EXPENSE)		
Interest income	19,722	8,113
Interest expense	(12,320)	-
Loss on write-off of asset	(194,506)	-
Total non-operating revenue (expense)	<u>(187,104)</u>	<u>8,113</u>
Change in net position before transfers	291,481	484,965
TRANSFERS		
Transfers in	63,051	-
Transfers out	(516,586)	-
Total transfers	<u>(453,535)</u>	<u>-</u>
Change in net position	(162,054)	484,965
Net position - beginning	<u>20,881,749</u>	<u>(1,218,387)</u>
Net position - ending	<u>\$ 20,719,695</u>	<u>\$ (733,422)</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, 2020

	Business-Type Activities	Governmental Activities
	WPCA Enterprise Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from the following:		
Customers and users	\$ 2,903,412	\$ 6,986,091
Contributions	-	775,460
Cash paid for the following:		
Payroll and benefits	(1,273,764)	-
Insurance	(31,391)	(7,122,797)
Goods and services	(754,835)	(206,552)
Net cash provided by operating activities	<u>843,422</u>	<u>432,202</u>
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES		
Interfund borrowings	<u>-</u>	<u>(16,732)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Interfund activities	(453,535)	-
Acquisition of capital assets	(77,711)	-
Payment on capital lease	(50,731)	-
Interest paid on capital debt	(12,320)	-
Net cash used in capital financing activities	<u>(594,297)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	<u>19,722</u>	<u>8,113</u>
Net increase in cash and cash equivalents	268,847	423,583
Cash and cash equivalents, beginning of year	<u>1,631,028</u>	<u>573,392</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,899,875</u></u>	<u><u>\$ 996,975</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 478,585	\$ 476,852
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	347,780	-
Change in assets and liabilities:		
Receivables	(74,115)	(5,167)
Accounts payable	83,329	(84,473)
Accrued liabilities	6,559	44,990
Other	1,284	-
Net cash provided by operating activities	<u><u>\$ 843,422</u></u>	<u><u>\$ 432,202</u></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, 2020

	Pension and OPEB Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 359,139	\$ 416,099
Investments:		
Certificates of deposit	-	1,458
Corporate bonds	7,506,074	-
Municipal bonds	229,513	-
U.S. Treasury securities	3,584,350	-
Asset backed securities	784,916	-
Mutual funds	32,390,350	-
Common stock	1,141,589	-
Other	850,057	-
Receivables	243,115	-
Total assets	<u>47,089,103</u>	<u>\$ 417,557</u>
LIABILITIES		
Accounts payable	98,915	\$ -
Due to student groups	-	333,877
Due to others	-	83,680
Total liabilities	<u>98,915</u>	<u>\$ 417,557</u>
NET POSITION		
Restricted for:		
Pension benefits	33,904,382	
OPEB benefits	13,085,806	
Total net position	<u>\$ 46,990,188</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, 2020

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,295,382
Employee	411,823
Total contributions	<u>2,707,205</u>
Investment earnings:	
Net increase in fair value of investments, net of investment fees	<u>1,502,625</u>
Total additions	<u>4,209,830</u>
DEDUCTIONS	
Benefit payments	3,312,122
Administrative expenses	<u>25,702</u>
Total deductions	<u>3,337,824</u>
 Change in net position	 872,006
 Net position - beginning	 <u>46,118,182</u>
 Net position - ending	 <u><u>\$ 46,990,188</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, 2020

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, 2020

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 Enterprise 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 and other post-employment benefits plans.

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, 2020

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

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As such, no new accounting standards were implemented by the Town for the year ended June 30, 2020.

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. For purposes of the statement of cash flows, the Town's proprietary funds consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

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 (insurance contracts) 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 \$49,000 and \$26,000, respectively, as of June 30, 2020.

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 \$340 in fiscal 2020. 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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

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, 2020, loans receivable totaled \$100,249 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 acquisition value at the date of donation.

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

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

<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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

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 result from changes in the components of the Town's net pension and OPEB liabilities and are 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.

Compensated Absences

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

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

Net Position and Fund Balance

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

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

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

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

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

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

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

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

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

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

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2020 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 15,849,860
Statement of fiduciary net position	775,238
Plus: certificate of deposit considered cash deposits for disclosure purposes	1,458
Less: cash equivalents considered investments for disclosure purposes	(8,615,898)
	<u>\$ 8,010,658</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, 2020, \$7,793,367 of the Town's bank balance of \$8,470,539 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,014,030
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	779,337
	<u>\$ 7,793,367</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, 2020 is as follows:

Investments:	
Government-wide statement of net position	\$ 2,627,068
Statement of fiduciary net position	46,488,307
Plus: cash equivalents considered investments for disclosure purposes	8,615,898
Less: certificate of deposit considered cash deposits for disclosure purposes	(1,458)
	<u>\$ 57,729,815</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2020, 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	\$ 8,077,272	\$ 8,077,272	\$ -	\$ -	\$ -
Money market mutual funds	Net asset value	179,487	179,487	-	-	-
U.S. Treasury securities	Fair Value	984,972	202,131	410,974	333,361	38,506
Asset backed securities	Fair Value	355,170	-	256,978	-	98,192
Fiduciary:						
Money market mutual funds	Net asset value	359,139	359,139	-	-	-
Corporate bonds	Fair Value	7,506,074	535,824	3,463,714	3,312,007	194,529
Municipal bonds	Fair Value	229,513	-	-	109,154	120,359
U.S. Treasury securities	Fair Value	3,584,350	668,909	1,298,099	1,617,342	-
Asset backed securities	Fair Value	784,916	-	284,844	12,782	487,290
		22,060,893	\$ 10,022,762	\$ 5,714,609	\$ 5,384,646	\$ 938,876
Other investments:						
Governmental activities:						
Mutual funds	Fair value	1,286,926				
Fiduciary:						
Mutual funds	Fair value	32,390,350				
Common stock	Fair value	1,141,589				
Insurance contracts	Contract value	850,057				
		\$ 57,729,815				

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, 2020

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, 2020:

Investment Type	AAA	AA	A	BBB	Unrated	Total
Debt Securities:						
Short-Term Investment Fund	\$ 8,077,272	\$ -	\$ -	\$ -	\$ -	\$ 8,077,272
Money market mutual funds	-	-	-	-	538,626	538,626
Corporate bonds	135,338	1,393,489	2,685,530	3,291,717	-	7,506,074
Municipal bonds	172,424	-	57,089	-	-	229,513
Asset backed securities	237,523	-	-	-	902,563	1,140,086
	<u>\$ 9,084,502</u>	<u>\$ 1,393,489</u>	<u>\$ 2,742,619</u>	<u>\$ 3,291,717</u>	<u>\$ 2,431,266</u>	<u>\$ 17,491,571</u>
				U.S. Treasury securities		4,569,322
				Total debt securities		<u>\$ 22,060,893</u>

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, 2020, 74.2% of the Town's governmental activities investments were invested in the State of Connecticut Short-Term investment Fund. As of June 30, 2020, 11.2% of the Town's fiduciary activities investments were invested in a Vanguard 500 Index Fund Admiral Shares.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ 33,677,276	\$ -	\$ -	\$ 33,677,276
Corporate Bonds	-	7,506,074	-	7,506,074
U.S. Treasury securities	4,569,322	-	-	4,569,322
Common stock	1,141,589	-	-	1,141,589
Asset backed securities	-	1,140,086	-	1,140,086
Municipal Bonds	-	229,513	-	229,513
	<u>\$ 39,388,187</u>	<u>\$ 8,875,673</u>	<u>\$ -</u>	48,263,860
		Investments measured at net asset value		8,615,898
		Investments measured at contract value		850,057
				<u>\$ 57,729,815</u>

Investments 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, 2020

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2020 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 15,604,234	\$ -	\$ -	\$ -	\$ 15,604,234
Construction in progress	3,636,818	4,906,956	-	(6,014,427)	2,529,347
Total capital assets, not being depreciated	<u>19,241,052</u>	<u>4,906,956</u>	<u>-</u>	<u>(6,014,427)</u>	<u>18,133,581</u>
Capital assets, being depreciated:					
Buildings and improvements	78,451,419	19,650	-	732,991	79,204,060
Land improvements	2,867,350	-	-	60,756	2,928,106
Machinery and equipment	12,834,253	743,027	(575,720)	1,983,183	14,984,743
Infrastructure	52,421,873	-	-	3,231,767	55,653,640
Total capital assets, being depreciated	<u>146,574,895</u>	<u>762,677</u>	<u>(575,720)</u>	<u>6,008,697</u>	<u>152,770,549</u>
Less accumulated depreciation for:					
Buildings and improvements	(31,514,470)	(2,273,512)	-	-	(33,787,982)
Land improvements	(1,020,223)	(107,394)	-	-	(1,127,617)
Machinery and equipment	(7,760,815)	(711,420)	513,717	-	(7,958,518)
Infrastructure	(10,169,013)	(1,279,460)	-	-	(11,448,473)
Total accumulated depreciation	<u>(50,464,521)</u>	<u>(4,371,786)</u>	<u>513,717</u>	<u>-</u>	<u>(54,322,590)</u>
Total capital assets, being depreciated, net	<u>96,110,374</u>	<u>(3,609,109)</u>	<u>(62,003)</u>	<u>6,008,697</u>	<u>98,447,959</u>
Governmental activities capital assets, net	<u>\$ 115,351,426</u>	<u>\$ 1,297,847</u>	<u>\$ (62,003)</u>	<u>\$ (5,730)</u>	<u>\$ 116,581,540</u>

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

Governmental Activities:	
Education	\$ 1,947,400
Public works	1,419,054
Public safety	396,797
Health and social services	90,077
General government	114,756
Library, parks and recreation	395,385
Planning and development	8,317
Total depreciation expense	<u>\$ 4,371,786</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS *(Continued)*

Capital asset activity for business-type activities for the year ended June 30, 2020 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 16,038,335	\$ -	\$ -	\$ -	\$ 16,038,335
Construction in progress	345,999	-	(194,506)	(151,493)	-
Total capital assets, not being depreciated	<u>16,384,334</u>	<u>-</u>	<u>(194,506)</u>	<u>(151,493)</u>	<u>16,038,335</u>
Capital assets, being depreciated:					
Buildings	10,456,929	-	-	-	10,456,929
Machinery and equipment	17,625,283	23,023	-	151,493	17,799,799
Vehicles	743,049	54,688	(50,267)	-	747,470
Infrastructure	1,248,811	-	-	-	1,248,811
Total capital assets, being depreciated	<u>30,074,072</u>	<u>77,711</u>	<u>(50,267)</u>	<u>151,493</u>	<u>30,253,009</u>
Less accumulated depreciation for:					
Buildings	(9,642,575)	(56,349)	-	-	(9,698,924)
Machinery and equipment	(16,913,249)	(113,134)	-	-	(17,026,383)
Vehicles	(223,003)	(82,818)	50,267	-	(255,554)
Infrastructure	(356,908)	(95,479)	-	-	(452,387)
Total accumulated depreciation	<u>(27,135,735)</u>	<u>(347,780)</u>	<u>50,267</u>	<u>-</u>	<u>(27,433,248)</u>
Total capital assets, being depreciated, net	<u>2,938,337</u>	<u>(270,069)</u>	<u>-</u>	<u>151,493</u>	<u>2,819,761</u>
Governmental activities capital assets, net	<u>\$ 19,322,671</u>	<u>\$ (270,069)</u>	<u>\$ (194,506)</u>	<u>\$ -</u>	<u>\$ 18,858,096</u>

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

Business-Type Activities:

Sewer

\$ 347,780

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 6,776,986
	Nonmajor Governmental Funds	315,933
	Internal Service Funds	1,328,869
		<u>8,421,788</u>
Capital Projects Fund	General Fund	<u>7,155,497</u>
Nonmajor Governmental Funds	General Fund	2,117,941
		<u>\$ 17,695,226</u>
Proprietary Funds		
WPCA Enterprise Fund	General Fund	<u>\$ 566</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, 2020 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 668,893
	Nonmajor Governmental Funds	125,000
		<u>793,893</u>
Capital Projects Fund	General Fund	4,318,406
	WPCA Enterprise Fund	516,586
	Nonmajor Governmental Funds	120,800
		<u>4,955,792</u>
Nonmajor Governmental Funds	General Fund	475,575
	Capital Projects Fund	2,396
		<u>477,971</u>
		<u>\$ 6,227,656</u>
Proprietary Funds		
WPCA Enterprise Fund	Capital Projects Fund	<u>\$ 63,051</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, 2020

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. Changes in long-term debt for the year ended June 30, 2020 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Direct Placements:					
General obligation bonds	\$ 17,175,000	\$ -	\$ (2,545,000)	\$ 14,630,000	\$ 2,545,000
Unamortized premium	646,012	-	(96,100)	549,912	-
Total bonds payable	17,821,012	-	(2,641,100)	15,179,912	2,545,000
Capital leases from direct borrowings	65,372	173,000	(103,283)	135,089	31,440
	<u>\$ 17,886,384</u>	<u>\$ 173,000</u>	<u>\$ (2,744,383)</u>	<u>\$ 15,315,001</u>	<u>\$ 2,576,440</u>
Business-Type Activities					
Capital leases from direct borrowings	<u>\$ 365,988</u>	<u>\$ -</u>	<u>\$ (50,731)</u>	<u>\$ 315,257</u>	<u>\$ 59,023</u>

Long-term debt is typically liquidated by the General Fund for governmental activities and the WPCA Enterprise Fund for business-type activities.

Direct Placements - General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2020 is as follows:

Purpose of Bonds	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities				
2005 General Obligation Refunding Bonds	\$ 14,305,000	3.00 - 5.00%	6/15/2021	\$ 1,400,000
2012 General Obligation Bonds	9,000,000	2.00 - 3.00%	12/15/2027	5,130,000
2016 General Obligation Bonds	9,100,000	3.00 - 3.25%	1/15/2036	8,100,000
				<u>\$ 14,630,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2020:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Totals
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	1,140,000	230,150	1,370,150
2026-2030	4,450,000	758,150	5,208,150
2031-2035	2,550,000	318,750	2,868,750
2036	510,000	16,575	526,575
	<u>\$ 14,630,000</u>	<u>\$ 2,672,050</u>	<u>\$ 17,302,050</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

Direct Placements - 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 \$296,422,161 as of June 30, 2020. 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, 2020.

Authorized, Unissued Debt

As of June 30, 2020, the Town had authorized but unissued debt of \$4,385,000 for Town Hall improvements, \$2,800,000 for the acquisition of a fire apparatus and equipment, \$1,900,000 for road and drainage Improvements, \$4,654,640 for replacement of the Remington Street Bridge, and \$700,000 for street lights. In October 2020, the Town issued \$10,535,000 in general obligation bonds against these authorizations (*see Note 15*).

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, 2020:

	Governmental Activities	Business-Type Activities
Equipment	\$ 505,544	\$ 436,768
Less: accumulated amortization	263,595	47,982
	<u>\$ 241,949</u>	<u>\$ 388,786</u>

Governmental activities amortization expense relative to leased equipment under the capital lease totaled \$75,525 for the year ended June 30, 2020. Business-type activities amortization expense relative to leased equipment under the capital lease totaled \$34,483 for the year ended June 30, 2020. 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, 2020 are as follows:

	Governmental Activities	Business-Type Activities
Year Ending June 30:		
2021	\$ 37,911	\$ 69,472
2022	37,911	69,472
2023	37,911	69,472
2024	37,912	69,472
2025	-	69,471
Total minimum lease payments	151,645	347,359
Less: amount representing interest	16,556	32,102
Present value of minimum lease payments	<u>\$ 135,089</u>	<u>\$ 315,257</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - OTHER LONG-TERM LIABILITIES

Change in other long-term liabilities for the year ended June 30, 2020 are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 295,463	\$ 26,392	\$ -	\$ 321,855	\$ 32,186
Landfill post-closure care liability	81,000	-	(16,200)	64,800	16,200
Net pension liability <i>(see Note 10)</i>	10,855,954	1,193,337	-	12,049,291	-
Net OPEB liability <i>(see Note 11)</i>	5,377,298	-	(65,916)	5,311,382	-
	<u>\$ 16,609,715</u>	<u>\$ 1,219,729</u>	<u>\$ (82,116)</u>	<u>\$ 17,747,328</u>	<u>\$ 48,386</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 4 years total \$64,800 at June 30, 2020. 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, 2020 are as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventories	\$ -	\$ -	\$ 25,000	\$ 25,000
Endowments	-	-	392,787	392,787
Restricted for:				
Grants and donations	-	-	274,194	274,194
Public safety	-	-	10,051	10,051
Health and social services	-	-	80,381	80,381
Library, recreation and parks	-	-	33,905	33,905
Education	-	-	1,200,922	1,200,922
Town clerk	-	-	52,993	52,993
Committed to:				
General government	-	-	60,455	60,455
Public safety	-	-	186,924	186,924
Public works	-	-	108,569	108,569
Library, recreation and parks	-	-	52,621	52,621
Education	50,000	-	170,865	220,865
Capital purposes	-	8,633,968	-	8,633,968
Debt service	-	-	453,241	453,241
Assigned to:				
Encumbrances - Administration	57,758	-	-	57,758
Encumbrances - Public works	3,248	-	-	3,248
Encumbrances - Education	129,903	-	-	129,903
Subsequent year's budget	1,000,000	-	-	1,000,000
Unassigned	6,875,650	(4,122,734)	(58,646)	2,694,270
	<u>\$ 8,116,559</u>	<u>\$ 4,511,234</u>	<u>\$ 3,044,262</u>	<u>\$ 15,672,055</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9 - FUND BALANCE *(Continued)*

Deficit Fund Balances

The following funds have deficit fund balances as of June 30, 2020, which do not constitute a violation of statutory provisions. The deficits are expected to be eliminated by the future funding sources disclosed below.

Fund	Deficit Fund Balance	Future Funding Source
Insurance Fund	\$ (708,072)	Charges for services and OPEB trust contributions
Gas/Diesel Fund	(25,350)	Charges for services
Municipal Grant Fund	(58,626)	General Fund budgetary contributions
Drug Education & Enforcement Grant Fund	(20)	General Fund budgetary contributions
Fire Equipment Acquisition Fund	(2,687,561)	General obligation bonds
Street Light Project Fund	(389,783)	General obligation bonds
Bridge Projects Fund	(211,175)	General obligation bonds
Bridge Stree School Renovation & Improvements Fund	(37,572)	Other financing sources
Agriscience Project Fund	(796,643)	Grant reimbursement and/or General Fund budgetary contributions

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. Effective January 1, 1989 all regular employees who worked at least 20 hours per week and agreed to make participant contributions were eligible to participate. All groups are now closed to participation for new employees.

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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Employee's Retirement System *(Continued)*

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

Concentrations - As of June 30, 2020, more than 10% of the Town Employee Retirement Plan's investments were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Town Plan Investments</u>
Vanguard	500 Index Admin	\$ 3,371,920	10.0%

Rate of return - For the year ended June 30, 2020, the annual money-weighted rate of return on the pension plan, net of pension plan investment expense, was 2.28%. 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	144
Inactive plan members entitled to but not yet receiving benefits	56
Active plan members	<u>124</u>
	<u>324</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, 2020

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, 2020, were as follows:

Total pension liability	\$ 45,953,673
Plan fiduciary net position	33,904,382
Town's net pension liability - Town Plan	<u>\$ 12,049,291</u>
Plan fiduciary net position as a percentage of the total pension liability	73.78%

The components of the changes in the net pension liability of the Town at June 30, 2020 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2019	\$ 44,515,602	\$ 33,659,648	\$ 10,855,954
Changes for the year:			
Service cost	1,104,272	-	1,104,272
Interest	2,995,127	-	2,995,127
Differences between expected and actual experience	(1,235,492)	-	(1,235,492)
Changes of assumptions	1,110,826	-	1,110,826
Contributions - employer	-	1,618,044	(1,618,044)
Contributions - employee	-	411,823	(411,823)
Net investment income	-	777,231	(777,231)
Benefit payments, including refunds	(2,536,662)	(2,536,662)	-
Administrative expense	-	(25,702)	25,702
Net changes	<u>1,438,071</u>	<u>244,734</u>	<u>1,193,337</u>
Balance as of June 30, 2020	<u>\$ 45,953,673</u>	<u>\$ 33,904,382</u>	<u>\$ 12,049,291</u>

Actuarial assumptions - The total pension liability measured as of June 30, 2020 was determined by actuarial valuations as of July 1, 2019 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	6.625%
Discount rate	6.625%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2019.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020 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	20.00%	4.50%
Mid/Small Cap Equity	11.00%	5.00%
Developed International Equity	17.50%	5.25%
Emerging Market Equity	8.50%	6.25%
Real Estate/MLPs	8.00%	4.50%
Intermediate Fixed Income	25.00%	2.00%
High Yield Fixed Income	4.50%	3.25%
Emerging Market Bonds	2.00%	3.50%
Cash Equivalents	3.50%	0.25%
	<u>100.00%</u>	

Discount rate - The discount rate used to measure the total pension liability for the pension plan was 6.625%. 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</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 17,177,708	\$ 12,049,291	\$ 7,690,687

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the Town recognized pension expense of \$2,538,626 for the Plan. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Net difference between projected and actual earnings on pension plan investments	\$ 1,135,151	\$ -	\$ 1,135,151
Changes of assumptions	1,243,625	-	1,243,625
Differences between expected and actual experience	226,573	(948,568)	(721,995)
Total	<u>\$ 2,605,349</u>	<u>\$ (948,568)</u>	<u>\$ 1,656,781</u>

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

	Pension Expense
Year ended June 30,	
2021	\$ 655,258
2022	364,326
2023	341,772
2024	295,425
	<u>\$ 1,656,781</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, 2020:

Statement of Fiduciary Net Position	
ASSETS	
Cash and cash equivalents	\$ 56,388
Investments	33,605,673
Receivables	243,115
Total assets	<u>33,905,176</u>
PAYABLES	<u>794</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 33,904,382</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Employee's Retirement System *(Continued)*

Plan Financial Statements *(Continued)*

Statement of Changes in Fiduciary Net Position	
ADDITIONS	
Contributions:	
Employer	\$ 1,618,044
Employees	411,823
Total contributions	<u>2,029,867</u>
Investment earnings:	
Net change in the fair value of	
investments, net of fees	777,231
Total investment earnings	<u>777,231</u>
Total additions	<u>2,807,098</u>
DEDUCTIONS	
Benefit payments	2,536,662
Administrative expenses	25,702
Total deductions	<u>2,562,364</u>
Change in net position	244,734
Net position restricted for pension benefits:	
Beginning of year	33,659,648
End of year	<u>\$ 33,904,382</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the "State") to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived 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 preceding 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% 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 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. 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 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% 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

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

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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 components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net pension liability at June 30, 2019 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.441% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2019, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 17,072,720,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.441%	<u>\$ 75,245,000</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$5,695,683 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 in the General Fund for the year ended June 30, 2020.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$9,241,429 or 0.441% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2020.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and a measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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 5.0% 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 6.0% 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 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, 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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Expected Return
Public Equity - US Equity	20.0%	8.1%
Public Equity - International Developed Equity	11.0%	8.5%
Public Equity - Emerging Markets Equity	9.0%	10.4%
Fixed Income - Core Fixed Income	16.0%	4.6%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%
Fixed Income - High Yield	6.0%	6.5%
Fixed Income - Emerging Market Debt	5.0%	5.2%
Private Equity	10.0%	9.8%
Real Estate	10.0%	7.0%
Alternative Investments - Real Assets	4.0%	8.2%
Alternative Investments - Hedge Funds	3.0%	5.4%
Liquidity Fund	1.0%	2.9%
	<u>100%</u>	

The geometric rates of expected return shown in the table above are nominal returns net of investment expenses.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 \$179,026 for the year ended June 30, 2020.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 \$90,929 for the year ended June 30, 2020.

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, 2020

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	<u>420</u>
	<u><u>487</u></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 \$677,338 for the year ended June 30, 2020. Total Town contributions under the Plan totaled \$765,121 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, 2020 totaled \$5,311,382. The net OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018.

Total OPEB liability	\$ 18,495,309
Plan fiduciary net position	<u>13,183,927</u>
Net OPEB liability	<u><u>\$ 5,311,382</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	71.28%
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Actuarial Assumptions - The total OPEB liability as of June 30, 2020 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, 2020

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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, 2020

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

Town Plan *(Continued)*

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2019	\$ 17,835,832	\$ 12,458,534	\$ 5,377,298
Changes for the year:			
Service cost	414,847	-	414,847
Interest	1,205,454	-	1,205,454
Differences between expected and actual experience	(163,590)	-	(163,590)
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	765,121	(765,121)
Contributions - TRB subsidy	-	32,113	(32,113)
Net investment income	-	725,393	(725,393)
Benefit payments, including refunds	(797,234)	(797,234)	-
Net changes	659,477	725,393	(65,916)
Balance as of June 30, 2020	<u>\$ 18,495,309</u>	<u>\$ 13,183,927</u>	<u>\$ 5,311,382</u>

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the Town's net OPEB liability 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	Current Discount Rate	1% Increase
Net OPEB liability	\$ 7,745,563	\$ 5,311,382	\$ 3,306,119

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the Town's net OPEB liability 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:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 2,841,877	\$ 5,311,382	\$ 8,373,415

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the Town recognized OPEB expense of \$740,173. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Net difference between projected and actual earnings on OPEB plan investments	\$ 173,997	\$ -	\$ 173,997
Changes of assumptions	578,629	-	578,629
Differences between expected and actual experience	257,213	(1,542,118)	(1,284,905)
Total	<u>\$ 1,009,839</u>	<u>\$ (1,542,118)</u>	<u>\$ (532,279)</u>

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

	OPEB Expense
Year ended June 30,	
2021	\$ (7,064)
2022	(7,065)
2023	(15,194)
2024	(36,960)
2025	(60,070)
Thereafter	(405,926)
	<u>\$ (532,279)</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020:

Statement of Fiduciary Net Position	
ASSETS	
Cash and cash equivalents	\$ 302,751
Investments	<u>12,881,176</u>
Total assets	<u>13,183,927</u>
PAYABLES	<u>98,121</u>
NET POSITION	
Restricted for OPEB benefits	<u>\$ 13,085,806</u>
Statement of Changes in Fiduciary Net Position	
ADDITIONS	
Contributions:	
Employer	\$ 677,338
Total contributions	<u>677,338</u>
Investment earnings:	
Net change in the fair value of investments, net of fees	<u>725,394</u>
Total investment earnings	<u>725,394</u>
Total additions	<u>1,402,732</u>
DEDUCTIONS	
Benefit payments	775,460
Administrative expenses	<u>-</u>
Total deductions	<u>775,460</u>
Change in net position	627,272
Net position restricted for OPEB benefits:	
Beginning of year	<u>12,458,534</u>
End of year	<u>\$ 13,085,806</u>

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

Connecticut Teachers' Retirement System *(Continued)*

Contributions *(Continued)*

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

Employees/Retirees - 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.

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 components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net OPEB liability at June 30, 2019 has been calculated using the audited amounts. 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. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.441% as of the most recent measurement date.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2019, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 2,662,587,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.441%	<u>\$ 11,735,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$155,668 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 in the General Fund for the year ended June 30, 2020.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled a negative \$(858,724) or 0.441% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2020.

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	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Pre-Medicare	5.95% for 2018 decreasing to an ultimate rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate rate of 4.75% by 2028

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.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

Connecticut Teachers' Retirement System *(Continued)*

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:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. 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 of 3.87% was used in the determination of the single equivalent rate.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 12 - RISK MANAGEMENT AND UNCERTAINTIES

Insurance

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 fully paid plan. 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 a third party for administering the fund.

Claims expense as reported in the Insurance Fund (Internal Service Fund) amounted to \$6,416,012. This amount includes an estimate of claims incurred but not reported at June 30, 2020 of \$624,400. A schedule of changes in the claims liability for the years ended June 30, 2020 and 2019 are presented below:

Year Ended	Claims Payable,	Claims and		Claims Payable,
June 30	Beginning of	Changes in	Claims	End of
	Year	Estimates	Paid	Year
2020	\$ 657,890	\$ 6,416,012	\$ 6,449,502	\$ 624,400
2019	688,960	6,896,315	6,927,385	657,890

Uncertainties - Pandemic

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has effected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

On March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provides in excess of \$2 trillion of relief to industries and entities throughout the country, including state and local governments. On March 28, 2020, the President of the United States approved the Governor of Connecticut's request for a disaster declaration for the State. On April 24, 2020, the United States Congress enacted legislation that provided an additional \$484 billion to replenish a small business loan program, support hospitals and expand COVID-19 testing.

The Town has received and continues to apply for additional funding from federal and state agencies to assist in covering certain costs associated with the response to the pandemic. However, the extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the Town has recorded \$190,909 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. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting this 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 requirements of this statement are effective for the Town's reporting period beginning July 1, 2021, which reflects the eighteen month postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting this 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, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 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, 2020

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 Town's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. 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. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement 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.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. 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, 2020

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

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

NOTE 15 - SUBSEQUENT EVENTS

In October 2020, the issued \$10,535,000 in general obligation bonds. The bonds bear coupon rates ranging from 2.0% to 5.0% and mature in October 2040. Proceeds from the issuance provides permanent financing for authorized capital projects consisting of Town Hall improvements, the acquisition of a fire apparatus and equipment, road and drainage improvements, replacement of the Remington Street Bridge, and for street lights.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2020

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
	Budget	Budget		Over (Under)
REVENUES				
Property taxes	\$ 42,437,682	\$ 42,437,682	\$ 42,266,261	\$ (171,421)
Intergovernmental	12,430,790	12,430,790	12,256,965	(173,825)
Charges for services	2,619,011	2,619,011	2,580,123	(38,888)
Investment income	250,000	250,000	242,841	(7,159)
Other	339,000	339,000	315,753	(23,247)
Total revenues	<u>58,076,483</u>	<u>58,076,483</u>	<u>57,661,943</u>	<u>(414,540)</u>
EXPENDITURES				
Current:				
General government	5,917,294	5,903,367	5,806,180	(97,187)
Planning and development	310,149	274,403	269,726	(4,677)
Public safety	4,210,529	4,224,653	4,189,192	(35,461)
Public works	3,913,604	3,978,043	3,962,849	(15,194)
Health and social services	749,848	767,677	739,214	(28,463)
Library, recreation and parks	462,192	462,187	415,392	(46,795)
Miscellaneous	40,290	40,290	40,290	-
Education	35,547,870	35,547,870	35,439,044	(108,826)
Contingency	500,000	18,286	-	(18,286)
Debt service	3,277,175	3,277,175	3,102,175	(175,000)
Total expenditures	<u>54,928,951</u>	<u>54,493,951</u>	<u>53,964,062</u>	<u>(529,889)</u>
Excess of revenues over expenditures	3,147,532	3,582,532	3,697,881	115,349
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	400,000	400,000	-	(400,000)
Unliquidated encumbrances	-	-	67,443	67,443
Transfers in	827,626	827,626	793,893	(33,733)
Transfers out	(4,375,158)	(4,810,158)	(4,784,920)	25,238
Total other financing sources (uses)	<u>(3,147,532)</u>	<u>(3,582,532)</u>	<u>(3,923,584)</u>	<u>(341,052)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (225,703)</u>	<u>\$ (225,703)</u>

See accompanying notes to required supplementary information.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ 1,104,272	\$ 1,099,140	\$ 1,151,372	\$ 1,160,086	\$ 1,019,628	\$ 980,412	\$ 942,703
Interest	2,995,127	2,894,908	2,863,054	2,745,126	2,629,704	2,509,771	2,396,241
Differences between expected and actual experience	(1,235,492)	-	844,498	-	(618,973)	-	-
Changes in assumptions	1,110,826	-	1,071,141	-	1,693,828	-	-
Benefit payments, including refunds	(2,536,662)	(2,492,971)	(2,421,089)	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Net change in total pension liability	1,438,071	1,501,077	3,508,976	1,736,383	2,763,407	1,589,294	1,512,659
Total pension liability - beginning	44,515,602	43,014,525	39,505,549	37,769,166	35,005,759	33,416,465	31,903,806
Total pension liability - ending	45,953,673	44,515,602	43,014,525	39,505,549	37,769,166	35,005,759	33,416,465
Plan net position:							
Contributions - employer	1,618,044	1,595,065	1,461,147	1,432,199	1,333,075	1,292,936	1,248,754
Contributions - members	411,823	426,837	474,593	495,823	521,490	474,495	482,833
Net investment income	777,231	1,852,004	2,251,890	3,131,328	411,116	401,414	3,385,717
Benefit payments, including refunds	(2,536,662)	(2,492,971)	(2,421,089)	(2,168,829)	(1,960,780)	(1,900,889)	(1,826,285)
Administrative expenses	(25,702)	(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	244,734	1,378,851	1,749,339	2,904,538	317,501	278,228	3,253,731
Plan net position - beginning	33,659,648	32,280,797	30,531,458	27,626,920	27,309,419	27,031,191	23,777,460
Plan net position - ending	33,904,382	33,659,648	32,280,797	30,531,458	27,626,920	27,309,419	27,031,191
Town's net pension liability	<u>\$ 12,049,291</u>	<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	73.78%	75.61%	75.05%	77.28%	73.15%	78.01%	80.89%
Covered payroll	\$ 7,527,057	\$ 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	160.08%	131.47%	133.37%	93.40%	109.78%	87.15%	75.17%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

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

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 1,618,044	\$ 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>1,618,044</u>	<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>\$ -</u>	<u>\$ (39,252)</u>
Covered payroll	\$ 7,527,057	\$ 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	21.50%	19.32%	18.15%	14.91%	14.43%	14.64%	14.70%
Annual money-weighted rate of return, net of investment expense	2.28%	5.57%	7.38%	11.37%	1.60%	1.52%	14.01%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

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

	2020	2019	2018	2017	2016	2015
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	75,245,000	58,019,000	60,061,000	63,365,000	47,465,000	43,872,000
Total	<u>\$ 75,245,000</u>	<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>
Town's covered payroll	\$ 19,347,000	\$ 19,047,000	\$ 19,045,000	\$ 18,357,000	\$ 17,659,000	\$ 17,021,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

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 FOUR FISCAL YEARS*

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 414,847	\$ 397,058	\$ 372,338	\$ 362,903
Interest	1,205,454	1,259,951	1,197,869	1,163,059
Changes in benefit terms	-	(6,748)	-	-
Differences between expected and actual experience	(163,590)	(1,648,958)	341,087	145,349
Changes in assumptions	-	685,783	-	-
Benefit payments, including refunds	(797,234)	(891,895)	(1,201,118)	(1,025,913)
Net change in total OPEB liability	659,477	(204,809)	710,176	645,398
Total OPEB liability - beginning	17,835,832	18,040,641	17,330,465	16,685,067
Total OPEB liability - ending	18,495,309	17,835,832	18,040,641	17,330,465
Plan fiduciary net position:				
Contributions - employer	765,121	1,123,832	1,457,479	1,666,760
Contributions - TRB subsidy	32,113	34,191	39,897	51,583
Net investment income	725,393	704,491	703,702	1,117,525
Benefit payments, including refunds	(797,234)	(891,895)	(1,201,118)	(1,025,913)
Net change in plan net position	725,393	970,619	999,960	1,809,955
Plan fiduciary net position - beginning	12,458,534	11,487,915	10,487,955	8,678,000
Plan fiduciary net position - ending	13,183,927	12,458,534	11,487,915	10,487,955
Town's net OPEB liability	<u>\$ 5,311,382</u>	<u>\$ 5,377,298</u>	<u>\$ 6,552,726</u>	<u>\$ 6,842,510</u>
Plan fiduciary net pension as percentage of total OPEB liability	71.28%	69.85%	63.68%	60.52%
Covered employee payroll	\$ 30,345,345	\$ 29,576,359	\$ 27,028,027	\$ 26,343,106
Town net OPEB liability as a percentage of covered employee payroll	17.50%	18.18%	24.24%	25.97%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 998,417	\$ 1,177,653	\$ 1,167,634	\$ 1,858,040
Contributions in relation to actuarially determined contribution	<u>765,121</u>	<u>1,123,832</u>	<u>1,457,479</u>	<u>1,666,760</u>
(Excess) deficiency of contribution	<u>\$ 233,296</u>	<u>\$ 53,821</u>	<u>\$ (289,845)</u>	<u>\$ 191,280</u>
Covered payroll	\$ 30,345,345	\$ 29,576,359	\$ 27,028,027	\$ 26,343,106
Contributions as a percentage of covered employee payroll	2.52%	3.80%	5.39%	6.33%
Annual money-weighted rate of return, net of investment expense	5.82%	6.01%	6.72%	12.32%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF SUFFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST THREE FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>11,735,000</u>	<u>11,598,000</u>	<u>15,459,000</u>
Total	<u><u>\$ 11,735,000</u></u>	<u><u>\$ 11,598,000</u></u>	<u><u>\$ 15,459,000</u></u>
Town's covered employee payroll	\$ 19,347,000	\$ 19,047,000	\$ 19,045,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	2.08%	1.49%	1.79%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 1st a copy of their separate itemized recommended Annual Town Budget for the ensuing year.
- Not later than March 1st, 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 1st.
- 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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020:

	Total Revenues	Total Expenditures	Total Other Financing Sources (Uses)	Net Change in Fund Balance
Budgetary basis	\$ 57,661,943	\$ 53,964,062	\$ (3,923,584)	\$ (225,703)
"On-behalf" payments - State Teachers Retirement Fund	5,851,351	5,851,351	-	-
Change in encumbrances	-	(113,608)	(85,565)	28,043
Capital leases, not recorded for budgetary purposes	-	173,000	173,000	-
Certain transfers recorded as expenditures for budgetary purposes	-	(59,061)	9,061	68,122
Intergovernmental grants netted against expenditures	700,607	700,607	-	-
GAAP basis	<u>\$ 64,213,901</u>	<u>\$ 60,516,351</u>	<u>\$ (3,827,088)</u>	<u>\$ (129,538)</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 - Updates to the mortality and investment rate of return assumptions had a significant effect on the measurement of the total pension liability.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 every two years as of July 1. Actuarial determined contribution for fiscal year ending June 30, 2020 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, 2020.

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 COLLECTIVE NET PENSION LIABILITY – CONNECTICUT 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, 2020 based on a measurement date 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 significant assumptions had a significant effect on the measurement of the total pension liability.

- In 2020, the inflation assumption was reduced from 2.75% to 2.50%.
- In 2020, 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%.
- In 2020, the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

TOWN OF SUFFIELD, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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 - There have been no change in assumptions that have had a significant effect on the measurement of the total pension liability.

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, 2020 were determined from the July 1, 2018 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2020.

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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT 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, 2020 based on a measurement date of June 30, 2019.

Benefit Changes - The Plan was amended by the Board to include a new prescription drug plan, effective January 1, 2019.

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the collective net OPEB liability:

- In 2020, the discount rate used to measure plan obligations for financial accounting purposes was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019.
- In 2020, the expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- In 2020, the expected rate of inflation was decreased, and the Real Wage Growth assumption was increased.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF SUFFIELD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual	
PROPERTY TAXES:				
Current List	\$ 41,612,682	\$ 41,612,682	\$ 41,336,229	\$ (276,453)
Supplemental motor vehicle	375,000	375,000	460,730	85,730
Taxes, prior year	290,000	290,000	246,741	(43,259)
Interest and fees	160,000	160,000	222,561	62,561
Total property taxes	42,437,682	42,437,682	42,266,261	(171,421)
INTERGOVERNMENTAL:				
State grants unspecified:				
Mashantucket Pequot and Mohegan Fund	2,760,598	2,760,598	2,760,598	-
Payment in lieu of taxes - State property	1,801,140	1,801,140	1,801,140	-
Municipal stabilization grant	206,051	206,051	206,051	-
Capital expenditure reimbursements	329,000	329,000	160,178	(168,822)
Town Aid Road grants	289,784	289,784	291,079	1,295
Municipal Grants-In-Aid	180,663	180,663	180,663	-
LOCIP reimbursement	91,892	91,892	91,892	-
Youth services	14,000	14,000	14,000	-
Tax relief - veterans exemption	8,900	8,900	7,812	(1,088)
Tax relief - totally disabled persons	900	900	863	(37)
Board of Selectman authorized - PILOT	15,000	15,000	15,000	-
Other	32,419	32,419	48,073	15,654
Total state grants unspecified	5,730,347	5,730,347	5,577,349	(152,998)
State grants for school aid:				
Education cost sharing	6,133,690	6,133,690	6,113,191	(20,499)
Vocational agriculture grant	559,301	559,301	558,666	(635)
Other educational grants	7,452	7,452	7,759	307
Total state grants for school aid	6,700,443	6,700,443	6,679,616	(20,827)
Total intergovernmental	12,430,790	12,430,790	12,256,965	(173,825)
INVESTMENT INCOME	250,000	250,000	242,841	(7,159)
CHARGES FOR SERVICES:				
Current services and fees:				
Building Department	380,000	380,000	321,921	(58,079)
Planning and zoning	18,000	18,000	44,488	26,488
Zoning Board of Appeals	930	930	834	(96)
Police permits	11,000	11,000	11,588	588
Conservation	4,000	4,000	3,282	(718)
Historic District fees	800	800	600	(200)
Total current services and fees	414,730	414,730	382,713	(32,017)

(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, 2020

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual	
CHARGES FOR SERVICES: (Continued)				
Landfill:				
Operating	\$ 35,000	\$ 35,000	\$ 33,854	\$ (1,146)
Recycling rebates	6,000	6,000	4,064	(1,936)
Sale of scrap metal	22,000	22,000	32,308	10,308
Permits	4,000	4,000	449	(3,551)
Total Landfill	67,000	67,000	70,675	3,675
Charges for current services:				
Bulky waste	3,000	3,000	1,975	(1,025)
Assessor's map sales	225	225	250	25
Real estate conveyance fee	163,485	163,485	252,902	89,417
Mini-bus transportation	5,200	5,200	3,465	(1,735)
Animal control fees	26,750	26,750	30,859	4,109
Town clerk recording fees	174,600	174,600	134,421	(40,179)
Total charges for current services	373,260	373,260	423,872	50,612
Recreation:				
Camps	46,100	46,100	47,064	964
Activities	95,000	95,000	117,543	22,543
Total Recreation	141,100	141,100	164,607	23,507
Revenue from other agencies:				
Telecommunications grant	15,000	15,000	16,764	(1,764)
Tuition, Vo-ag	777,822	777,822	716,415	61,407
Tuition, other	136,190	136,190	111,168	25,022
Payment in lieu of taxes, CT Airport Authority	693,909	693,909	693,909	-
Total revenue from other agencies	1,622,921	1,622,921	1,538,256	(84,665)
Total charges for services	2,619,011	2,619,011	2,580,123	(38,888)
MISCELLANEOUS:				
Rent - Town property	114,000	114,000	78,741	(35,259)
Cell tower	180,000	180,000	162,823	(17,177)
Other	45,000	45,000	74,189	29,189
Total miscellaneous	339,000	339,000	315,753	(23,247)
Total revenues	58,076,483	58,076,483	57,661,943	(414,540)
OTHER FINANCING SOURCES:				
Appropriation of fund balance	400,000	400,000	-	(400,000)
Unliquidated encumbrances	-	-	67,443	67,443
Transfers in:				
Capital and Nonrecurring Fund	702,626	702,626	668,893	(33,733)
Off Duty Fund	125,000	125,000	125,000	-
Total other financing sources	1,227,626	1,227,626	861,336	(366,290)
Total revenues and other financing sources	\$ 59,304,109	\$ 59,304,109	\$ 58,523,279	\$ (780,830)
				(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, 2020

	Budgeted Amounts			Variance With Original Budget Over (Under)
	Original Budget	Final Budget	Actual	
GENERAL GOVERNMENT:				
Board of Selectman	\$ 265,975	\$ 275,975	\$ 274,848	\$ (1,127)
Human resources	171,749	171,749	167,794	(3,955)
Probate court	6,100	6,100	6,100	-
Election	53,376	54,960	54,960	-
Board of Finance	13,179	13,179	10,498	(2,681)
Assessors	154,841	154,841	148,290	(6,551)
Board of Assessment Appeals	648	648	325	(323)
Tax collector	185,154	187,432	187,432	-
Finance	322,541	300,973	300,973	-
Information technology	333,908	380,925	378,925	(2,000)
Town counsel	96,500	136,283	136,283	-
Town clerk	215,077	184,358	184,358	-
Town hall	144,810	150,955	150,955	-
Charter revision	6,000	-	-	-
OPEB fund	266,128	266,128	266,128	-
Insurance and employee benefits	3,681,308	3,618,861	3,538,311	(80,550)
Total general government	<u>5,917,294</u>	<u>5,903,367</u>	<u>5,806,180</u>	<u>(97,187)</u>
PLANNING AND DEVELOPMENT:				
Planning and zoning	198,342	198,343	198,289	(54)
Zoning Board of Appeals	4,468	4,468	1,176	(3,292)
Economic development	51,200	15,296	15,296	-
Historic District Commission	2,231	2,231	900	(1,331)
Conservation Commission	53,908	54,065	54,065	-
Total planning and development	<u>310,149</u>	<u>274,403</u>	<u>269,726</u>	<u>(4,677)</u>
PUBLIC SAFETY:				
Fire Commission	1,007,977	1,072,492	1,070,610	(1,882)
Police Commission	2,759,575	2,674,716	2,646,792	(27,924)
Emergency management	5,383	29,436	29,436	-
Building Department	235,270	245,685	245,685	-
Town Engineer	126,895	126,895	122,461	(4,434)
Animal control	75,429	75,429	74,208	(1,221)
Total public safety	<u>4,210,529</u>	<u>4,224,653</u>	<u>4,189,192</u>	<u>(35,461)</u>
PUBLIC WORKS:				
Public works	2,990,035	3,054,474	3,049,886	(4,588)
State aid road funds	289,569	289,569	289,569	-
Public utilities	634,000	634,000	623,394	(10,606)
Total public works	<u>3,913,604</u>	<u>3,978,043</u>	<u>3,962,849</u>	<u>(15,194)</u>
				<i>(Continued)</i>

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, 2020

	Budgeted Amounts			Variance With Original Budget Over (Under)
	Original Budget	Final Budget	Actual	
HEALTH AND SOCIAL SERVICES:				
Health and social services	\$ 190,949	\$ 195,238	\$ 195,238	\$ -
Social services commission	1,480	1,749	1,749	-
Senior center/Mini-bus transportation	331,091	331,091	302,628	(28,463)
EMS/ambulance	226,328	239,599	239,599	-
Total health and social services	<u>749,848</u>	<u>767,677</u>	<u>739,214</u>	<u>(28,463)</u>
LIBRARY, RECREATION AND PARKS:				
Recreation	282,845	282,844	260,980	(21,864)
Recreation activities	113,159	113,154	89,606	(23,548)
Youth services	66,188	66,189	64,806	(1,383)
Total library, recreation and parks	<u>462,192</u>	<u>462,187</u>	<u>415,392</u>	<u>(46,795)</u>
BOARD OF EDUCATION:				
Education - operations	35,547,870	35,547,870	35,389,044	(158,826)
Education - transfer to nonlapsing fund	-	-	50,000	50,000
Total Board of Education	<u>35,547,870</u>	<u>35,547,870</u>	<u>35,439,044</u>	<u>(108,826)</u>
OTHER:				
Cemeteries	<u>40,290</u>	<u>40,290</u>	<u>40,290</u>	<u>-</u>
DEBT SERVICE	<u>3,277,175</u>	<u>3,277,175</u>	<u>3,102,175</u>	<u>(175,000)</u>
CONTINGENCY	<u>500,000</u>	<u>18,286</u>	<u>-</u>	<u>(18,286)</u>
Total expenditures	<u>54,928,951</u>	<u>54,493,951</u>	<u>53,964,062</u>	<u>(529,889)</u>
OTHER FINANCING USES:				
Transfers out:				
Capital Projects Funds	3,883,406	4,318,406	4,318,406	-
Kent Memorial Library	491,752	491,752	466,514	(25,238)
Total other financing uses	<u>4,375,158</u>	<u>4,810,158</u>	<u>4,784,920</u>	<u>(25,238)</u>
Total expenditures and other financing uses	<u>\$ 59,304,109</u>	<u>\$ 59,304,109</u>	<u>\$ 58,748,982</u>	<u>\$ (555,127)</u> <i>(Concluded)</i>

TOWN OF SUFFIELD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2020

Grand List Year	Balance Uncollected July 1, 2019	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections, net of refunds			Balance Uncollected June 30, 2020
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2018	\$ -	\$ 42,417,395	\$ 68,561	\$ 143,457	\$ 852	\$ 42,341,647	\$ 41,827,996	\$ 86,711	\$ 41,914,707	\$ 513,651
2017	473,900	-	274	11,128	-	463,046	189,889	42,585	232,474	273,157
2016	236,448	-	-	3,113	-	233,335	50,830	17,976	68,806	182,505
2015	120,548	-	-	2,310	27,765	90,473	21,984	10,155	32,139	68,489
2014	59,337	-	-	-	-	59,337	7,257	10,029	17,286	52,080
2013	36,545	-	-	-	-	36,545	6,010	9,755	15,765	30,535
2012	42,764	-	-	-	-	42,764	5,338	5,907	11,245	37,426
2011	37,819	-	-	-	-	37,819	5,442	8,548	13,990	32,377
2010	30,916	-	-	-	-	30,916	5,282	10,222	15,504	25,634
2009	16,959	-	-	-	-	16,959	4,451	7,862	12,313	12,508
2008	6,378	-	-	-	-	6,378	3,620	4,919	8,539	2,758
2007 & prior	3,754	-	-	-	-	3,754	1,566	1,689	3,255	2,188
Total	<u>\$ 1,065,368</u>	<u>\$ 42,417,395</u>	<u>\$ 68,835</u>	<u>\$ 160,008</u>	<u>\$ 28,617</u>	<u>\$ 43,362,973</u>	<u>\$ 42,129,665</u>	<u>\$ 216,358</u>	<u>\$ 42,346,023</u>	<u>\$ 1,233,308</u>

TOWN OF SUFFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2020

Total cash collections for the year ended
June 30, 2020:

Taxes	\$ 42,129,665
Interest and lien fees	216,358
Total	<u>42,346,023</u>

Reimbursement for loss

Tax relief (CGS 12-129d)	-
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Base	<u><u>\$ 42,346,023</u></u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 95,278,552	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	190,557,104	-	-	-
3-3/4 times base	-	-	158,797,586	-	-
3-1/4 times base	-	-	-	137,624,575	-
3 times base	-	-	-	-	127,038,069
Total debt limitation	<u>95,278,552</u>	<u>190,557,104</u>	<u>158,797,586</u>	<u>137,624,575</u>	<u>127,038,069</u>
Indebtedness:					
Bonds payable	<u>13,230,000</u>	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>13,230,000</u>	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	<u>146,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u><u>13,083,117</u></u>	<u><u>1,400,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 82,195,435</u></u>	<u><u>\$ 189,157,104</u></u>	<u><u>\$ 158,797,586</u></u>	<u><u>\$ 137,624,575</u></u>	<u><u>\$ 127,038,069</u></u>
Total capacity of borrowing (7 times base)	\$ 296,422,161				
Total present indebtedness	<u>14,483,117</u>				
Margin for additional borrowing	<u><u>\$ 281,939,044</u></u>				

CAPITAL PROJECTS FUNDS

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
AS OF JUNE 30, 2020

	Capital Project Funds					
	Capital & Nonrecurring Fund	Capital & Nonrecurring Reserve Fund	Capital Contributions Fund	Kent Memorial Library Renovation Fund	Agriscience Project Fund	Open Space Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ 179,487	\$ 196,162	\$ -	\$ -	\$ -
Investments	-	2,627,068	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Due from other funds	4,834,874	100,000	-	246,513	-	911,960
Total assets	<u>\$ 4,834,874</u>	<u>\$ 2,906,555</u>	<u>\$ 196,162</u>	<u>\$ 246,513</u>	<u>\$ -</u>	<u>\$ 911,960</u>
LIABILITIES						
Accounts payable	\$ 385,644	\$ -	\$ -	\$ -	\$ -	\$ 1,500
Due to other funds	995,625	-	111,914	232,944	796,643	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>1,381,269</u>	<u>-</u>	<u>111,914</u>	<u>232,944</u>	<u>796,643</u>	<u>1,500</u>
FUND BALANCES						
Committed	3,453,605	2,906,555	84,248	13,569	-	910,460
Unassigned	-	-	-	-	(796,643)	-
Total fund balances	<u>3,453,605</u>	<u>2,906,555</u>	<u>84,248</u>	<u>13,569</u>	<u>(796,643)</u>	<u>910,460</u>
Total liabilities and fund balances	<u>\$ 4,834,874</u>	<u>\$ 2,906,555</u>	<u>\$ 196,162</u>	<u>\$ 246,513</u>	<u>\$ -</u>	<u>\$ 911,960</u>

(Continued)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS (Continued)
AS OF JUNE 30, 2020

	Capital Project Funds					
	School Building Fund	Sewer Capital Projects Fund	Industrial Park Fund	LOT/CIP Grant Fund	Utility Extension Project Fund	Bridge Projects Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ 707,918	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	375,944	-	-	-	-	788,380
Due from other funds	-	-	82,086	102,241	132,823	-
Total assets	<u>\$ 375,944</u>	<u>\$ 707,918</u>	<u>\$ 82,086</u>	<u>\$ 102,241</u>	<u>\$ 132,823</u>	<u>\$ 788,380</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,951
Due to other funds	375,944	-	-	-	-	747,604
Unearned revenue	-	-	-	102,241	-	-
Total liabilities	<u>375,944</u>	<u>-</u>	<u>-</u>	<u>102,241</u>	<u>-</u>	<u>999,555</u>
FUND BALANCES						
Committed	-	707,918	82,086	-	132,823	-
Unassigned	-	-	-	-	-	(211,175)
Total fund balances	<u>-</u>	<u>707,918</u>	<u>82,086</u>	<u>-</u>	<u>132,823</u>	<u>(211,175)</u>
Total liabilities and fund balances	<u>\$ 375,944</u>	<u>\$ 707,918</u>	<u>\$ 82,086</u>	<u>\$ 102,241</u>	<u>\$ 132,823</u>	<u>\$ 788,380</u>

(Continued)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS (Concluded)
AS OF JUNE 30, 2020

	Capital Project Funds					Total Capital Projects Funds
	Road & Drainage Improvements Fund	Town Hall Renovations & Improvements Fund	Bridge Street School Renovations & Improvements Fund	Street Light Project Fund	Fire Equipment Acquisition Fund	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,083,567
Investments	-	-	-	-	-	2,627,068
Receivables:						
Grants and contracts	-	-	-	-	-	1,164,324
Due from other funds	-	745,000	-	-	-	7,155,497
Total assets	<u>\$ -</u>	<u>\$ 745,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,030,456</u>
LIABILITIES						
Accounts payable	\$ -	\$ 900	\$ -	\$ -	\$ -	\$ 639,995
Due to other funds	-	401,396	37,572	389,783	2,687,561	6,776,986
Unearned revenue	-	-	-	-	-	102,241
Total liabilities	<u>-</u>	<u>402,296</u>	<u>37,572</u>	<u>389,783</u>	<u>2,687,561</u>	<u>7,519,222</u>
FUND BALANCES						
Committed	-	342,704	-	-	-	8,633,968
Unassigned	-	-	(37,572)	(389,783)	(2,687,561)	(4,122,734)
Total fund balances	<u>-</u>	<u>342,704</u>	<u>(37,572)</u>	<u>(389,783)</u>	<u>(2,687,561)</u>	<u>4,511,234</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 745,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,030,456</u>
						(Concluded)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2020

	Capital Project Funds					
	Capital & Nonrecurring Fund	Capital & Nonrecurring Reserve Fund	Capital Contributions Fund	Kent Memorial Library Renovation Fund	Agriscience Project Fund	Open Space Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	490	-	-	-
Other	-	153,339	2,777	150,000	-	9,000
Total revenues	-	153,339	3,267	150,000	-	9,000
EXPENDITURES						
Capital outlays	3,517,960	8,050	5,188	-	100,000	11,950
Excess (deficiency) of revenues over expenditures	(3,517,960)	145,289	(1,921)	150,000	(100,000)	(2,950)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,218,406	100,000	-	-	-	-
Transfers out	(671,289)	-	-	-	-	-
Total other financing sources (uses)	3,547,117	100,000	-	-	-	-
Net change in fund balances	29,157	245,289	(1,921)	150,000	(100,000)	(2,950)
Fund balances - beginning	3,424,448	2,661,266	86,169	(136,431)	(696,643)	913,410
Fund balances - ending	\$ 3,453,605	\$ 2,906,555	\$ 84,248	\$ 13,569	\$ (796,643)	\$ 910,460

(Continued)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Capital Project Funds					
	School Building Fund	Sewer Capital Projects Fund	Industrial Park Fund	LOT/CIP Grant Fund	Utility Extension Project Fund	Bridge Projects Fund
REVENUES						
Intergovernmental	\$ -	\$ 145,675	\$ -	\$ 30,155	\$ -	\$ 764,973
Interest income	-	257	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	145,932	-	30,155	-	764,973
EXPENDITURES						
Capital outlays	-	450,008	-	30,155	-	1,009,401
Excess (deficiency) of revenues over expenditures	-	(304,076)	-	-	-	(244,428)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	637,386	-	-	-	-
Transfers out	-	(63,051)	-	-	-	-
Total other financing sources (uses)	-	574,335	-	-	-	-
Net change in fund balances	-	270,259	-	-	-	(244,428)
Fund balances - beginning	-	437,659	82,086	-	132,823	33,253
Fund balances - ending	\$ -	\$ 707,918	\$ 82,086	\$ -	\$ 132,823	\$ (211,175)

(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, 2020

	Capital Project Funds					Total Capital Projects Funds
	Road & Drainage Improvements Fund	Town Hall Renovations & Improvements Fund	Bridge Street School Renovations & Improvements Fund	Street Light Project Fund	Fire Equipment Acquisition Fund	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 940,803
Interest income	-	-	-	-	-	747
Other	2,376	-	-	-	-	317,492
Total revenues	<u>2,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,259,042</u>
EXPENDITURES						
Capital outlays	<u>-</u>	<u>256,617</u>	<u>3,999</u>	<u>389,783</u>	<u>919,654</u>	<u>6,702,765</u>
Excess (deficiency) of revenues over expenditures	2,376	(256,617)	(3,999)	(389,783)	(919,654)	(5,443,723)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	4,955,792
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(734,340)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,221,452</u>
Net change in fund balances	2,376	(256,617)	(3,999)	(389,783)	(919,654)	(1,222,271)
Fund balances - beginning	<u>(2,376)</u>	<u>599,321</u>	<u>(33,573)</u>	<u>-</u>	<u>(1,767,907)</u>	<u>5,733,505</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 342,704</u>	<u>\$ (37,572)</u>	<u>\$ (389,783)</u>	<u>\$ (2,687,561)</u>	<u>\$ 4,511,234</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	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
ASSETS								
Cash and cash equivalents	\$ -	\$ 87,003	\$ -	\$ -	\$ -	\$ 453,277	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	146,883	-	-
Grants and contracts	-	111,687	-	28,247	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	116,081	1,957	-	-	-	-	-	-
Due from other funds	77,040	-	156,859	1,350,300	185	-	10,051	18,503
Inventories	-	25,000	-	-	-	-	-	-
Total assets	<u>\$ 193,121</u>	<u>\$ 225,647</u>	<u>\$ 156,859</u>	<u>\$ 1,378,547</u>	<u>\$ 185</u>	<u>\$ 600,160</u>	<u>\$ 10,051</u>	<u>\$ 18,503</u>
LIABILITIES								
Accounts payable	\$ -	\$ 123,826	\$ 1,655	\$ 10,875	\$ -	\$ 36	\$ -	\$ -
Accrued liabilities	6,197	-	-	-	-	-	-	-
Due to other funds	-	13,269	-	-	-	-	-	-
Unearned revenue	-	-	-	230,302	-	-	-	-
Total liabilities	<u>6,197</u>	<u>137,095</u>	<u>1,655</u>	<u>241,177</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	-	-	-	-	146,883	-	-
FUND BALANCES								
Nonspendable	-	25,000	-	-	-	-	-	-
Restricted	-	63,552	155,204	1,137,370	185	-	10,051	-
Committed	186,924	-	-	-	-	453,241	-	18,503
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>186,924</u>	<u>88,552</u>	<u>155,204</u>	<u>1,137,370</u>	<u>185</u>	<u>453,241</u>	<u>10,051</u>	<u>18,503</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 193,121</u>	<u>\$ 225,647</u>	<u>\$ 156,859</u>	<u>\$ 1,378,547</u>	<u>\$ 185</u>	<u>\$ 600,160</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, 2020

	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
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 1,525	\$ 313,673	\$ -	\$ -	\$ -	\$ -
Receivables:								
Assessments	-	-	-	-	-	-	-	-
Grants and contracts	-	106,616	-	223,867	-	-	-	-
Loans	-	-	-	100,249	-	-	-	-
Other	2,555	-	-	-	-	125	-	-
Due from other funds	33,186	177,069	-	-	-	10,494	2,396	2,620
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 35,741</u>	<u>\$ 283,685</u>	<u>\$ 1,525</u>	<u>\$ 637,789</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 2,396</u>	<u>\$ 2,620</u>
LIABILITIES								
Accounts payable	\$ 1,643	\$ 6,615	\$ -	\$ 222,922	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	390	-	-	-	-	-	-
Due to other funds	-	-	-	195,813	20	-	2,376	-
Unearned revenue	-	335,306	-	-	-	-	-	-
Total liabilities	<u>1,643</u>	<u>342,311</u>	<u>-</u>	<u>418,735</u>	<u>20</u>	<u>-</u>	<u>2,376</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	1,525	118,805	-	10,619	-	-
Committed	34,098	-	-	-	-	-	20	2,620
Unassigned	-	(58,626)	-	-	(20)	-	-	-
Total fund balances	<u>34,098</u>	<u>(58,626)</u>	<u>1,525</u>	<u>118,805</u>	<u>(20)</u>	<u>10,619</u>	<u>20</u>	<u>2,620</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,741</u>	<u>\$ 283,685</u>	<u>\$ 1,525</u>	<u>\$ 637,789</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 2,396</u>	<u>\$ 2,620</u>

(Continued)

TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
AS OF JUNE 30, 2020

	Nonmajor Special Revenue Funds					Nonmajor Permanent Funds		
	Kent Memorial Library Fund	Kent Farm Sewer District Fund	Town Clerk Dollar Fund	Town Center Tax Increment Financing Fund	School Activity Fund	Memorial Fund	Cemetery Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ -	\$ 113,461	\$ -	\$ -	\$ -	\$ 51,428	\$ 530,477	\$ 1,550,844
Receivables:								
Assessments	-	-	-	-	-	-	-	146,883
Grants and contracts	-	-	-	-	-	-	-	470,417
Loans	-	-	-	-	-	-	-	100,249
Other	33,000	-	-	-	2,455	-	-	156,173
Due from other funds	-	-	52,993	57,835	168,410	-	-	2,117,941
Inventories	-	-	-	-	-	-	-	25,000
Total assets	<u>\$ 33,000</u>	<u>\$ 113,461</u>	<u>\$ 52,993</u>	<u>\$ 57,835</u>	<u>\$ 170,865</u>	<u>\$ 51,428</u>	<u>\$ 530,477</u>	<u>\$ 4,567,507</u>
LIABILITIES								
Accounts payable	\$ 7,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,341	\$ 381,121
Accrued liabilities	6,864	-	-	-	-	-	-	13,451
Due to other funds	18,928	4,892	-	-	-	5,980	74,655	315,933
Unearned revenue	-	-	-	-	-	-	-	565,608
Total liabilities	<u>33,000</u>	<u>4,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,980</u>	<u>80,996</u>	<u>1,276,113</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	-	-	-	-	-	-	247,132
FUND BALANCES								
Nonspendable	-	-	-	-	-	22,162	370,625	417,787
Restricted	-	-	52,993	-	-	23,286	78,856	1,652,446
Committed	-	108,569	-	57,835	170,865	-	-	1,032,675
Unassigned	-	-	-	-	-	-	-	(58,646)
Total fund balances	<u>-</u>	<u>108,569</u>	<u>52,993</u>	<u>57,835</u>	<u>170,865</u>	<u>45,448</u>	<u>449,481</u>	<u>3,044,262</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,000</u>	<u>\$ 113,461</u>	<u>\$ 52,993</u>	<u>\$ 57,835</u>	<u>\$ 170,865</u>	<u>\$ 51,428</u>	<u>\$ 530,477</u>	<u>\$ 4,567,507</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, 2020

	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								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	383,574	-	951,801	-	-	-	-
Charges for services	314,270	398,263	-	-	-	514,667	-	-
Assessments	-	-	-	-	-	58,206	-	-
Interest income	-	130	-	-	-	589	-	-
Other	-	-	113,044	7,500	-	-	-	-
Total revenues	314,270	781,967	113,044	959,301	-	573,462	-	-
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	188,986	-	82,915	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Library, recreation and parks	-	-	-	-	-	-	-	-
Education	-	756,205	-	782,117	-	-	-	-
Total expenditures	188,986	756,205	82,915	782,117	-	-	-	-
Excess (deficiency) of revenues over expenditures	125,284	25,762	30,129	177,184	-	573,462	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(125,000)	-	-	-	-	(120,800)	-	-
Total other financing sources (uses)	(125,000)	-	-	-	-	(120,800)	-	-
Net change in fund balances	284	25,762	30,129	177,184	-	452,662	-	-
Fund balances - beginning	186,640	62,790	125,075	960,186	185	579	10,051	18,503
Fund balances - ending	\$ 186,924	\$ 88,552	\$ 155,204	\$ 1,137,370	\$ 185	\$ 453,241	\$ 10,051	\$ 18,503
								(Continued)

(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, 2020

	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
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	153,466	-	490,259	-	-	-	-
Charges for services	9,444	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Other	24,863	-	3,072	17,995	-	245	20	-
Total revenues	34,307	153,466	3,072	508,254	-	245	20	-
EXPENDITURES								
Current:								
General government	-	39,836	-	-	-	-	-	-
Public safety	-	93,512	-	-	-	-	-	-
Health and social services	45,899	-	3,849	529,148	-	-	-	-
Library, recreation and parks	-	20,121	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	45,899	153,469	3,849	529,148	-	-	-	-
Excess (deficiency) of revenues over expenditures	(11,592)	(3)	(777)	(20,894)	-	245	20	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	2,396	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	2,396	-
Net change in fund balances	(11,592)	(3)	(777)	(20,894)	-	245	2,416	-
Fund balances - beginning	45,690	(58,623)	2,302	139,699	(20)	10,374	(2,396)	2,620
Fund balances - ending	\$ 34,098	\$ (58,626)	\$ 1,525	\$ 118,805	\$ (20)	\$ 10,619	\$ 20	\$ 2,620
	(Continued)							

(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, 2020

	Nonmajor Special Revenue Funds					Nonmajor Permanent Funds		
	Kent Memorial Library Fund	Kent Farm Sewer District Fund	Town Clerk Dollar Fund	Town Center Tax Increment Financing Fund	School Activity Fund	Memorial Fund	Cemetery Fund	Total Nonmajor Governmental Funds
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ 57,835	\$ -	\$ -	\$ -	\$ 57,835
Intergovernmental	164	-	-	-	-	-	-	1,979,264
Charges for services	4,094	-	-	-	97,889	-	-	1,338,627
Assessments	-	-	-	-	-	-	-	58,206
Interest income	-	1,356	-	-	-	716	6,342	9,133
Other	62,802	-	-	-	-	7,773	4,600	241,914
Total revenues	<u>67,060</u>	<u>1,356</u>	<u>-</u>	<u>57,835</u>	<u>97,889</u>	<u>8,489</u>	<u>10,942</u>	<u>3,684,979</u>
EXPENDITURES								
Current:								
General government	-	-	19,361	-	-	7,703	-	66,900
Public safety	-	-	-	-	-	-	-	365,413
Health and social services	-	-	-	-	-	-	6,342	585,238
Library, recreation and parks	533,574	-	-	-	-	-	-	553,695
Education	-	-	-	-	103,119	-	-	1,641,441
Total expenditures	<u>533,574</u>	<u>-</u>	<u>19,361</u>	<u>-</u>	<u>103,119</u>	<u>7,703</u>	<u>6,342</u>	<u>3,212,687</u>
Excess (deficiency) of revenues over expenditures	(466,514)	1,356	(19,361)	57,835	(5,230)	786	4,600	472,292
OTHER FINANCING SOURCES (USES)								
Transfers in	466,514	-	9,061	-	-	-	-	477,971
Transfers out	-	-	-	-	-	-	-	(245,800)
Total other financing sources (uses)	<u>466,514</u>	<u>-</u>	<u>9,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,171</u>
Net change in fund balances	-	1,356	(10,300)	57,835	(5,230)	786	4,600	704,463
Fund balances - beginning	<u>-</u>	<u>107,213</u>	<u>63,293</u>	<u>-</u>	<u>176,095</u>	<u>44,662</u>	<u>444,881</u>	<u>2,339,799</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 108,569</u>	<u>\$ 52,993</u>	<u>\$ 57,835</u>	<u>\$ 170,865</u>	<u>\$ 45,448</u>	<u>\$ 449,481</u>	<u>\$ 3,044,262</u>
								<i>(Concluded)</i>

INTERNAL SERVICE FUNDS

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2020

	Health Insurance		
	Fund	Gas/Diesel Fund	Total
ASSETS			
Cash and cash equivalents	\$ 996,975	\$ -	\$ 996,975
Receivables	200,530	26,603	227,133
Total assets	<u>1,197,505</u>	<u>26,603</u>	<u>1,224,108</u>
LIABILITIES			
Accounts payable	-	4,261	4,261
Claims incurred but not reported	624,400	-	624,400
Due to other funds	1,281,177	47,692	1,328,869
Total liabilities	<u>1,905,577</u>	<u>51,953</u>	<u>1,957,530</u>
NET POSITION			
Unrestricted	<u>\$ (708,072)</u>	<u>\$ (25,350)</u>	<u>\$ (733,422)</u>

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Health Insurance Fund	Gas/Diesel Fund	Total
OPERATING REVENUES			
Charges for services	\$ 6,800,789	\$ 187,967	\$ 6,988,756
Contributions	775,460	-	775,460
Total operating revenues	<u>7,576,249</u>	<u>187,967</u>	<u>7,764,216</u>
OPERATING EXPENSES			
Insurance and benefits	6,416,012	-	6,416,012
Administration	680,410	-	680,410
Fuel	-	190,942	190,942
Total operating expenses	<u>7,096,422</u>	<u>190,942</u>	<u>7,287,364</u>
Operating income	479,827	(2,975)	476,852
NONOPERATING REVENUE			
Interest income	<u>8,113</u>	<u>-</u>	<u>8,113</u>
Change in net position	487,940	(2,975)	484,965
Net position - beginning of year	<u>(1,196,012)</u>	<u>(22,375)</u>	<u>(1,218,387)</u>
Net position - end of year	<u><u>\$ (708,072)</u></u>	<u><u>\$ (25,350)</u></u>	<u><u>\$ (733,422)</u></u>

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Health Insurance Fund	Gas/Diesel Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users	\$ 6,769,922	\$ 216,169	\$ 6,986,091
Cash received from other post-employment benefits trust fund	775,460	-	775,460
Cash paid to vendors	(7,122,797)	(206,552)	(7,329,349)
Net cash provided by operating activities	<u>422,585</u>	<u>9,617</u>	<u>432,202</u>
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES			
Interfund borrowings	<u>(7,115)</u>	<u>(9,617)</u>	<u>(16,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>8,113</u>	<u>-</u>	<u>8,113</u>
Net increase in cash and cash equivalents	423,583	-	423,583
Cash and cash equivalents - beginning of year	<u>573,392</u>	<u>-</u>	<u>573,392</u>
Cash and cash equivalents - end of year	<u><u>\$ 996,975</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 996,975</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 479,827	\$ (2,975)	\$ 476,852
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in receivables	(23,752)	18,585	(5,167)
(Decrease) increase in accounts payable	(78,480)	(5,993)	(84,473)
Increase in claims incurred but not reported	<u>44,990</u>	<u>-</u>	<u>44,990</u>
Net cash provided by operating activities	<u><u>\$ 422,585</u></u>	<u><u>\$ 9,617</u></u>	<u><u>\$ 432,202</u></u>

FIDUCIARY FUNDS

TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Student Activities Funds				
Assets				
Cash and cash equivalents	\$ 329,415	\$ 380,012	\$ 377,008	\$ 332,419
Investments	1,753	-	295	1,458
Total assets	<u>\$ 331,168</u>	<u>\$ 380,012</u>	<u>\$ 377,303</u>	<u>\$ 333,877</u>
Liabilities				
Due to student groups	\$ 331,168	\$ 380,012	\$ 377,303	\$ 333,877
Total liabilities	<u>\$ 331,168</u>	<u>\$ 380,012</u>	<u>\$ 377,303</u>	<u>\$ 333,877</u>
Performance Bonds Fund				
Assets				
Cash and cash equivalents	\$ 148,747	\$ 110	\$ 65,177	\$ 83,680
Total assets	<u>\$ 148,747</u>	<u>\$ 110</u>	<u>\$ 65,177</u>	<u>\$ 83,680</u>
Liabilities				
Due to others	\$ 148,747	\$ 110	\$ 65,177	\$ 83,680
Total liabilities	<u>\$ 148,747</u>	<u>\$ 110</u>	<u>\$ 65,177</u>	<u>\$ 83,680</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 478,162	\$ 380,122	\$ 442,185	\$ 416,099
Investments	1,753	-	295	1,458
Total assets	<u>\$ 479,915</u>	<u>\$ 380,122</u>	<u>\$ 442,480</u>	<u>\$ 417,557</u>
Liabilities				
Due to student groups	\$ 331,168	\$ 380,012	\$ 377,303	\$ 333,877
Due to others	148,747	110	65,177	83,680
Total liabilities	<u>\$ 479,915</u>	<u>\$ 380,122</u>	<u>\$ 442,480</u>	<u>\$ 417,557</u>