

TOWN OF SUFFIELD, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2015

TOWN OF SUFFIELD, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2015

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-11

Exhibit

	Basic Financial Statements:	
	Government-Wide Financial Statements:	
I	Statement of Net Position	12
II	Statement of Activities	13
	Fund Financial Statements:	
	Governmental Funds:	
III	Balance Sheet	14-15
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	16-17
	Proprietary Funds:	
V	Statement of Net Position	18
VI	Statement of Revenues, Expenses and Changes in Net Position	19
VII	Statement of Cash Flows	20
	Fiduciary Funds:	
VIII	Statement of Net Position	21
IX	Statement of Changes in Net Position - Trust Funds	22
	Notes to the Financial Statements	23-54
	Required Supplementary Information	
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	55-57
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	58-59
	Pension Trust Funds:	
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Town Pension Plan - Last Two Fiscal Years	60
RSI-4	Schedule of Employer Contributions - Town Pension Plan - Last Ten Fiscal Years	61
RSI-5	Schedule of Investment Returns - Last Two Fiscal Years	62
RSI-6	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan - Last Fiscal Year	63
	Combining and Individual Fund Statements and Schedules:	
	General Fund:	
A-1	Comparative Balance Sheet	64
A-2	Report of Tax Collector	65
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet	66-68
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69-71
	Capital Projects Funds:	
C-1	Combining Balance Sheet - By Project	72-73
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Project	74-75

	Internal Service Funds:	
D-1	Combining Statement of Net Position	76
D-2	Combining Statement of Revenues, Expenses and Changes in Net Position	77
D-3	Combining Statement of Cash Flows	78
	Agency Funds:	
E	Combining Statement of Changes in Assets and Liabilities	79
	Long-Term Debt:	
F	Statement of Debt Limitation	80



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Suffield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Suffield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Suffield, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 27, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015 on our consideration of the Town of Suffield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Suffield, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 23, 2015

TOWN OF SUFFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

This discussion and analysis of the Town of Suffield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts are reported in thousands unless otherwise noted.

Financial Highlights

- The Town's net position increased as a result of this year's operations. While net position of our business-type activities decreased by \$603, or 2.81%, net position of our governmental activities increased by \$2,657, or 2.80%.
- During the year, the Town had expenses that were \$2,657 less than the \$60,848 generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues decreased by \$1,258 while expenses decreased by \$229.
- Total cost of all of the Town's programs was \$60,564 with no new programs added this year.
- The General Fund reported a fund balance this year of \$10,863.
- The resources available for appropriation were \$929 more than budgeted for the General Fund, excluding the utilization of fund balance. Expenditures were less than budgeted by \$372, due to vacancies.
- The Town did have an additional appropriation to cover arbitration costs.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

Government-Wide Financial Analysis

The Town's combined net position increased 1.76% from a year ago, going from \$116,270 to \$118,323. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

TABLE 1
NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 27,768	\$ 29,204	\$ 2,416	\$ 2,567	\$ 30,184	\$ 31,771
Capital assets, net of accumulated depreciation	101,469	98,233	18,593	18,959	120,062	117,192
Total assets	<u>129,237</u>	<u>127,437</u>	<u>21,009</u>	<u>21,526</u>	<u>150,246</u>	<u>148,963</u>
Deferred Inflows of Resources	<u>1,344</u>	<u>263</u>			<u>1,344</u>	<u>263</u>
Long-term debt outstanding	27,927	29,200			27,927	29,200
Other liabilities	<u>5,080</u>	<u>3,602</u>	<u>216</u>	<u>130</u>	<u>5,296</u>	<u>3,732</u>
Total liabilities	<u>33,007</u>	<u>32,802</u>	<u>216</u>	<u>130</u>	<u>33,223</u>	<u>32,932</u>
Deferred Outflows of Resources	<u>44</u>	<u>24</u>			<u>44</u>	<u>24</u>
Net Position:						
Net Investment in capital assets	84,036	78,777	18,593	18,959	102,629	97,736
Restricted	472	468			472	468
Unrestricted	<u>13,022</u>	<u>15,629</u>	<u>2,200</u>	<u>2,437</u>	<u>15,222</u>	<u>18,066</u>
Total Net Position	<u>\$ 97,530</u>	<u>\$ 94,874</u>	<u>\$ 20,793</u>	<u>\$ 21,396</u>	<u>\$ 118,323</u>	<u>\$ 116,270</u>

Net position of the Town's governmental activities increased by \$2,657 or 2.80%. Overall revenues increased by \$256 and expenses increased by \$2,358. The revenue increases were \$26 in unrestricted investment earnings and 414 in Miscellaneous, and increases of \$211 in Charges for services \$250 in Capital grants and contributions \$482 in Property Taxes and \$54 in Transfers. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$15,629 at June 30, 2014 to \$13,022 at the end of this year.

The net position of business-type activities decreased by \$603 or 2.82% in 2015 largely due to using \$398 in Fund balance for RCM funding (\$240) and Assessment (\$158) funding. Additionally, there was an increase in Other Liabilities of \$86 for large projects begun at the end of the fiscal year and paid in the new year. The Town generally can only use this net position to finance the continuing operations of the WPCA.

TABLE 2
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services:	\$ 3,128	\$ 2,917	\$ 2,096	\$ 2,118	\$ 5,224	\$ 5,035
Operating grants and contributions	13,723	13,724			13,723	13,724
Capital grants and contributions	250		68	1,250	318	1,250
General revenues:						
Property taxes	36,814	36,332			36,814	36,332
Grants and contributions not restricted to specific purposes	5,896	6,196			5,896	6,196
Unrestricted investment earnings	49	75	4	4	53	79
Miscellaneous	590	1,004			590	1,004
Transfers	398	344	(398)	(344)	-	-
Total revenues	<u>60,848</u>	<u>60,592</u>	<u>1,770</u>	<u>3,028</u>	<u>62,618</u>	<u>63,620</u>
Program expenses:						
Administration	3,121	2,641			3,121	2,641
Planning and development	444	409			444	409
Public safety	4,507	4,603			4,507	4,603
Public works	4,667	3,041			4,667	3,041
Health and social services	819	810			819	810
Library, recreation and parks	995	932			995	932
Education	43,126	42,706			43,126	42,706
Interest on long-term debt	512	691			512	691
Sewer			2,373	2,602	2,373	2,602
Total program expenses	<u>58,191</u>	<u>55,833</u>	<u>2,373</u>	<u>2,602</u>	<u>60,564</u>	<u>58,435</u>
Increase (Decrease) in Net Position	<u>\$ 2,657</u>	<u>\$ 4,759</u>	<u>\$ (603)</u>	<u>\$ 426</u>	<u>\$ 2,054</u>	<u>\$ 5,185</u>

The Town's total revenues were \$62,618. The total cost of all programs and services was \$60,564. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The greatest increase was in charges for services. The Building Department received over \$175 more than was budgeted for work being done. Capital and operating grants and contributions accounted for 22.7% of the Town's governmental activities, while grants and contributions not restricted to specific purposes was 9.7%. The Town continues to utilize grants and contributions to maintain its services but has maintained its reliance on property taxes. Property taxes accounted for 60.5% of the Town's governmental activities compared to 59.9% in FY 2014.

Education related expenses accounted for over 74.2% of the total program expenses for governmental activities. Public Works expenses increased by \$1,626 or 8.0% of total program expenses (5.45% in the previous year). Administration increased to 5.36% from 4.73%. Library, parks & recreation increased due to departmental vacancies being filled. Public Safety decreased to 7.75% from 8.2% in the prior year. All other expenditures remained about the same as the prior year.

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

TABLE 3
GOVERNMENTAL ACTIVITIES
(in thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Administration	\$ 3,121	\$ 2,641	\$ 1,200	\$ (583)
Public safety	4,507	4,603	4,075	3,688
Public works	4,667	3,041	4,067	4,375
Education	43,126	42,706	29,467	24,280
All others	<u>2,770</u>	<u>2,842</u>	<u>2,283</u>	<u>3,057</u>
Totals	<u>\$ 58,191</u>	<u>\$ 55,833</u>	<u>\$ 41,092</u>	<u>\$ 34,817</u>

Business-Type Activities

Revenues of the Town's business-type activities (see Table 2) decreased by \$1,258 due to \$22 less in overall commercial billings (Charges for Service) which are based on water usage for a 12 month period. Additionally, \$1,182 less in Grant income this year as well as last year's inclusion of pump stations not previously reported (\$1,240) under Capital grants and contributions. Expenses decreased by \$229. There were large increases in several accounts: Payroll (\$124), Social Security (\$8), Office Supplies (\$14), Employee Insurance (\$68), Capital improvements (\$62), Process Equipment (\$31), and OPEB (\$29). There were also large decreases in: Pension (-\$19), Electricity (-\$13), and Depreciation (-\$533). Payroll increased significantly due to 4 employees advancing to Operator II pay and hiring a new Chief Operator at the very end of 1314.

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$20,773, which is a decrease from last year's total of \$24,687. Included in this year's total change in fund balance is a decrease of \$143 in the Town's General Fund and a decrease of \$3,718 in the Capital Projects funds. This is because of the new Kent Memorial Library Project and continuation of the 2011 Roads and Drainage Projects. In addition, there was a decrease of \$52 in other nonmajor governmental funds.

General Fund Budgetary Highlights

Actual final budgetary expenditures results (including encumbrances) totaled \$55,085. Unexpended appropriations in all areas resulted in an increase to the General Fund Balance of \$372. On the revenue side, final actual revenues were less than the original budget by \$247. We budgeted to use fund balance of \$1,177. Areas that received more than the amount budgeted are: Intergovernmental Revenues received more than \$300 over budget because of increases in Payment in Lieu of Taxes (PILOT), Pequot/Mohegan Grant, the Education Cost Sharing Grant and Vocational Agriculture Grant. Current Services and Fees received more \$187

more than budgeted due to increased fees received in the Building Department. Revenue from Other Agencies increased by 813 due to the change in the Payment in Lieu of Taxes for Bradley International Airport being received from the Airport Authority instead of the State of Connecticut.

Proprietary Funds

The Town’s Water Pollution Control Authority Enterprise Fund accounts for sewer services for a designated area in Town. Charges for services decreased by \$20 due to an increase in the following: Residential billing (\$15), Hood & Prison (\$11), Permits/Septic (\$2) and a decrease in Commercial billing (-\$36), Penalty Interest (-\$6), and Misc. (-\$7).

The other two funds, Insurance Fund and Gas/Diesel Fund, are Internal Service Funds. Unrestricted net position of both funds totaled \$376, an increase of \$623 from the prior year. This increase is due primarily to operating expenses in the Insurance Fund being less than the user charges. In addition, \$500,000 transferred from this fund in FY 6/30/13 was returned in the FY 14/15 budget. Operating expenses decreased by \$494 and charges for services increased by \$604. There was an operating gain of \$623 and investment income of \$1. The Gas/Diesel Fund is used to allocate the expense of the gas and diesel fuels to the departments that use them. This year there was operating loss of \$6.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the Town had \$120 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$2,870, or 2.45%, over last year.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 18,024	\$ 18,024	\$ 16,038	\$ 16,038	\$ 34,062	\$ 34,062
Land improvements	1,504	1,566			1,504	1,566
Buildings	41,443	43,085	405	878	41,848	43,963
Furniture and equipment	3,269	3,432	1,355	2,042	4,624	5,474
Infrastructure	18,498	18,404	795	1	19,293	18,405
Construction in progress	18,731	13,722			18,731	13,722
Total	\$ 101,469	\$ 98,233	\$ 18,593	\$ 18,959	\$ 120,062	\$ 117,192

This year’s major additions included:

Various Road and Drainage Projects - CIP	\$ 2,732
Kent Memorial Library Project - CIP	1,908
Miscellaneous Equipment	268
School Security Enhancements - CIP	200
School Roof Projects - CIP	186

The Town's fiscal-year 2015-16 capital budget calls for it to spend another \$3,397 for capital projects, principally for, road repairs, bridge repairs, public works equipment, town buildings repairs, farmland preservation, board of education infrastructure repairs and technology upgrades. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2015, the Town had \$16,750 in bonds and notes outstanding versus \$18,815 last year - a decrease of \$2,065 or 10.98%.

The Town's general obligation bond rating received an AA+ debt rating for new debt in November 2012 and continues to carry the AA+ debt rating from Standard & Poor's for old debt which was reaffirmed in November 2012. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$256,207 state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2015 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the Town as of December 2014 stands at 4.8% versus 5.5% a year ago. This compares with the State's unemployment rate of 6.3% and the national rate of 5.6%.

These indicators were taken into account when adopting the General Fund budget for 2015-16. Amounts available for appropriation in the General Fund budget are \$55,652, an increase of .64% from the original 2014-15 budget of \$55,300. Property taxes and State of Connecticut revenue are expected to account for the most of the revenue.

The Town designated \$650 of its \$10,863 General Fund balance to finance its 2015-16 budget leaving an unassigned General Fund balance at June 30, 2015 of \$9, 701 or 17.43% of the 2015-16 budget.

The Town will use increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to increase by .64% to \$55,652 from \$55,300 in 2015. Increases in transfer to OPEB, contingency, general government and board of education are the largest increments with a reduction in debt service and capital expenditures.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by June 30, 2016.

The Water Pollution Control Authority approved the 2015-16 budget with an increase of 19.96% in expenditures, with no change in the per unit charge for regular use fee, as well as the Kent Farms rate. The Commercial dollar per 1,000 gallon rate increased from 5.38 to 5.39.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Suffield, 83 Mountain Road, Suffield, Connecticut 06078.

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 22,765,018	\$ 2,121,123	\$ 24,886,141
Investments	1,674,461		1,674,461
Receivables, net	3,303,539	295,146	3,598,685
Inventory	25,000		25,000
Capital assets not being depreciated	36,754,393	16,038,335	52,792,728
Capital assets being depreciated, net	64,714,449	2,554,609	67,269,058
Total assets	<u>129,236,860</u>	<u>21,009,213</u>	<u>150,246,073</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	47,666		47,666
Changes in pension projected investment earnings	1,296,210		1,296,210
Total deferred outflows of resources	<u>1,343,876</u>	<u>-</u>	<u>1,343,876</u>
Liabilities:			
Accounts and other payables	4,162,819	215,443	4,378,262
Unearned revenue	916,364		916,364
Internal balances	(632)	632	-
Noncurrent liabilities:			
Due within one year	2,423,645		2,423,645
Due in more than one year	25,503,784		25,503,784
Total liabilities	<u>33,005,980</u>	<u>216,075</u>	<u>33,222,055</u>
Deferred Inflows of Resources:			
Advance property tax collections	44,168		44,168
Net Position:			
Net investment in capital assets	84,036,434	18,592,944	102,629,378
Restricted for:			
Trust purposes:			
Nonexpendable	472,284		472,284
Unrestricted	13,021,870	2,200,194	15,222,064
Total Net Position	<u>\$ 97,530,588</u>	<u>\$ 20,793,138</u>	<u>\$ 118,323,726</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 3,120,921	\$ 804,081	\$ 1,116,386	\$	\$ (1,200,454)	\$	\$ (1,200,454)
Planning and development	444,014	50,219			(393,795)		(393,795)
Public safety	4,508,477	365,928	67,660		(4,074,889)		(4,074,889)
Public works	4,667,352	246,326	354,444		(4,066,582)		(4,066,582)
Health and social services	818,800	5,147	15,442		(798,211)		(798,211)
Library, recreation and parks	995,090	124,937	41,031	250,000	(579,122)		(579,122)
Education	43,126,868	1,531,657	12,127,951		(29,467,260)		(29,467,260)
Interest on long-term debt	511,586				(511,586)		(511,586)
Total governmental activities	58,193,108	3,128,295	13,722,914	250,000	(41,091,899)	-	(41,091,899)
Business-type activities:							
Sewer	2,373,020	2,096,041		67,887		(209,092)	(209,092)
Total	\$ <u>60,566,128</u>	\$ <u>5,224,336</u>	\$ <u>13,722,914</u>	\$ <u>317,887</u>	(41,091,899)	(209,092)	(41,300,991)
General revenues:							
Property taxes					36,814,184		36,814,184
Grants and contributions not restricted to specific programs					5,897,496		5,897,496
Unrestricted investment earnings					48,868	3,845	52,713
Miscellaneous					590,604		590,604
Transfers					398,179	(398,179)	-
Total general revenues and transfers					<u>43,749,331</u>	<u>(394,334)</u>	<u>43,354,997</u>
Change in net position					2,657,432	(603,426)	2,054,006
Net Position at Beginning of Year, as Restated					<u>94,873,156</u>	<u>21,396,564</u>	<u>116,269,720</u>
Net Position at End of Year					\$ <u>97,530,588</u>	\$ <u>20,793,138</u>	\$ <u>118,323,726</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 20,160,840	\$ 880,005	\$ 766,035	\$ 21,806,880
Investments		1,674,461		1,674,461
Receivables, net	1,516,366	495,545	1,193,776	3,205,687
Due from other funds	2,377,832	9,391,424	1,073,237	12,842,493
Inventories			25,000	25,000
Total Assets	<u>\$ 24,055,038</u>	<u>\$ 12,441,435</u>	<u>\$ 3,058,048</u>	<u>\$ 39,554,521</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities	\$ 1,224,289	\$ 2,303,478	\$ 164,874	\$ 3,692,641
Due to other funds	10,369,471	1,794,604	450,612	12,614,687
Unearned revenue	390,646		525,718	916,364
Total liabilities	<u>11,984,406</u>	<u>4,098,082</u>	<u>1,141,204</u>	<u>17,223,692</u>
Deferred inflows of resources:				
Unavailable revenue - loan receivables			162,444	162,444
Unavailable revenue - sewer assessments			187,571	187,571
Unavailable revenue - property taxes	1,163,426			1,163,426
Advance property tax collections	44,168			44,168
Total deferred inflows of resources	<u>1,207,594</u>	<u>-</u>	<u>350,015</u>	<u>1,557,609</u>
Fund balances:				
Nonspendable			497,284	497,284
Restricted			415,509	415,509
Committed	350,000	8,328,955	718,287	9,397,242
Assigned	812,017	679,663		1,491,680
Unassigned	9,701,021	(665,265)	(64,251)	8,971,505
Total fund balances	<u>10,863,038</u>	<u>8,343,353</u>	<u>1,566,829</u>	<u>20,773,220</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,055,038</u>	<u>\$ 12,441,435</u>	<u>\$ 3,058,048</u>	<u>\$ 39,554,521</u>

(Continued on next page)

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

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

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

Fund balances - total governmental funds	\$ 20,773,220
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 139,288,291
Less accumulated depreciation	<u>(37,819,449)</u>
Net capital assets	101,468,842
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Housing loan receivable	162,444
Special assessment receivable	187,571
Property tax receivable greater than 60 days	820,897
Interest receivable on property taxes	342,529
Deferred outflows related to changes in projected pension investment earnings	1,296,210
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	
	375,841
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(16,750,000)
Deferred bond premiums	(661,827)
Deferred amounts on refunding	47,666
Interest payable on bonds	(17,203)
Net OPEB obligation	(2,203,235)
Net pension liability	(7,696,340)
Landfill closure and postclosure	(145,800)
Compensated absences	(401,980)
Capital lease obligation	<u>(68,247)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 97,530,588</u>

The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 36,687,209	\$	\$	\$ 36,687,209
Intergovernmental	16,357,768	63,142	2,432,356	18,853,266
Charges for services	2,626,345	37,888	1,174,327	3,838,560
Interest income (expense)	30,916	(19,114)	35,940	47,742
Miscellaneous	586,104	251,785	47,221	885,110
Total revenues	<u>56,288,342</u>	<u>333,701</u>	<u>3,689,844</u>	<u>60,311,887</u>
Expenditures:				
Current:				
Administration	6,044,477		321,982	6,366,459
Planning and development	405,853		7,320.00	413,173
Public safety	3,705,166		292,722	3,997,888
Public works	3,936,962			3,936,962
Health and social services	714,414		2,521	716,935
Library, recreation and parks	342,246		560,926	903,172
Education	35,848,599		2,834,982	38,683,581
Miscellaneous	36,290			36,290
Debt service	2,780,436			2,780,436
Capital outlay		6,721,903	66,784	6,788,687
Total expenditures	<u>53,814,443</u>	<u>6,721,903</u>	<u>4,087,237</u>	<u>64,623,583</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,473,899</u>	<u>(6,388,202)</u>	<u>(397,393)</u>	<u>(4,311,696)</u>
Other Financing Sources (Uses):				
Transfers in	2,056,302	4,410,020	661,233	7,127,555
Transfers out	<u>(4,673,074)</u>	<u>(1,740,302)</u>	<u>(316,000)</u>	<u>(6,729,376)</u>
Total other financing sources (uses)	<u>(2,616,772)</u>	<u>2,669,718</u>	<u>345,233</u>	<u>398,179</u>
Net Change in Fund Balances	(142,873)	(3,718,484)	(52,160)	(3,913,517)
Fund Balances at Beginning of Year	<u>11,005,911</u>	<u>12,061,837</u>	<u>1,618,989</u>	<u>24,686,737</u>
Fund Balances at End of Year	<u>\$ 10,863,038</u>	<u>\$ 8,343,353</u>	<u>\$ 1,566,829</u>	<u>\$ 20,773,220</u>

(Continued on next page)

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

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,913,517)
---	----------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	5,950,136
Depreciation expense	(2,714,177)

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

Property tax interest and lien revenue-accrual basis change	36,855
Property tax receivable-accrual basis change	90,120
Housing loan receivable-accrual basis change	4,499
Special assessment receivable-accrual basis change	7,873
Changes in deferred outflows related to changes in projected pension investment earnings	1,296,210

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

Bond principal payments	2,065,210
Capital lease payments	57,726
Deferred amounts on premiums	116,524
Deferred amounts in refunding	(215,762)

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

Compensated absences	(12,057)
Net OPEB obligation	171,434
Net pension liability	(1,311,066)
Landfill closure and postclosure	16,200
Claims and judgments	85,365
Accrued interest	302,879

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

<u>622,980</u>

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 2,657,432</u>
--	---------------------

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Assets:		
Cash and cash equivalents	\$ 2,121,123	\$ 958,138
Receivables, net	295,146	97,852
Capital assets not being depreciated	16,038,335	
Capital assets, net of accumulated depreciation	2,554,609	
Total assets	<u>21,009,213</u>	<u>1,055,990</u>
Liabilities:		
Accounts and other payables	215,443	452,975
Due to other funds	632	227,174
Total liabilities	<u>216,075</u>	<u>680,149</u>
Net Position:		
Investment in capital assets	18,592,944	
Unrestricted	<u>2,200,194</u>	<u>375,841</u>
Total Net Position	<u>\$ 20,793,138</u>	<u>\$ 375,841</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities WPCA Enterprise Fund	Governmental Activities Internal Service Funds
Operating Revenues:		
Charges for services	\$ 2,091,379	\$ 7,141,143
Other	4,662	
Total operating revenues	<u>2,096,041</u>	<u>7,141,143</u>
Operating Expenses:		
Administrative expense	36,506	842,377
Payroll and employee benefits	1,245,065	
Sludge disposal	143,501	
Plant maintenance and materials	179,772	
Insurance and program services	27,322	5,401,441
Utilities	245,253	
Other operating expense	6,209	275,470
Depreciation	489,392	
Total operating expenses	<u>2,373,020</u>	<u>6,519,288</u>
Operating Gain (Loss)	(276,979)	621,855
Nonoperating Revenue:		
Income on investments	<u>3,845</u>	<u>1,125</u>
Change in Net Position Before Capital Items and Transfers	<u>(273,134)</u>	<u>622,980</u>
Capital Items and Transfers:		
Capital grants	3,891	
Capital contributions	63,996	
Transfer out	<u>(398,179)</u>	
Total capital items and transfers	<u>(330,292)</u>	<u>-</u>
Change in Net Position	(603,426)	622,980
Net Position at Beginning of Year	<u>21,396,564</u>	<u>(247,139)</u>
Net Position at End of Year	<u>\$ 20,793,138</u>	<u>\$ 375,841</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities	Governmental Activities
	WPCA	Internal
	Enterprise Fund	Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 2,108,700	\$ 6,903,011
Cash payments to employees for services	(1,245,065)	
Cash payments to supplies for goods and services	(555,354)	(6,589,087)
Cash received from other sources	7,309	
Net cash provided by operating activities	<u>315,590</u>	<u>313,924</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(123,101)	
Capital grants	3,891	
Capital contributions	63,996	
Net cash used in capital financing activities	<u>(55,214)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Transfer out	<u>(398,179)</u>	
Cash Flows from Investing Activities:		
Interest received on investments	<u>3,845</u>	<u>1,125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(133,958)	315,049
Cash and Cash Equivalents at Beginning of Year	<u>2,255,081</u>	<u>643,089</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,121,123</u>	<u>\$ 958,138</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating activities:		
Operating income (loss)	\$ (276,979)	\$ 621,855
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	489,392	
Decrease in accounts receivable	17,321	3,053
Decrease in due from other funds	2,647	(241,185)
Increase (decrease) in accounts payable	<u>83,209</u>	<u>(69,799)</u>
Net Cash Provided by Operating Activities	<u>\$ 315,590</u>	<u>\$ 313,924</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 229,842	\$ 386,030
Investments	34,682,593	14,067
Receivables:		
Other	<u>182,593</u>	<u> </u>
Total assets	35,095,028	<u>\$ 400,097</u>
Liabilities:		
Accounts and other payables	<u> </u>	<u>\$ 400,097</u>
Net Position:		
Held in Trust for Pension and OPEB Benefits	<u>\$ 35,095,028</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015**

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 3,112,505
Employee	922,368
Total contributions	<u>4,034,873</u>
Investment income:	
Interest and dividends	1,478,560
Net change in fair value of investments	(888,990)
Investment expenses	(103,470)
Net investment income	<u>486,100</u>
Miscellaneous income	<u>15,927</u>
Total additions	<u>4,536,900</u>
Deductions:	
Benefits payments and withdrawals	3,479,288
Administration	5,044
Total deductions	<u>3,484,332</u>
Net Increase	1,052,568
Net Position Held in Trust for Pension and OPEB Benefits at Beginning of Year	<u>34,042,460</u>
Net Position Held in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 35,095,028</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1749 under the General Statutes of the State of Connecticut. The Town adopted its original charter effective January 7, 1985 with the most recent revisions on November 6, 2001. The Town operates under a Selectman/Town Meeting form of government and provides the following services as authorized by the General Statutes and its charter: public safety (police and fire), public works, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

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

The Pension Trust Fund accounts for the activities of the Suffield Retirement System, which accumulates resources for pension benefit payments to qualified Town employees.

The OPEB Trust Fund accounts for the activities of the Suffield other postemployment benefits for town retirees and their beneficiaries.

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

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

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

D. Deposits and Investments

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

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

Investments are reported at fair value.

E. Receivables and Payables

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

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$16,116 has been established as an allowance for uncollectible taxes. At June 30, 2015, this represents 1.6% of all property taxes receivable.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

G. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

H. Deferred Outflows/Inflows of Resources

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

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Town employees earn and carryover various amounts of vacation and leave time based upon Town policy or bargaining unit contracts. At June 30, 2015, the total amount of the liability was \$389,923. The liability is reported in the government-wide statement of net position.

J. Net Pension Liability

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

K. Long-Term Obligations

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

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

L. Equity

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

Investment in Capital Assets

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

Restricted

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Unrestricted

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Expenditures are budgeted by department, function and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Selectmen to reassign resources between departments. The legal level of budgetary control is the department level. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers are required to be submitted in writing to the Board of Selectmen, who, upon consideration, will forward to the Board of Finance for approval. Any transfers which alter the total budget in an amount equal to or greater than one quarter of one percent of the total budget must be also approved by a Town meeting resolution. Any additional appropriations would also require Town meeting approval. During the year ended June 30, 2015, there was \$156,418 in additional appropriations.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

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

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

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2015:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Municipal Grant	\$ 58,624
Drug Education and Enforcement Grant	20
Other Capital Projects:	
Kent Memorial Library Renovation Fund	1,572,684
Agriscience Project	665,265

The deficits will be funded by contributions from the General Fund or future revenues.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$23,070,408 of the Town’s bank balance of \$24,821,238 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,613,367
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>2,457,041</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 23,070,408</u>

Cash Equivalents

At June 30, 2015, the Town’s cash equivalents amounted to \$1,278,085. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

	Standard & Poor’s
State Short-Term Investment Fund (STIF)	AAA

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Investments

As of June 30, 2015, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 – 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ 14,068	\$ 14,068	\$	
U.S. Treasury bonds		356,406		166,324	190,082
U.S. Treasury notes		1,123,079		1,123,079	
U.S. Government obligations	AAA	1,150,609		690,130	460,479
Municipal bonds	A- to AAA	84,834		38,680	46,154
Corporate bonds	A- to AAA	2,203,903	100,591	1,974,131	129,181
Corporate bonds	BBB-BBB+	1,098,931	193,696	810,044	95,191
Foreign bonds	A-AAA	512,273	51,062	461,211	
Foreign bonds	BBB-BBB+	247,315	145,785	101,530	
Total			\$ 505,202	\$ 5,365,129	\$ 921,087
Other investments:					
Mutual funds		9,460,070			
Pooled separate accounts		17,138,337			
Real Estate		795,081			
Guaranteed Deposit		1,922,915			
Alternative Investment		263,300			
Total Investments		\$ 36,371,121			

*Subject to coverage by Federal Depository Insurance and collateralization

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2015, the Town had \$19,061,252 of uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>WPCA Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 934,437	\$	\$	\$	\$ 934,437
Interest	342,529				342,529
Accounts	255,516	125	295,146	97,852	648,639
Special assessments				187,571	187,571
Intergovernmental		495,420		581,099	1,076,519
Loans				162,444	162,444
Other				445,255	445,255
Gross receivables	<u>1,532,482</u>	<u>495,545</u>	<u>295,146</u>	<u>1,474,221</u>	<u>3,797,394</u>
Less allowance for uncollectibles:	<u>(16,116)</u>				<u>(16,116)</u>
Net Total Receivables	<u>\$ 1,516,366</u>	<u>\$ 495,545</u>	<u>\$ 295,146</u>	<u>\$ 1,474,221</u>	<u>\$ 3,781,278</u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,023,616	\$	\$	\$ 18,023,616
Construction in progress	13,722,281	5,367,936	359,440	18,730,777
Total capital assets not being depreciated	<u>31,745,897</u>	<u>5,367,936</u>	<u>359,440</u>	<u>36,754,393</u>
Capital assets being depreciated:				
Buildings	65,575,621			65,575,621
Land improvements	2,221,687			2,221,687
Furniture and equipment	9,113,853	268,637		9,382,490
Infrastructure	24,681,097	673,003		25,354,100
Total capital assets being depreciated	<u>101,592,258</u>	<u>941,640</u>	<u>-</u>	<u>102,533,898</u>
Less accumulated depreciation for:				
Buildings	22,490,907	1,640,768		24,131,675
Land improvements	655,238	62,819		718,057
Furniture and equipment	5,681,570	432,328		6,113,898
Infrastructure	6,277,557	578,262		6,855,819
Total accumulated depreciation	<u>35,105,272</u>	<u>2,714,177</u>	<u>-</u>	<u>37,819,449</u>
Total capital assets being depreciated, net	<u>66,486,986</u>	<u>(1,772,537)</u>	<u>-</u>	<u>64,714,449</u>
Governmental Activities Capital Assets, Net	<u>\$ 98,232,883</u>	<u>\$ 3,595,399</u>	<u>\$ 359,440</u>	<u>\$ 101,468,842</u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Adjustments</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 16,038,335	\$ _____	\$ _____	\$ 16,038,335
Capital assets being depreciated:				
Buildings	10,078,669			10,078,669
Equipment	16,681,782	123,101		16,804,883
Vehicles	115,544			115,544
Infrastructure	<u>850,540</u>			<u>850,540</u>
Total capital assets being depreciated	<u>27,726,535</u>	<u>123,101</u>	<u>-</u>	<u>27,849,636</u>
Less accumulated depreciation for:				
Buildings	9,715,591	32,966	75,334	9,673,223
Equipment	14,819,902	628,863		15,448,765
Vehicles	109,459	8,061		117,520
Infrastructure	<u>160,683</u>	<u>53,677</u>	<u>158,841</u>	<u>55,519</u>
Total accumulated depreciation	<u>24,805,635</u>	<u>723,567</u>	<u>234,175</u>	<u>25,295,027</u>
Total capital assets being depreciated, net	<u>2,920,900</u>	<u>(600,466)</u>	<u>(234,175)</u>	<u>2,554,609</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,959,235</u>	<u>\$ (600,466)</u>	<u>\$ (234,175)</u>	<u>\$ 18,592,944</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 76,472
Planning and development	8,250
Public safety	221,816
Public works	697,509
Health and social services	106,837
Library, recreation and parks	58,497
Education	<u>1,544,796</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,714,177</u>
Business-type activities:	
Sewer	<u>\$ 723,567</u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Construction Commitments

The Town has several active construction projects as of June 30, 2015. The projects include High School construction and code renovations to various schools. At year end, the Town's commitments in the school projects are as follows:

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

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2015, amounts due to and due from other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,792,656
	Nonmajor Governmental Funds	358,002
	Internal Service Funds	227,174
		<u>2,377,832</u>
Capital Projects Fund	General Fund	9,298,814
	Nonmajor Governmental Funds	92,610
		<u>9,391,424</u>
Nonmajor Governmental Fund	General Fund	1,070,657
	Capital Projects Fund	1,948
	WPCA	632
		<u>1,073,237</u>
Total		\$ <u>12,842,493</u>

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Interfund transfers:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 4,170,020	\$ 503,054	\$ 4,673,074
Capital Projects	1,740,302			1,740,302
Nonmajor Governmental Funds	316,000			316,000
WPCA		240,000	158,179	398,179
Total Transfers In	\$ <u>2,056,302</u>	\$ <u>4,410,020</u>	\$ <u>661,233</u>	\$ <u>7,127,555</u>

Transfers represent annual recurring transactions that move resources between funds.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 18,815,210	\$	\$ 2,065,210	\$ 16,750,000	\$ 2,050,000
Premiums on bonds	778,351		116,524	661,827	
Total bonds payable	19,593,561	-	2,181,734	17,411,827	2,050,000
Landfill closure and postclosure	162,000		16,200	145,800	16,200
Capital lease obligation	125,973		57,726	68,247	33,629
Net OPEB obligation	2,374,669		171,434	2,203,235	
Net pension liability	6,385,274	1,311,066		7,696,340	
Compensated absences	389,923	319,724	307,667	401,980	323,816
Claims and judgments	85,365		85,365	-	-
Governmental Activity Long-Term Liabilities	\$ <u>29,116,765</u>	\$ <u>1,630,790</u>	\$ <u>2,820,126</u>	\$ <u>27,927,429</u>	\$ <u>2,423,645</u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

General long-term debt transactions are summarized as follows for the year ended June 30, 2015:

<u>Description</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>
Bonds payable:				
Refunding bonds issued 2005, amount \$14,305,000, interest rate 3.0%-5.0%, maturity date 2021	\$ 9,800,000	\$	\$ 1,405,000	\$ 8,395,000
General Obligation Bonds, Series 2012 \$9,000,000 int. 2% - 3%, maturity date 2027	9,000,000		645,000	8,355,000
Pollution abatement facilities loan issued in 1995, amount \$610,016, interest rate 2.0%, maturity date November 2014	15,210		15,210	-
Total	<u>\$ 18,815,210</u>	<u>\$ -</u>	<u>\$ 2,065,210</u>	<u>\$ 16,750,000</u>

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

The annual requirements to amortize all bonds and notes as of June 30, 2015, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,050,000	\$ 628,775	\$ 2,678,775
2017	2,045,000	539,175	2,584,175
2018	2,040,000	449,825	2,489,825
2019	2,040,000	360,725	2,400,725
2020	2,045,000	271,625	2,316,625
2021-2025	4,620,000	450,825	5,070,825
2026-2028	<u>1,910,000</u>	<u>57,200</u>	<u>1,967,200</u>
Total	<u>\$ 16,750,000</u>	<u>\$ 2,758,150</u>	<u>\$ 19,508,150</u>

As of June 30, 2015, the Town had no authorized unissued debt.

Landfill Postclosure Care Costs

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

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

**TOWN OF SUFFIELD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

A consulting engineering firm developed an updated plan of costs and assumptions with respect to postclosure monitoring and maintenance which included 1) ground water and surface water monitoring, 2) methane monitoring, and 3) landfill inspection and maintenance. The annual cost estimate is \$16,200 for the postclosure care period of 30 years. Current costs are recognized in the General Fund landfill expenditure line item. The balance of the postclosure care costs of \$145,800 is recognized in the statement of net position. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 82,352	\$	\$ 82,352
Schools	164,705	16,750	147,955
Sewers	137,254		137,254
Urban renewal	118,953		118,953
Pension deficit	109,803		109,803

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$256,207.

Capital Lease

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

The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 243,639
Less accumulated depreciation	<u>146,183</u>
Total	<u><u>\$ 97,456</u></u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 35,635
2017	<u>35,635</u>
Total minimum lease payments	71,270
Less amount representing interest	<u>3,023</u>
 Present Value of Minimum Lease Payments	 \$ <u><u>68,247</u></u>

Operating Lease

During 2007, the Town entered into a five-year operating lease agreement to rent office space on 230 Mountain Road Suffield, Connecticut with the option to renew the lease for one period of five years upon expiration of the original term. The Town and lessor renewed the lease for a period of one year. Rental payments are \$67,200 per year, terminating on December 31, 2015. A pro rata share of the agreed upon common maintenance expenses on the property is also required as additional rent, when applicable.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 25,000	\$ 25,000
Endowments			472,284	472,284
Restricted for:				
Grants			201,497	201,497
Public safety			180,600	180,600
Health and social services			3,804	3,804
Library, recreation and parks			29,608	29,608
Committed to:				
Administration			2,620	2,620
Public safety			419,318	419,318
Public works			141,123	141,123
Library, recreation and parks	350,000		73,764	423,764
Education			71,282	71,282
Capital projects		8,328,955		8,328,955
Sewer assessment			10,180	10,180
Assigned to:				
Planning and development	9,200			9,200
Public works	31,665			31,665
Education	121,152			121,152
Subsequent year's budget	650,000			650,000
Capital projects		679,663		679,663
Unassigned	<u>9,701,021</u>	<u>(665,265)</u>	<u>(64,251)</u>	<u>8,971,505</u>
Total Fund Balances	<u>\$ 10,863,038</u>	<u>\$ 8,343,353</u>	<u>\$ 1,566,829</u>	<u>\$ 20,773,220</u>

Significant encumbrances at June 30, 2015 of \$162,017 are contained in the above table in the assigned category of the General Fund.

9. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the Town of Suffield. The RHP provides medical and dental insurance benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

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

**TOWN OF SUFFIELD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

At July 1, 2014, plan membership consisted of the following:

	Retiree Health Plan
Retired members	103
Active plan members	<u>414</u>
Total Participants	<u><u>517</u></u>

Funding Policy

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

Town Employees

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

Board of Education Employees

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

For the year ended June 30, 2015, plan members contributed \$388,830, and claims and benefits paid were \$1,578,399. Employer contributions to the OPEB Trust Fund were \$689,043. There was also a Teacher's Retirement Board reimbursement of \$59,043. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Annual OPEB Cost and Net OPEB Obligations

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

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 1,657,017
Interest on net OPEB obligation	178,100
Adjustment to annual required contribution	<u>(186,982)</u>
Annual OPEB cost (AOC)	1,648,135
Contributions made	<u>(1,819,569)</u>
Change in net OPEB obligation	(171,434)
Net OPEB obligation, beginning of year	<u>2,374,669</u>
Net OPEB Obligation, End of Year	<u>\$ 2,203,235</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015 is presented below. Data is presented for fiscal years ended June 30, 2015, 2014 and 2013 below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/15	\$ 1,648,135	\$ 1,819,569	110%	\$ 2,203,235
6/30/14	1,601,641	1,744,908	109%	2,374,669
6/30/13	1,915,796	1,622,934	85%	2,517,936

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Schedule of Funding Progress

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

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/15	\$ 1,657,017	110 %	\$ 1,819,569
6/30/14	1,611,059	108	1,744,908
6/30/13	1,924,118	84	1,622,934

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

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

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

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee’s Retirement System

A. Plan Description and Benefits Provided

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

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

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

As of July 1, 2013, the date of the latest actuarial valuation, PERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	108
Terminated plan members entitled to benefits but not yet receiving them	31
Active plan members	<u>170</u>
Total	<u><u>309</u></u>

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

B. Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

C. Funding Policy

Contributions

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

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equities	20.80%
US Mid/Small Cap Equities	14.00%
International Equities (Unhedged)	12.40%
Emerging International Equities	6.00%
Core Bonds	25.50%
High Yield Bonds	3.00%
Global Bonds (Unhedged)	2.00%
Emerging Market Debt (Local Currency)	2.00%
Real Estate (Core)	3.00%
Commodities	4.00%
Cash	<u>7.30%</u>
Total	<u><u>100.00%</u></u>

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Net Pension Liability

The Town's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the Town at June 30, 2015 were as follows:

Total pension liability	\$	35,005,759
Plan fiduciary net position		<u>27,309,419</u>
Net pension liability	\$	<u>7,696,340</u>
Plan fiduciary net position as a percentage of the total pension liability		78.01%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.0%
Salary increases	Service based
Investment rate of return	7.5%, compounded annually

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2013-June 30, 2014.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Changes in the Net Pension Liability

	Town Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 33,416,465	\$ 27,031,191	\$ 6,385,274
Changes for the year:			
Service cost	980,412		980,412
Interest on total pension liability	2,509,771		2,509,771
Employer contributions		1,292,936	(1,292,936)
Member contributions		474,495	(474,495)
Net investment income		401,414	(401,414)
Benefit payments, including refund to employee contributions	(1,900,889)	(1,900,889)	
Administrative expenses		(5,044)	5,044
Other changes		15,316	(15,316)
Net changes	<u>1,589,294</u>	<u>278,228</u>	<u>1,311,066</u>
Balances as of June 30, 2015	<u>\$ 35,005,759</u>	<u>\$ 27,309,419</u>	<u>\$ 7,696,340</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Town's Net Pension Liability	\$ 1,157,807	\$ 7,696,340	\$ 4,409,812

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

For the year ended June 30, 2015, the Town recognized pension expense of \$14,856. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earning on pension plan investments	<u>1,296,210</u>	<u> </u>
Total	<u>\$ 1,296,210</u>	<u>\$ -</u>

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

Year Ending June 30

2016	\$	324,053
2017		324,053
2018		324,053
2019		324,051
2020		

Teachers Retirement

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

**TOWN OF SUFFIELD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

Employees

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

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

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

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>43,871,978</u>
Total	\$	<u><u>43,871,978</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$3,291,653 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (Non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	<u>100.0%</u>	

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

F. Discount Rate

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

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

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

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

11. FIDUCIARY TRUST FUNDS

The schedule of net position for the Town's Pension Plan and OPEB Trust fund as of June 30, 2015 are as follows:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 229,842	\$	\$ 229,842
Investments	26,896,984	7,785,609	34,682,593
Receivables:			
Other	<u>182,593</u>	<u> </u>	<u>182,593</u>
Total assets	27,309,419	7,785,609	35,095,028
Liabilities:			
Accounts and other payables	<u> </u>	<u> </u>	<u> </u>
Net Position:			
Held in Trust for Pension and OPEB Benefits	<u>\$ 27,309,419</u>	<u>\$ 7,785,609</u>	<u>\$ 35,095,028</u>

**TOWN OF SUFFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Fund
Additions:			
Contributions:			
Employer	\$ 1,292,936	\$ 1,819,569	\$ 3,112,505
Employee	474,495	447,873	922,368
Total contributions	<u>1,767,431</u>	<u>2,267,442</u>	<u>4,034,873</u>
Investment income:			
Interest and dividends	1,194,602	283,958	1,478,560
Net change in fair value of investments	(712,026)	(176,964)	(888,990)
Investment expenses	(81,162)	(22,308)	(103,470)
Net investment income	<u>401,414</u>	<u>84,686</u>	<u>486,100</u>
Miscellaneous income	<u>15,316</u>	<u>611</u>	<u>15,927</u>
Total additions	<u>2,184,161</u>	<u>2,352,739</u>	<u>4,536,900</u>
Deductions:			
Benefits payments and withdrawals	1,900,889	1,578,399	3,479,288
Administration	5,044		5,044
Total deductions	<u>1,905,933</u>	<u>1,578,399</u>	<u>3,484,332</u>
Net Increase	278,228	774,340	1,052,568
Net Position Held in Trust for Pension and OPEB Benefits at Beginning of Year	<u>27,031,191</u>	<u>7,011,269</u>	<u>34,042,460</u>
Net Position Held in Trust for Pension and OPEB Benefits at End of Year	<u>\$ 27,309,419</u>	<u>\$ 7,785,609</u>	<u>\$ 35,095,028</u>

12. RISK MANAGEMENT

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

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

Claims expense as reported in the Health Insurance Fund (Internal Service Fund) amounted to \$5,401,441. This amount includes the Administrator's estimate of claims incurred but not reported at June 30, 2015 of \$447,760.

**TOWN OF SUFFIELD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

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

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014-15	\$ 511,871	\$ 5,401,441	\$ 5,465,552	\$ 447,760
2013-14	508,946	5,887,050	5,884,125	511,871

13. CONTINGENT LIABILITIES

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

14. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27.

Net position at June 30, 2014, as previously reported	\$ 101,342,778
Adjustments:	
Eliminate net pension assets reported per GASB No. 27	(84,348)
Record net pension liability per GASB No. 68	<u>(6,385,274)</u>
Net Position at July 1, 2014, as Restated	<u>\$ 94,873,156</u>

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property taxes, interest and lien fees:				
Current list	\$ 36,048,063	\$ 36,048,063	\$ 35,797,769	\$ (250,294)
Supplemental motor vehicle	275,000	275,000	353,399	78,399
Interest and fees	150,000	150,000	206,582	56,582
Taxes, prior years	280,000	280,000	329,459	49,459
Total property taxes, interest and lien fees	<u>36,753,063</u>	<u>36,753,063</u>	<u>36,687,209</u>	<u>(65,854)</u>
Intergovernmental revenues:				
State of Connecticut:				
Payment in lieu of taxes - State Property	2,588,799	2,588,799	2,657,588	68,789
Mashantucket Pequot	2,774,997	2,774,997	2,976,971	201,974
Payment in lieu of taxes, disabled tax relief	1,090	1,090	1,078	(12)
Veterans' exemption	7,200	7,200	9,062	1,862
Elderly tax relief - circuit breaker	87,620	87,620	81,550	(6,070)
Elderly tax relief - freeze	2,000	2,000	1,334	(666)
LOCIP reimbursement	92,400	92,400		(92,400)
Miscellaneous	32,419	32,419	54,553	22,134
Town Aid Road	290,658	290,658	291,302	644
Youth Services	14,000	14,000	14,000	-
Municipal Revenue Sharing	42,120	42,120		(42,120)
East Granby - Animal Control	16,000	16,000	16,000	-
Municipal Projects Grant	169,913	169,913	169,913	-
Total	<u>6,119,216</u>	<u>6,119,216</u>	<u>6,273,351</u>	<u>154,135</u>
Education:				
Education cost sharing	6,267,018	6,267,018	6,360,257	93,239
Vocational agriculture grant	294,250	294,250	342,400	48,150
Other educational grants	7,127	7,127	7,079	(48)
Pupil transportation	78,585	78,585	83,028	4,443
Total	<u>6,646,980</u>	<u>6,646,980</u>	<u>6,792,764</u>	<u>145,784</u>
Total intergovernmental revenues	<u>12,766,196</u>	<u>12,766,196</u>	<u>13,066,115</u>	<u>299,919</u>
Investment income:				
Interest income	<u>30,000</u>	<u>30,000</u>	<u>30,916</u>	<u>916</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Current services and fees:				
Licenses, permits and fines:				
Building Department	\$ 280,000	\$ 280,000	\$ 455,052	\$ 175,052
Zoning and Planning	18,000	18,000	22,442	4,442
Zoning Board of Appeals	3,410	3,410	1,240	(2,170)
Police permits	4,000	4,000	7,582	3,582
Conservation	4,000	4,000	10,277	6,277
Historic District fees	800	800	1,050	250
Total	<u>310,210</u>	<u>310,210</u>	<u>497,643</u>	<u>187,433</u>
Charges for current services:				
Bulky waste	2,000	2,000	2,892	892
Assessor's map sales	800	800	393	(407)
Real estate conveyance tax	160,000	160,000	189,676	29,676
Mini-bus transportation	5,500	5,500	5,147	(353)
Animal control fees	14,200	14,200	1,026	(13,174)
Town Clerk historic document fees	3,600	3,600	1,935	(1,665)
Town Clerk recording fees	160,800	160,800	124,290	(36,510)
Total	<u>346,900</u>	<u>346,900</u>	<u>325,359</u>	<u>(21,541)</u>
Landfill:				
Operating	41,736	41,736	27,642	(14,094)
Recycling rebates	30,000	30,000	40,825	10,825
Sale of scrap metal	7,101	7,101	4,636	(2,465)
Permits	15,680	15,680	9,343	(6,337)
Total	<u>94,517</u>	<u>94,517</u>	<u>82,446</u>	<u>(12,071)</u>
Recreation:				
Camps	43,165	43,165	38,527	(4,638)
Activity	80,000	80,000	80,935	935
Total	<u>123,165</u>	<u>123,165</u>	<u>119,462</u>	<u>(3,703)</u>
Revenue from other agencies:				
Telecommunications grant	23,000	23,000	21,832	(1,168)
Tuition, Vo-ag	576,000	576,000	417,409	(158,591)
Tuition, other	189,600	189,600	468,285	278,685
Payment in lieu of taxes, CT airport authority			693,909	693,909
Total	<u>788,600</u>	<u>788,600</u>	<u>1,601,435</u>	<u>812,835</u>
Total current services and fees	<u>1,663,392</u>	<u>1,663,392</u>	<u>2,626,345</u>	<u>962,953</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous:				
Rent - Town property	\$ 102,829	\$ 102,829	\$ 96,106	\$ (6,723)
Cell tower	151,467	151,467	164,007	12,540
Capital project expenditures	521,196	521,196	212,177	(309,019)
Resource Officer	59,867	59,867	59,867	-
Miscellaneous income	55,000	55,000	53,947	(1,053)
Total	<u>890,359</u>	<u>890,359</u>	<u>586,104</u>	<u>(304,255)</u>
Total revenues	<u>52,103,010</u>	<u>52,103,010</u>	<u>52,996,689</u>	<u>893,679</u>
Other financing sources:				
Utilization of Fund Balance	1,176,610	1,176,610		(1,176,610)
Transfers in:				
Town Donations	1,745,769	1,745,769	1,740,302	(5,467)
Sewer Assessment Fund	275,000	275,000	316,000	41,000
Total other financing sources	<u>3,197,379</u>	<u>3,197,379</u>	<u>2,056,302</u>	<u>(1,141,077)</u>
Total Revenues and Other Financing Sources	<u>\$ 55,300,389</u>	<u>\$ 55,300,389</u>	55,052,991	<u>\$ (247,398)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			<u>3,291,653</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit IV)			<u>\$ 58,344,644</u>	

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Board of Selectmen	\$ 256,833	\$ 215,541	\$ 215,541	\$ -
Human Resources	82,938	82,939	82,057	882
Probate Court	5,800	5,265	5,265	-
Election	46,387	46,696	37,105	9,591
Board of Finance	61,738	46,001	11,309	34,692
Assessors	151,843	153,361	144,479	8,882
Board of Assessment Appeals	1,450	1,450	570	880
Tax Collector	173,267	167,516	157,793	9,723
Tax Rebates	65,000	65,000	36,730	28,270
Finance	280,905	287,480	280,808	6,672
Information Technology	302,249	286,307	264,475	21,832
Town Counsel	85,000	384,529	384,529	-
Town Clerk	194,170	189,265	187,494	1,771
Town Hall	146,350	148,242	148,027	215
OPEB Fund	550,000	550,000	550,000	-
Insurance Fund	500,000	500,000	500,000	-
Insurance and bonds	3,092,104	3,038,805	3,011,193	27,612
Total	<u>5,996,034</u>	<u>6,168,397</u>	<u>6,017,375</u>	<u>151,022</u>
Planning and development:				
Zoning and Planning	170,171	202,983	200,452	2,531
Zoning Board of Appeals	5,797	5,797	2,257	3,540
Economic Development	152,803	153,049	153,049	-
Historic District Commission	885	1,199	1,199	-
Conservation Commission	57,635	57,634	51,726	5,908
Total	<u>387,291</u>	<u>420,662</u>	<u>408,683</u>	<u>11,979</u>
Public safety:				
Fire Commission	947,278	979,998	979,998	-
Police Commission	2,329,865	2,325,566	2,273,189	52,377
Civil Preparedness	30,653	30,531	30,001	530
Building Department	220,184	227,190	223,421	3,769
Town Engineer	117,056	117,411	116,816	595
Dog Fund	84,222	85,616	80,941	4,675
Total	<u>3,729,258</u>	<u>3,766,312</u>	<u>3,704,366</u>	<u>61,946</u>
Public works:				
Public works	589,737	582,389	573,449	8,940
Highway	1,126,363	1,348,475	1,348,475	-
State aid road funds	290,658	290,657	290,657	-
Public utilities	535,000	479,245	476,158	3,087
Town landfill	1,201,825	1,201,824	1,175,289	26,535
Total	<u>3,743,583</u>	<u>3,902,590</u>	<u>3,864,028</u>	<u>38,562</u>
Health and social services:				
Health and social services	209,193	204,693	204,693	-
Social Services Commission	1,658	1,699	1,490	209
Senior Center	103,752	105,414	105,115	299
Mini-bus transportation	211,345	212,298	188,980	23,318
EMS/Ambulance	219,417	219,417	214,136	5,281
Total	<u>745,365</u>	<u>743,521</u>	<u>714,414</u>	<u>29,107</u>

(Continued on next page)

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Library, Recreation and Parks:				
Recreation	\$ 240,760	\$ 245,932	\$ 231,857	\$ 14,075
Recreation activity	110,610	110,609	71,271	39,338
Tree Warden	11,000	11,000	11,000	-
Youth Services	66,931	53,604	28,118	25,486
Total	<u>429,301</u>	<u>421,145</u>	<u>342,246</u>	<u>78,899</u>
Board of Education	<u>32,499,367</u>	<u>32,544,380</u>	<u>32,543,748</u>	<u>632</u>
Miscellaneous:				
Cemeteries	<u>36,290</u>	<u>36,290</u>	<u>36,290</u>	<u>-</u>
Debt service	<u>2,780,436</u>	<u>2,780,436</u>	<u>2,780,436</u>	<u>-</u>
Total expenditures	<u>50,346,925</u>	<u>50,783,733</u>	<u>50,411,586</u>	<u>372,147</u>
Other financing uses:				
Transfers out:				
Capital Projects Fund	4,108,751	3,870,020	3,870,020	-
Open Space Fund	300,000	300,000	300,000	-
Kent memorial library	454,713	458,054	458,054	-
Cafeteria Fund	90,000	45,000	45,000	-
Total other financing uses	<u>4,953,464</u>	<u>4,673,074</u>	<u>4,673,074</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>55,300,389</u>	\$ <u>55,456,807</u>	55,084,660	\$ <u>372,147</u>

Budgetary expenditures are different than GAAP expenditures because:

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

3,291,653

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

111,204

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

\$ 58,487,517

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

	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 942,703	\$ 980,412
Interest	2,396,241	2,509,771
Benefit payments, including refunds of member contributions	<u>(1,826,285)</u>	<u>(1,900,889)</u>
Net change in total pension liability	1,512,659	1,589,294
Total pension liability - beginning	<u>31,903,806</u>	<u>33,416,465</u>
Total pension liability - ending	<u>33,416,465</u>	<u>35,005,759</u>
Plan fiduciary net position:		
Contributions - employer	1,248,754	1,292,936
Contributions - member	482,833	474,495
Net investment income	3,385,717	401,414
Benefit payments, including refunds of member contributions	<u>(1,826,285)</u>	<u>(1,900,889)</u>
Administrative expense	<u>(37,288)</u>	<u>(5,044)</u>
Other		15,316
Net change in plan fiduciary net position	<u>3,253,731</u>	<u>278,228</u>
Plan fiduciary net position - beginning	<u>23,777,460</u>	<u>27,031,191</u>
Plan fiduciary net position - ending	<u>27,031,191</u>	<u>27,309,419</u>
Net Pension Liability - Ending	<u>\$ 6,385,274</u>	<u>\$ 7,696,340</u>
Plan fiduciary net position as a percentage of the total pension liability	80.89%	78.01%
Covered-employee payroll	\$ 8,493,969	\$ 8,831,530
Net pension liability as a percentage of covered-employee payroll	75.17%	87.15%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 580,000	\$ 690,693	\$ 798,000	\$ 698,455	\$ 790,600	\$ 965,635	\$ 1,006,709	\$ 1,166,615	\$ 1,209,502	\$ 1,292,936
Contributions in relation to the actuarially determined contribution	<u>580,000</u>	<u>690,700</u>	<u>825,000</u>	<u>698,455</u>	<u>790,600</u>	<u>965,635</u>	<u>984,803</u>	<u>1,166,646</u>	<u>1,248,754</u>	<u>1,292,936</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>(7)</u>	\$ <u>(27,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>21,906</u>	\$ <u>(31)</u>	\$ <u>(39,252)</u>	\$ <u>-</u>
Covered-employee payroll	\$ 7,699,798	\$ 6,638,165	\$ 8,297,791	\$ 8,599,710	\$ 8,787,611	\$ 8,863,155	\$ 8,802,909	\$ 8,693,155	\$ 8,705,695	\$ 8,831,530
Contributions as a percentage of covered-employee payroll	7.53%	10.40%	9.94%	8.12%	9.00%	10.89%	11.19%	13.42%	14.34%	14.64%

Notes to Schedule

Valuation date: July 1, 2013
Measurement date: June 30, 2015
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Projected Unit Credit
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 18 years
Asset valuation method: 5-year smoothed market
Inflation rate: 3.00%
Salary increases: Based on years of service
Investment rate of return: 7.5% compounded annually
Retirement age: Age 55 with 10 years of credited service, 25 years of credited service, or age 65 with 5 years of service.

Mortality: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants, projected to the valuation date with scale AA

**TOWN OF SUFFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TWO FISCAL YEARS**

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

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

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

Notes to Schedule

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

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 20,160,840	\$ 24,131,384
Receivables:		
Property taxes, net of allowance for uncollectibles of \$16,116 in 2015 and \$12,692 in 2014	918,321	793,131
Intergovernmental		7,654
Other	598,045	471,721
Due from other funds	<u>2,377,832</u>	<u>1,933,272</u>
Total Assets	<u>\$ 24,055,038</u>	<u>\$ 27,337,162</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,224,289	\$ 1,081,914
Due to other funds	10,369,471	13,781,933
Unearned revenues	390,646	407,358
Total liabilities	<u>11,984,406</u>	<u>15,271,205</u>
Deferred inflows of resources:		
Unavailable revenue - property tax and interest receivables	1,163,426	1,036,451
Advance property tax collections	44,168	23,595
Total deferred inflows of resources	<u>1,207,594</u>	<u>1,060,046</u>
Fund balance:		
Restricted		176,611
Committed	350,000	
Assigned	812,017	1,282,437
Unassigned	9,701,021	9,546,863
Total fund balance	<u>10,863,038</u>	<u>11,005,911</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 24,055,038</u>	<u>\$ 27,337,162</u>

**TOWN OF SUFFIELD, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2015**

Grand List	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2015
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2013	\$	\$ 36,586,217	\$ 69,543	\$ (100,244)	\$ (880)	\$ 36,554,636	\$ 36,096,179	\$ 93,983	\$ 721	\$ 36,190,883	\$ 458,457
2012	406,161		1,482	(4,789)	(1,889)	400,965	202,948	46,190	1,359	250,497	198,017
2011	193,524		556	(237)	(1,951)	191,892	63,155	28,311	535	92,001	128,737
2010	108,677			(310)	(25,961)	82,406	22,577	16,973	348	39,898	59,829
2009	42,768		22,977		(1,819)	63,926	14,140	6,013	96	20,249	49,786
2008	22,669		3,071		(1,819)	23,921	4,458	635	48	5,141	19,463
2007	3,651				(1,463)	2,188				-	2,188
2006	4,413				(1,414)	2,999	701	199		900	2,298
2005	5,999				(1,358)	4,641				-	4,641
2004	1,335		465		(1,308)	492				-	492
2003	4,563				(1,265)	3,298				-	3,298
2002	2,977				(842)	2,135				-	2,135
2001	2,578				(722)	1,856				-	1,856
2000	2,471				(686)	1,785				-	1,785
1999	2,118				(663)	1,455				-	1,455
1998	1,919			(1,919)		-				-	-
Total	\$ 805,823	\$ 36,586,217	\$ 98,094	\$ (107,499)	\$ (44,040)	\$ 37,338,595	\$ 36,404,158	\$ 192,304	\$ 3,107	\$ 36,599,569	\$ 934,437

**TOWN OF SUFFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds							
	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
ASSETS								
Cash and cash equivalents	\$	\$ 14,489	\$	\$	\$	\$ 10,214	\$	\$
Receivables:						187,571		
Assessments								
Intergovernmental		32,450		228,068				
Loans receivables								
Other	102,850	53		154,396				
Due from other funds	316,468		182,639	304,839	185		13,532	18,503
Inventory		25,000						
Total Assets	<u>\$ 419,318</u>	<u>\$ 71,992</u>	<u>\$ 182,639</u>	<u>\$ 687,303</u>	<u>\$ 185</u>	<u>\$ 197,785</u>	<u>\$ 13,532</u>	<u>\$ 18,503</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 39,634	\$	\$ 19,967	\$	\$ 34	\$	\$
Due to other funds		12,965	2,039					
Unearned revenue				479,780				
Total liabilities	<u>-</u>	<u>52,599</u>	<u>2,039</u>	<u>499,747</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - loans receivable								
Unavailable revenue - sewer assessment						187,571		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,571</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable		25,000						
Restricted			180,600	187,556	185		13,532	
Committed	419,318					10,180		18,503
Unassigned		(5,607)						
Total fund balances	<u>419,318</u>	<u>19,393</u>	<u>180,600</u>	<u>187,556</u>	<u>185</u>	<u>10,180</u>	<u>13,532</u>	<u>18,503</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 419,318</u>	<u>\$ 71,992</u>	<u>\$ 182,639</u>	<u>\$ 687,303</u>	<u>\$ 185</u>	<u>\$ 197,785</u>	<u>\$ 13,532</u>	<u>\$ 18,503</u>

(Continued on next page)

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

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
ASSETS								
Cash and cash equivalents	\$	\$	\$ 3,804	\$ 20,960	\$	\$	\$	\$
Receivables:								
Assessments								
Intergovernmental		320,581						
Loans receivables				162,444				
Other	2,124					126		
Due from other funds	55,538	5,039		71,524	1,148	8,644	8,581	2,620
Inventory								
Total Assets	\$ 57,662	\$ 325,620	\$ 3,804	\$ 254,928	\$ 1,148	\$ 8,770	\$ 8,581	\$ 2,620
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 2,401	\$ 81,613	\$	\$	\$	\$	\$	\$
Due to other funds		256,693		92,260	1,168			
Unearned revenue		45,938						
Total liabilities	<u>2,401</u>	<u>384,244</u>	<u>-</u>	<u>92,260</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - loans receivable				162,444				
Unavailable revenue - sewer assessment								
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable								
Restricted			3,804	224		8,770	8,581	
Committed	55,261							2,620
Unassigned		(58,624)			(20)			
Total fund balances	<u>55,261</u>	<u>(58,624)</u>	<u>3,804</u>	<u>224</u>	<u>(20)</u>	<u>8,770</u>	<u>8,581</u>	<u>2,620</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 57,662	\$ 325,620	\$ 3,804	\$ 254,928	\$ 1,148	\$ 8,770	\$ 8,581	\$ 2,620

(Continued on next page)

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

	Special Revenue Funds			Permanent Funds		Interfund Eliminations	Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery		
ASSETS							
Cash and cash equivalents	\$	\$ 146,015	\$	\$ 57,257	\$ 513,296	\$	\$ 766,035
Receivables:							
Assessments							187,571
Intergovernmental							581,099
Loans receivables							162,444
Other			2,413		700		262,662
Due from other funds	30,220	632	74,618			(21,493)	1,073,237
Inventory							25,000
Total Assets	<u>\$ 30,220</u>	<u>\$ 146,647</u>	<u>\$ 77,031</u>	<u>\$ 57,257</u>	<u>\$ 513,996</u>	<u>\$ (21,493)</u>	<u>\$ 3,058,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 14,963	\$	\$ 5,749	\$	\$ 513	\$	\$ 164,874
Due to other funds	3,000	5,524		16,553	81,903	(21,493)	450,612
Unearned revenue							525,718
Total liabilities	<u>17,963</u>	<u>5,524</u>	<u>5,749</u>	<u>16,553</u>	<u>82,416</u>	<u>(21,493)</u>	<u>1,141,204</u>
Deferred inflows of resources:							
Unavailable revenue - loans receivable							162,444
Unavailable revenue - sewer assessment							187,571
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,015</u>
Fund balances:							
Nonspendable				40,704	431,580		497,284
Restricted	12,257						415,509
Committed		141,123	71,282				718,287
Unassigned							(64,251)
Total fund balances	<u>12,257</u>	<u>141,123</u>	<u>71,282</u>	<u>40,704</u>	<u>431,580</u>	<u>-</u>	<u>1,566,829</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,220</u>	<u>\$ 146,647</u>	<u>\$ 77,031</u>	<u>\$ 57,257</u>	<u>\$ 513,996</u>	<u>\$ (21,493)</u>	<u>\$ 3,058,048</u>

**TOWN OF SUFFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue Funds</u>							
	<u>Off Duty</u>	<u>School Cafeteria</u>	<u>Town Donations</u>	<u>Education Grants</u>	<u>CADAC Grant</u>	<u>Sewer Assessment</u>	<u>Asset Forfeiture</u>	<u>Recreation</u>
Revenues:								
Intergovernmental	\$	\$ 209,463	\$	\$ 1,831,606	\$	\$	\$ 3,703	\$
Current services and fees	347,043	532,989				103,500		
Assessments						57,143		
Interest income		98				33		
Donations and program income			14,341					1,395
Total revenues	<u>347,043</u>	<u>742,550</u>	<u>14,341</u>	<u>1,831,606</u>	<u>-</u>	<u>160,676</u>	<u>3,703</u>	<u>1,395</u>
Expenditures:								
Administration								
Planning and development								
Public safety	248,097		41,841					
Health and social services								
Library, recreation and parks								
Education		753,636		1,919,528				
Capital outlay								
Total expenditures	<u>248,097</u>	<u>753,636</u>	<u>41,841</u>	<u>1,919,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>98,946</u>	<u>(11,086)</u>	<u>(27,500)</u>	<u>(87,922)</u>	<u>-</u>	<u>160,676</u>	<u>3,703</u>	<u>1,395</u>
Other financing sources (uses):								
Transfers in		45,000				158,179		
Transfers out						(316,000)		
Total other financing sources (uses)	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,821)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	98,946	33,914	(27,500)	(87,922)	-	2,855	3,703	1,395
Fund balance at beginning of year	<u>320,372</u>	<u>(14,521)</u>	<u>208,100</u>	<u>275,478</u>	<u>185</u>	<u>7,325</u>	<u>9,829</u>	<u>17,108</u>
Fund Balance at End of Year	<u>\$ 419,318</u>	<u>\$ 19,393</u>	<u>\$ 180,600</u>	<u>\$ 187,556</u>	<u>\$ 185</u>	<u>\$ 10,180</u>	<u>\$ 13,532</u>	<u>\$ 18,503</u>

(Continued on next page)

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

	Special Revenue Funds							
	Senior Center Activity	Municipal Grant	Emergency Food and Shelter	Small Cities Grant	Drug Education and Enforcement Grant	Sunrise Park	Farmington Canal Trail	Veterans Memorial
Revenues:								
Intergovernmental	\$	\$ 386,013	\$	\$	\$	\$	\$	\$
Current services and fees	12,311							
Assessments								
Interest income								
Donations and program income	23,462		1,900			603	20	
Total revenues	<u>35,773</u>	<u>386,013</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>603</u>	<u>20</u>	<u>-</u>
Expenditures:								
Administration		317,883		4,099				
Planning and development		7,320						
Public safety		2,784						
Health and social services			2,008					
Library, recreation and parks	27,312	8,042					1,040	
Education								
Capital outlay		49,984		16,800				
Total expenditures	<u>27,312</u>	<u>386,013</u>	<u>2,008</u>	<u>20,899</u>	<u>-</u>	<u>-</u>	<u>1,040</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>8,461</u>	<u>-</u>	<u>(108)</u>	<u>(20,899)</u>	<u>-</u>	<u>603</u>	<u>(1,020)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,461	-	(108)	(20,899)	-	603	(1,020)	-
Fund balance at beginning of year	<u>46,800</u>	<u>(58,624)</u>	<u>3,912</u>	<u>21,123</u>	<u>(20)</u>	<u>8,167</u>	<u>9,601</u>	<u>2,620</u>
Fund Balance at End of Year	<u>\$ 55,261</u>	<u>\$ (58,624)</u>	<u>\$ 3,804</u>	<u>\$ 224</u>	<u>\$ (20)</u>	<u>\$ 8,770</u>	<u>\$ 8,581</u>	<u>\$ 2,620</u>

(Continued on next page)

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

	Special Revenue Funds			Permanent Funds		Total Nonmajor Governmental Funds
	Kent Memorial Library	Kent Farm Sewer District	School Activity	Memorial	Cemetery	
Revenues:						
Intergovernmental	\$ 1,571	\$	\$	\$	\$	\$ 2,432,356
Current services and fees	5,950		115,391			1,117,184
Assessments						57,143
Interest income	35,095	146		55	513	35,940
Donations and program income					5,500	47,221
Total revenues	<u>42,616</u>	<u>146</u>	<u>115,391</u>	<u>55</u>	<u>6,013</u>	<u>3,689,844</u>
Expenditures:						
Administration						321,982
Planning and development						7,320
Public safety						292,722
Health and social services					513	2,521
Library, recreation and parks	523,045			1,487		560,926
Education			161,818			2,834,982
Capital outlay						66,784
Total expenditures	<u>523,045</u>	<u>-</u>	<u>161,818</u>	<u>1,487</u>	<u>513</u>	<u>4,087,237</u>
Excess (deficiency) of revenues over expenditures	<u>(480,429)</u>	<u>146</u>	<u>(46,427)</u>	<u>(1,432)</u>	<u>5,500</u>	<u>(397,393)</u>
Other financing sources (uses):						
Transfers in	458,054					661,233
Transfers out						(316,000)
Total other financing sources (uses)	<u>458,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,233</u>
Net change in fund balances	(22,375)	146	(46,427)	(1,432)	5,500	(52,160)
Fund balance at beginning of year	<u>34,632</u>	<u>140,977</u>	<u>117,709</u>	<u>42,136</u>	<u>426,080</u>	<u>1,618,989</u>
Fund Balance at End of Year	<u>\$ 12,257</u>	<u>\$ 141,123</u>	<u>\$ 71,282</u>	<u>\$ 40,704</u>	<u>\$ 431,580</u>	<u>\$ 1,566,829</u>

**TOWN OF SUFFIELD, CONNECTICUT
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET - BY PROJECT
JUNE 30, 2015**

	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>	<u>Kent Memorial Library Renovation Fund</u>
ASSETS								
Cash and cash equivalents	\$	\$ 10,993	\$ 680,295	\$	\$	\$	\$	\$
Investments								
Receivables:								
Accounts						125		
Intergovernmental	375,944					56,334		
Due from other funds		435,004		4,586	289,000	280,783	5,884,267	
Total Assets	<u>\$ 375,944</u>	<u>\$ 445,997</u>	<u>\$ 680,295</u>	<u>\$ 4,586</u>	<u>\$ 289,000</u>	<u>\$ 337,242</u>	<u>\$ 5,884,267</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$ 8,768	\$	\$	\$ 40,840	\$ 409,288	\$ 1,240,130
Due to other funds	375,944	289,000			279,052		1,716	332,554
Total liabilities	<u>375,944</u>	<u>289,000</u>	<u>8,768</u>	<u>-</u>	<u>279,052</u>	<u>40,840</u>	<u>411,004</u>	<u>1,572,684</u>
Fund Balances:								
Committed		156,997	671,527	4,586	9,948	296,402	4,793,600	(1,572,684)
Assigned							679,663	
Unassigned								
Total fund balances	<u>-</u>	<u>156,997</u>	<u>671,527</u>	<u>4,586</u>	<u>9,948</u>	<u>296,402</u>	<u>5,473,263</u>	<u>(1,572,684)</u>
Total Liabilities and Fund Balances	<u>\$ 375,944</u>	<u>\$ 445,997</u>	<u>\$ 680,295</u>	<u>\$ 4,586</u>	<u>\$ 289,000</u>	<u>\$ 337,242</u>	<u>\$ 5,884,267</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF SUFFIELD, CONNECTICUT
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET - BY PROJECT (CONTINUED)
 JUNE 30, 2015

	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Utility Extension Project</u>	<u>Capital Non-recurring Expenditure Fund</u>	<u>Interfund Eliminations</u>	<u>Total Capital Projects Funds</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$ 183,342	\$	\$	\$	\$ 5,375	\$	\$ 880,005
Investments							1,674,461		1,674,461
Receivables:									
Accounts									125
Intergovernmental						63,142			495,420
Due from other funds		850,997		109,343	1,826,444			(289,000)	9,391,424
Total Assets	\$ -	\$ 850,997	\$ 183,342	\$ 109,343	\$ 1,826,444	\$ 63,142	\$ 1,679,836	\$ (289,000)	\$ 12,441,435
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$ 604,452	\$		\$	\$ 2,303,478
Due to other funds	665,265		76,931			63,142		(289,000)	1,794,604
Total liabilities	665,265	-	76,931	-	604,452	63,142	-	(289,000)	4,098,082
Fund Balances:									
Committed		850,997	106,411	109,343	1,221,992		1,679,836		8,328,955
Assigned									679,663
Unassigned	(665,265)								(665,265)
Total fund balances	(665,265)	850,997	106,411	109,343	1,221,992	-	1,679,836	-	8,343,353
Total Liabilities and Fund Balances	\$ -	\$ 850,997	\$ 183,342	\$ 109,343	\$ 1,826,444	\$ 63,142	\$ 1,679,836	\$ (289,000)	\$ 12,441,435

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

	<u>School Building Fund</u>	<u>Town Improvement Fund</u>	<u>Sewer Capital Projects</u>	<u>Industrial Park Fund</u>	<u>West Suffield Fire Station Construction Fund</u>	<u>Bridge Projects</u>	<u>Capital Non-Recurring Fund</u>	<u>Kent Memorial Library Renovation Fund</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Current services and fees								
Interest income (loss)			(847)					
Donations								250,000
Total revenues	<u>-</u>	<u>-</u>	<u>(847)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Expenditures:								
Capital outlay			233,729			14,737	2,382,300	1,822,684
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(234,576)</u>	<u>-</u>	<u>-</u>	<u>(14,737)</u>	<u>(2,382,300)</u>	<u>(1,572,684)</u>
Other financing sources:								
Transfers in			240,000				3,870,020	
Transfers out							(1,740,302)	
Total other financing sources	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,129,718</u>	<u>-</u>
Net Change in Fund Balances	-	-	5,424	-	-	(14,737)	(252,582)	(1,572,684)
Fund Balances at Beginning of Year	<u>-</u>	<u>156,997</u>	<u>666,103</u>	<u>4,586</u>	<u>9,948</u>	<u>311,139</u>	<u>5,725,845</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 156,997</u>	<u>\$ 671,527</u>	<u>\$ 4,586</u>	<u>\$ 9,948</u>	<u>\$ 296,402</u>	<u>\$ 5,473,263</u>	<u>\$ (1,572,684)</u>

(Continued on next page)

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

	<u>Agriscience Project</u>	<u>Open Space</u>	<u>Capital Reserve</u>	<u>Fire Trucks Fund</u>	<u>2011 Road & Drainage Imp. Fund</u>	<u>Utility Extension Project</u>	<u>Capital Non-Recurring Expenditure Fund</u>	<u>Total Capital Projects Funds</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$ 63,142	\$	\$ 63,142
Current services and fees		37,888						37,888
Interest income (loss)			272				(18,539)	(19,114)
Donations			1,785					251,785
Total revenues	<u>-</u>	<u>37,888</u>	<u>2,057</u>	<u>-</u>	<u>-</u>	<u>63,142</u>	<u>(18,539)</u>	<u>333,701</u>
Expenditures:								
Capital outlay	<u>26,925</u>	<u>9,250</u>			<u>2,208,225</u>	<u>22,428</u>	<u>1,625</u>	<u>6,721,903</u>
Excess (deficiency) of revenues over expenditures	<u>(26,925)</u>	<u>28,638</u>	<u>2,057</u>	<u>-</u>	<u>(2,208,225)</u>	<u>40,714</u>	<u>(20,164)</u>	<u>(6,388,202)</u>
Other financing sources:								
Transfers in		300,000						4,410,020
Transfers out								(1,740,302)
Total other financing sources	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,669,718</u>
Net Change in Fund Balances	(26,925)	328,638	2,057	-	(2,208,225)	40,714	(20,164)	(3,718,484)
Fund Balances at Beginning of Year	<u>(638,340)</u>	<u>522,359</u>	<u>104,354</u>	<u>109,343</u>	<u>3,430,217</u>	<u>(40,714)</u>	<u>1,700,000</u>	<u>12,061,837</u>
Fund Balances at End of Year	<u>\$ (665,265)</u>	<u>\$ 850,997</u>	<u>\$ 106,411</u>	<u>\$ 109,343</u>	<u>\$ 1,221,992</u>	<u>\$ -</u>	<u>\$ 1,679,836</u>	<u>\$ 8,343,353</u>

**TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 958,138	\$	\$ 958,138
Receivables, net	<u>65,674</u>	<u>32,178</u>	<u>97,852</u>
Total	<u>\$ 1,023,812</u>	<u>\$ 32,178</u>	<u>\$ 1,055,990</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued liabilities	\$ 447,760	\$ 5,215	\$ 452,975
Due to other funds	<u>216,986</u>	<u>10,188</u>	<u>227,174</u>
Total liabilities	664,746	15,403	680,149
Net position:			
Unrestricted	<u>359,066</u>	<u>16,775</u>	<u>375,841</u>
Total	<u>\$ 1,023,812</u>	<u>\$ 32,178</u>	<u>\$ 1,055,990</u>

**TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Operating revenues:			
User charges	\$ 6,871,861	\$ 269,282	\$ 7,141,143
Operating expenses:			
Administration	842,377		842,377
Insurance and benefits	5,401,441		5,401,441
Fuel		275,470	275,470
Total operating expenses	<u>6,243,818</u>	<u>275,470</u>	<u>6,519,288</u>
Operating income (loss)	628,043	(6,188)	621,855
Nonoperating revenue:			
Investment income	<u>1,125</u>		<u>1,125</u>
Change in net position	629,168	(6,188)	622,980
Net position at beginning of year	<u>(270,102)</u>	<u>22,963</u>	<u>(247,139)</u>
Net Position at End of Year	<u>\$ 359,066</u>	<u>\$ 16,775</u>	<u>\$ 375,841</u>

**TOWN OF SUFFIELD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Insurance Fund</u>	<u>Gas/Diesel Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from users	\$ 6,621,853	\$ 281,158	\$ 6,903,011
Cash paid to vendors	<u>(6,307,929)</u>	<u>(281,158)</u>	<u>(6,589,087)</u>
Net cash provided by operating activities	313,924	-	313,924
Cash Flows From Investing Activities:			
Interest on investments	<u>1,125</u>	<u>-</u>	<u>1,125</u>
Net Increase in Cash and Cash Equivalents	315,049	-	315,049
Cash and Cash Equivalents at Beginning of Year	<u>643,089</u>	<u>-</u>	<u>643,089</u>
Cash and Cash Equivalents at End of Year	<u>\$ 958,138</u>	<u>\$ -</u>	<u>\$ 958,138</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 628,043	\$ (6,188)	\$ 621,855
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	270	2,783	3,053
Increase (decrease) in due to other funds	(250,278)	9,093	(241,185)
Increase (decrease) in accounts payable and accrued liabilities	<u>(64,111)</u>	<u>(5,688)</u>	<u>(69,799)</u>
Net Cash Provided by Operating Activities	<u>\$ 313,924</u>	<u>\$ -</u>	<u>\$ 313,924</u>

**TOWN OF SUFFIELD, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 266,531	\$ 436,053	\$ 451,862	\$ 250,722
Investments	<u>14,011</u>	<u>56</u>	<u></u>	<u>14,067</u>
Total Assets	<u>\$ 280,542</u>	<u>\$ 436,109</u>	<u>\$ 451,862</u>	<u>\$ 264,789</u>
Liabilities:				
Due to student groups and others	<u>\$ 280,542</u>	<u>\$ 436,109</u>	<u>\$ 451,862</u>	<u>\$ 264,789</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	<u>\$ 71,787</u>	<u>\$ 63,521</u>	<u>\$ -</u>	<u>\$ 135,308</u>
Liabilities:				
Due to student groups and others	<u>\$ 71,787</u>	<u>\$ 63,521</u>	<u>\$ -</u>	<u>\$ 135,308</u>
Total Assets				
Assets:				
Cash and cash equivalents	\$ 338,318	\$ 499,574	\$ 451,862	\$ 386,030
Investments	<u>14,011</u>	<u>56</u>	<u></u>	<u>14,067</u>
Total Assets	<u>\$ 352,329</u>	<u>\$ 499,630</u>	<u>\$ 451,862</u>	<u>\$ 400,097</u>
Liabilities:				
Due to student groups and others	<u>\$ 352,329</u>	<u>\$ 499,630</u>	<u>\$ 451,862</u>	<u>\$ 400,097</u>

TOWN OF SUFFIELD, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2015
(In Thousands)

Total cash collections for the year ended June 30, 2015:	
Taxes, interest and lien fees	\$ 36,600
Reimbursement for revenue loss on:	
Tax relief for elderly - elderly freeze	<u>1</u>
Base	<u>\$ 36,601</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitations:					
2-1/4 times base	\$ 82,352	\$	\$	\$	\$
4-1/2 times base		164,705			
3-3/4 times base			137,254		
3-1/4 times base				118,953	
3 times base					109,803
Total debt limitation	<u>82,352</u>	<u>164,705</u>	<u>137,254</u>	<u>118,953</u>	<u>109,803</u>
Indebtedness:					
Bonds and notes payable		<u>16,750</u>			
Total indebtedness	<u>-</u>	<u>16,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 82,352</u>	<u>\$ 147,955</u>	<u>\$ 137,254</u>	<u>\$ 118,953</u>	<u>\$ 109,803</u>

Note 1: In no case shall total debt service exceed seven times annual receipts from taxation (\$256,207).