

# FINAL OFFICIAL STATEMENT DATED DECEMBER 13, 2016

**NEW MONEY ISSUE / Book-Entry-Only**

**Ratings: S&P Global Ratings: "AA+"**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the adjusted current earnings of certain corporations for purposes of computing the federal alternative minimum tax on such corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the federal alternative minimum tax. See Appendix B – "Form of Opinion of Bond Counsel and Tax Matters" herein.



## **Town of Suffield, Connecticut** **\$9,100,000** **General Obligation Bonds, Issue of 2016** **(Bank Qualified)**

**Dated: Date of Delivery**

**Due: Serially, January 15, 2019 - 2036**  
**As shown below:**

The Bonds will be general obligations of the Town of Suffield, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds will bear interest payable on July 15, 2017 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

### **MATURITY SCHEDULE**

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2019	\$ 500,000	4.000%	1.280%	864728LH1	2028*	\$ 510,000	3.000%	2.400%	864728LS7
2020	500,000	4.000%	1.480%	864728LJ7	2029*	510,000	3.000%	2.500%	864728LT5
2021	500,000	4.000%	1.680%	864728LK4	2030*	510,000	3.000%	2.600%	864728LU2
2022	500,000	4.000%	1.840%	864728LL2	2031*	510,000	3.000%	2.700%	864728LV0
2023	500,000	4.000%	1.900%	864728LM0	2032*	510,000	3.000%	2.800%	864728LW8
2024	500,000	4.000%	2.000%	864728LN8	2033*	510,000	3.000%	2.900%	864728LX6
2025*	500,000	3.000%	2.100%	864728LP3	2034*	510,000	3.000%	2.950%	864728LY4
2026*	500,000	3.000%	2.200%	864728LQ1	2035*	510,000	3.250%	3.050%	864728LZ1
2027*	510,000	3.000%	2.350%	864728LR9	2036*	510,000	3.250%	3.100%	864728MA5

\* Priced assuming redemption on January 15, 2024; however, any such redemption is at the option of the Town.

### ***JANNEY MONTGOMERY SCOTT***

**The Bonds are subject to optional redemption prior to maturity. See "Optional Redemption Provisions" herein.**

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made through the facilities of DTC in New York, New York on or about December 28, 2016.

<sup>1</sup> Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No broker, dealer, salesman or other person has been authorized by the Town or the Underwriters to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement or any earlier date as of which any information contained herein is given.

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## **Bond Issue Summary**

*The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	Tuesday, December 13, 2016 at 11:30 A.M. (E.S.T.).
<b>Location of Sale:</b>	Town of Suffield, Town Hall, Director of Finance Office, 230C Mountain Road, Suffield, Connecticut 06078. Telephone: (860) 668-3851.
<b>Issuer:</b>	Town of Suffield, Connecticut (the "Town").
<b>Issue:</b>	\$9,100,000 General Obligation Bonds, Issue of 2016 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Principal and Interest Due:</b>	Principal due serially January 15, 2019 through January 15, 2036. Interest due January 15 and July 15 in each year until maturity, commencing July 15, 2017.
<b>Authorization and Purpose:</b>	The Bonds are being issued to finance road improvement projects. See "Authorization and Purpose" herein.
<b>Redemption:</b>	The Bonds are subject to optional redemption prior to maturity. See "Optional Redemption Provisions" herein.
<b>Security and Remedies:</b>	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds are rated "AA+" by S&P Global Ratings ("S&P"). See "Ratings" herein.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Matters:</b>	See Appendix B - "Form of Opinion of Bond Counsel and Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	See Appendix C – "Form of Continuing Disclosure Agreement" herein.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut will act as Bond Counsel.
<b>Financial Advisor:</b>	Phoenix Advisors, LLC of Milford, Connecticut will act as Financial Advisor.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about December 28, 2016 against payment in immediately available federal funds.
<b>Issuer Official:</b>	Questions concerning this Official Statement should be directed to Ms. Deborah Cerrato, Director of Finance, Town Hall, 230C Mountain Road, Suffield, Connecticut 06078, Telephone: (860) 668-3851 or Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

## ***I. Bond Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Suffield, Connecticut (the "Town"), in connection with the original issuance and sale of \$9,100,000 General Obligation Bonds, Issue of 2016 (the "Bonds") of the Town. This Official Statement is in a form "deemed final" by the Town for the purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated December 6, 2016 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included herein as Appendix D, for the terms and conditions of the bidding on the Bonds.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information set forth herein has been obtained by the Town from sources which are believed reliable but it is not guaranteed as to accuracy or completeness. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact or certainty, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such statutes or other laws and acts and proceedings of the Town. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

Other than as to matters expressly set forth in Appendix A – "2015 General Purpose Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement.

Other than as to matters expressly set forth in Appendix B – "Form of Legal Opinion of Bond Counsel and Tax Matters" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5).

## **Financial Advisor**

Phoenix Advisors, LLC, of Milford, Connecticut has served as Financial Advisor to the Town with respect to the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **The Bonds**

### **Description of the Bonds**

The Bonds will mature on January 15 in each of the years and in the principal amounts as set forth on the front cover page hereof. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the front cover page, payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2017. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of June and December, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank National Association, as Paying Agent. The Bonds will be issued as fully registered in denominations of \$5,000 or any integral multiple thereof.

### **Optional Redemption Provisions**

The Bonds maturing on or before January 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after January 15, 2024 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b><i>Redemption Dates</i></b>	<b><i>Redemption Prices</i></b>
January 15, 2024 and thereafter.....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds designated for redemption at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as Cede & Co., as nominee of the Depository Trust Company ("DTC"), is the registered owner of the Bonds being called for redemption, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be

governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

### ***Authorization and Purpose***

The Bonds, in the principal amount of \$9,100,000 are issued pursuant to a resolution adopted by the Board of Finance on August 20, 2015, a resolution adopted by the Board of Selectman on August 26, 2015, approval at Town Meeting on September 2, 2015 and referendum approval on October 8, 2015.

### ***Use of Proceeds***

<b><i>Project</i></b>	<b><i>Authorized</i></b>	<b><i>The Bonds</i></b>
Roads Improvements .....	\$ 9,100,000	\$ 9,100,000
<b><i>Total</i></b> .....	<b>\$ 9,100,000</b>	<b>\$ 9,100,000</b>

### ***Book-Entry-Only Transfer System***

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P Global Ratings highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and Interest on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

### ***DTC Practices***

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Neither the Town, the Paying Agent nor the Underwriter will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, or (iii) any other actions taken by DTC or its partnership nominees as owner of the Bonds.

## ***Replacement Bonds***

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bond to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will issue fully-registered bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

## ***Security and Remedies***

The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues of the Town. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There were no acres of such certified forest land on the last completed Grand List of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town a portion of the amount of the tax revenue which the Town would have received except for the limitation on its power to tax dwelling houses of qualified elderly persons of low income.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain other revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

## ***THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.***

## ***Qualification for Financial Institutions***

The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.



## ***Availability of Continuing Disclosure***

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut Office of Policy and Management on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the annual financial reports, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply in any material respect with its undertakings under such agreements, except for a failure to make a timely filing of certain information annual financial information and operating data for fiscal year ending June 30, 2012. On January 29, 2013, the Town timely filed and made available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") web portal its annual financial information and operating data for fiscal year ending June 30, 2012 (the "FYE 2012 Filing"), as required under its continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes. On November 21, 2016 the Town became aware that the FYE 2012 Filing was not available for viewing on EMMA. After research, it was determined that on or about January 8, 2014, the FYE 2012 Filing was inadvertently archived on EMMA and was no longer available for viewing. As of November 21, 2016, the FYE 2012 Filing has been filed and made available on EMMA. On December 12, 2016, the Town became aware that the Town's net taxable grand list data, and the ratios of the total direct debt and total net debt of the Town to the net taxable grand list data, were not filed on EMMA as part of the Town's annual filings. On December 12, 2016, the Town filed the net taxable grand list data for fiscal years ending June 30, 2009 through June 30, 2015, and filed the ratios of the total direct debt and total net debt of the Town to the net taxable grand list data for fiscal years ending June 30, 2009 through June 30, 2015.

## ***Ratings***

S&P Global Ratings ("S&P") has rated the Bonds "AA+". Such rating reflects only the view of such organizations and any explanation of the significance of such ratings should be obtained from the applicable rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town's bonds and/or notes, including the Bonds.

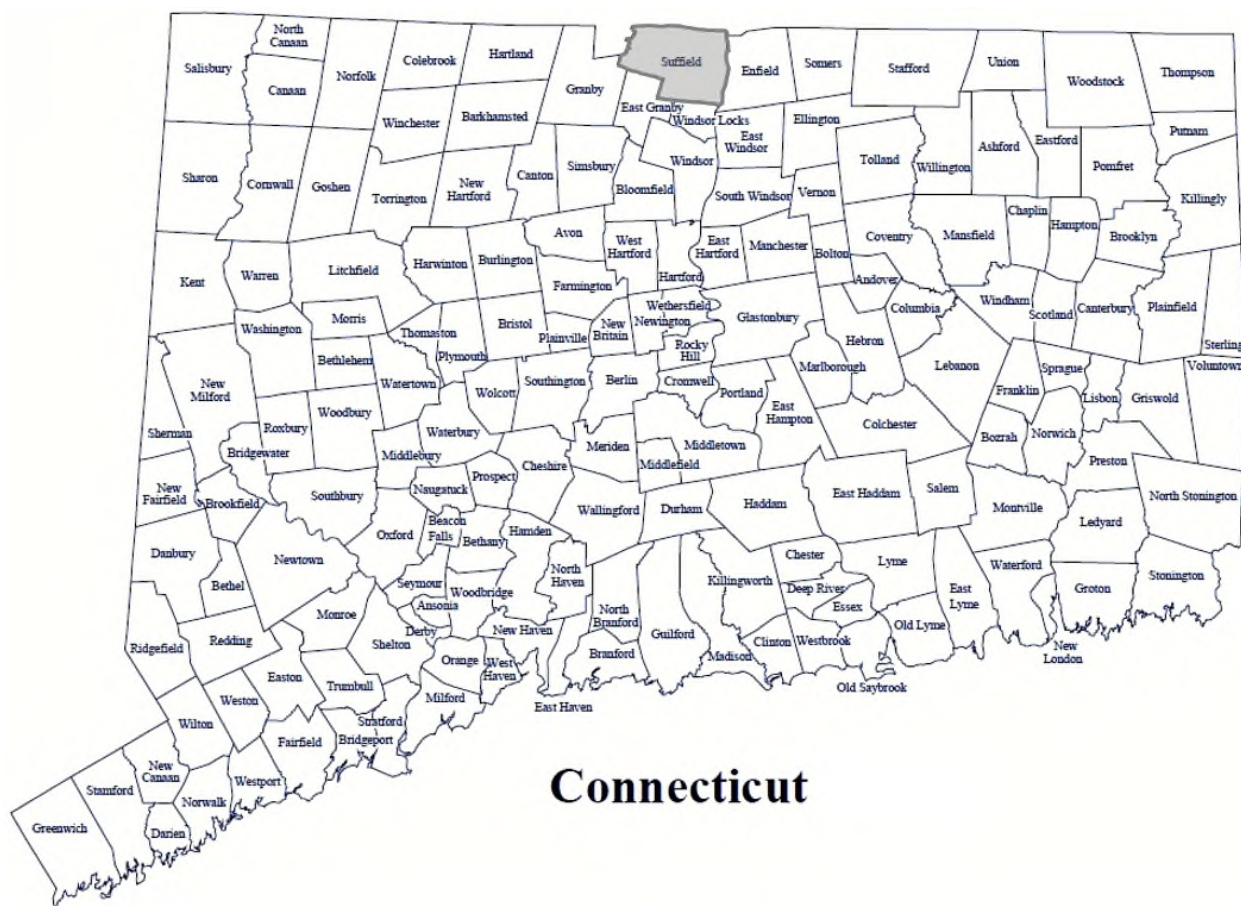
The inclusion of S&P's "positive outlook" (the "Outlook") has been provided herein for informational purposes only and is not a part of the "Rating" described in the preceding paragraph. The Outlook is only S&P's forward-looking view of the Town. The Town has no obligation to treat any change in the Outlook as a "Material Event", as defined and described under the Rule or under the provisions of the Town's Continuing Disclosure Agreement, or to notify Bondholders as to any changes to the Outlook after the date hereof.

The Town expects to furnish the rating agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

## ***Bond Insurance***

The Town does not expect to purchase a credit enhancement facility for the Bonds.

## ***II. The Issuer***



## **Connecticut**

### ***Description of the Town***

Suffield, founded in 1670, incorporated in 1674 by Massachusetts, was annexed to Connecticut in 1749. It covers an area of 43.1 square miles. It is located on the western bank of the Connecticut River, 16 miles north of Hartford on the Massachusetts border and 10 miles south of Springfield, Massachusetts. The terrain rises from an elevation of about 22 feet above sea level at the Connecticut River to 691 feet on West Suffield Mountain.

The Town is traversed by State Routes 75, 159, 168, 187 and 190, which connects with Interstate Route 91 in Enfield.

Bradley International Airport is located five miles from the center of Suffield, which largely serves the greater Hartford region and southern Massachusetts.

Suffield is a rural-residential community with industrial and commercial resources and some agriculture. Many of its residents are executive, professional and managerial people employed in the industries and insurance companies of greater Hartford and Springfield, Massachusetts.

Once primarily an agricultural and residential community, Suffield has attracted several industries. H.P. Hood, Inc. and C&S Wholesale Grocers are located in Town as well as several other light manufacturing concerns. A large trucking concern, James Fleming Trucking, Inc., is also located in Suffield. Suffield By the River, an assisted living facility and the adjoining Suffield House, a convalescent home, which overlook the Connecticut River, are also large employers of the Town.

The Suffield school system includes two elementary schools, a middle school and a high school. The Town built a new high school in 2003 and its other existing facilities were renovated in 2003 and 2004. Suffield Academy, a private coeducational school occupies 300 acres on opposite sides of the Town green. This academy has completed the addition of new dormitories and faculty housing units during the past few years and has built a new performing arts center on campus.

For recreational purposes, Suffield has Sunrise Park, a 222-acre tract of land with a 20-acre lake, at the top of West Suffield Mountain, Babb's Beach, a 7 acre park donated to the Town, provides access to Congamond Lakes, and Bruce Park, not far from the center of Town, encompassing 23 acres. Bruce Park provides baseball, lacrosse, softball fields, soccer fields, hiking and cross-country skiing is also allowed. The Parks and Recreation Commission uses all of these parks in addition to school and church facilities in Town to provide year-round programs for residents of all ages. Suffield has a public 18-hole golf course, Airways, as well as Suffield Country Club, a private-member 9-hole golf facility with a swimming pool, tennis courts and contains a restaurant open to the public.

The Historic District on Main Street includes the Hatheway House, owned and operated by Connecticut Landmarks, and the King House, which is owned and operated by the Suffield Historical Society.

Suffield offers a variety of natural areas. Along its eastern boundary, located on the Connecticut River, is the Enfield Dam area, which is famous for shad fishing. The dam is at the beginning of Windsor Locks Canal, and citizens use its banks for hiking, bicycling, bird watching, and cross-country skiing. A paved walkway allows walkers and bikers to follow the canal from Suffield to Windsor Locks center. Stony Brooke Park, close to the center of Town, was donated by a local family. Hiking, fishing, camping and cross-country skiing are available there. In West Suffield, the Audubon Society owns and operates a bird sanctuary that is open to the public. On the west side of Town, a hiking trail known as the Metacomet Trail, which has its beginning in Meriden, Connecticut, runs along the ridge of the West Suffield mountains north to the Massachusetts border. A segment of the Farmington Canal Heritage Trail is located in West Suffield.

The State of Connecticut has a 2,135-bed prison facility in the southeast portion of Town. The State of Connecticut is providing grants to the Town to mitigate the financial impact for providing services to this facility. State payments in lieu of taxes (PILOT) are estimated to be in excess of \$2 million in fiscal year 2016-2017.

The Town has zoning, building, and subdivision regulations applicable to the entire Town.

The Town's latest, updated Plan of Development was approved in 2010. The rationale of the updated Plan is to provide guidelines for controlled development (residential, recreational, commercial and industrial) while preserving agricultural and open space. The intent is to minimize adverse environmental, fiscal and social effects that too often result from uncontrolled or uncoordinated growth. Of paramount importance is the protection and enhancement of Suffield as a rural residential community.

The Town partners with the Connecticut Department of Agriculture and the Federal Natural Resources Conservation Service on the purchase of development rights to preserve local farmland with the goal of preventing sprawl.

### ***Economic Development***

Economic development initiatives include the Town's Mach One Industrial Park, which was developed in conjunction with the State of Connecticut Department of Economic and Community Development. The Town has sold all 14 of the available lots and three remain undeveloped. A new 14,000 sq. ft. building for Arcor Laser Services, a high-tech laser welding company, was completed in 2011. A 12,500 sq. ft. addition to Metal Finish and Supply Company's existing 10,000 sq. ft. facility has recently been completed. Broad Brook Brewery will be constructing a new 12,000 sq. ft. manufacturing facility and tasting room on lot 3 of Mach One with completion expected in July 2017.

The Town continues to market over 400 acres of Planned Development Industrial Park (PDIP) zoned land across State Route 75 from Mach One in the vicinity of Bradley International Airport. Marketsure has constructed a 180,000 sq. ft. building of light industrial/distribution space and has plans for an additional 40,000 sq. ft. The Town utilized grant funding from the State of Connecticut to install a new roadway with associated utilities to open up over 50 acres of land for development. The Town owns 63-acres of PDIP land along Route 75 which is being actively marketed.

With Assistance of a \$980,000 State grant, the Town is completing the first phase of a Utility Expansion Project extending water and sewer lines down Route 75 to service additional light industrial zoned land.

Champion Containers of New Jersey recently acquired an 80,000 sq. ft. facility on Firestone Drive and will be making over \$1 million in facility upgrades including a new sprinkler system.

The proximity of Bradley International Airport, New England's second largest, makes Suffield a very attractive area to locate a business. Bradley has completed a \$200 million, 260,000 sq. ft., terminal improvement project and a 3,500-space parking garage. It is served by 13 passenger airlines. The most recent economic impact study determined that the Airport generates \$2.5 billion in annual economic activity. Suffield participates in the Bradley Development League, an economic development partnership with the towns of Windsor, Windsor Locks, and East Granby, in order to capitalize on our strategic location around this fast-growing airport.

In 2010, the Bradley Airport Development Zone was established by state law. This new development zone which went into effect October 1, 2011 provides manufacturers and airport-related businesses which build new or expansion facilities in the zone to qualify for a 10-year 25% tax credit on their state corporate taxes, as well as qualify for a 5 year 80% tax abatement on local property taxes. The Bradley Development League commissioned a build-out analysis in this zone and determined that 21 million square feet of additional space can be built, within 6 million square feet of that total in Suffield. Three Suffield businesses have utilized Development Zone benefits for facility improvements or expansions.

In 2011, the Connecticut Airport Authority (CAA) was established by state law. This quasi-public agency was created to replace the Connecticut Department of Transportation as the management structure of Bradley International Airport and five general aviation airports. The new Connecticut Airport Authority was created to help Bradley International Airport meet its economic development potential by having streamlined hiring and contracting provisions that will be more responsive to the private sector. The CAA will be actively seeking new routes including additional transatlantic service. Transatlantic service to Dublin Ireland commenced in September 2016 and will be an important economic development driver for the airport. Additional capital improvements are planned for the airport including a new state-of-the-art transportation center which will house a combined rental car facility. The CAA will actively market on-airport land for development and there are a couple of hundred acres in Suffield available for development.

The industrial area on Route 159 by the Windsor Locks border experienced new investment. C&S Wholesale Grocers, the second largest food distributor in the country, continues to operate a 700,000 sq., ft. distribution center on Harvey Lane, and has acquired neighboring land for a future expansion. H.P. Hood has completed a major plant upgrade including a new 66 foot silo for its fluid line of products. Hood has called Suffield home for over forty years and neighboring Praxair (industrial gases) has been in Suffield for over 45 years. Sixty to eighty acres of land off of Route 159 was in the running for a major retail distribution center during 2011 and we anticipate additional interest in this area. The Town acquired over forty acres of Planned Development Industrial Land off of Bennett Road through a donation and is actively marketing this land. The Town sold two of these acres for a new facility for C & S Landscape Design.

The Town continues to focus attention on its Town Center Village District zone. Over \$2.0 million was invested in streetscape improvements utilizing state grant sources and private donations. The Town Center is home to over 100 small businesses and growing. An 8,700 sq. ft. Bright Horizons Daycare and a 22,000 sq. ft. professional office building were added in 2006. Three Bed & Breakfasts, the Suffield Visitors Center at the Phelps-Hatheway House, and the Suffield Historical Society's King House Museum, operate on Suffield's historic Main Street.

The Town is actively pursuing a redevelopment effort in the Town Center Village District. This development is a 25 acre former lumber yard. The property owner is seeking a mixed-use development with retail, commercial and office users. The Town conducted a Market Analysis and Fiscal Impact Study of this redevelopment project. It was determined that the site is a great candidate for multi-family housing, up to 5 additional full-service restaurants, 25,000 square feet of medical office and 5,000 square feet of local serving retail. The Town extended its leases with Crown Castle on three telecommunications towers on town-owned land that bring in significant income to the community. The lease extensions are for a 20-year period. The Town has a full-time Economic Development Director who focuses on attracting new business and appropriate industry in order to diversify the Town's tax base. The Director also works with existing Town businesses to assist them with their development planning.

## ***Description of Municipal Government and Services***

The Town of Suffield operates under a Charter, originally adopted to be effective January 7, 1985, and revised November 6, 1985, November 3, 1987, November 3, 1992, November 6, 2001 and November 3, 2015 which provides for the Selectmen-Town Meeting form of government. Each political party nominates a candidate for First Selectman and candidates for Selectmen. The four candidates receiving the highest number of votes are elected as Selectmen.

The First Selectman is the Chief Executive and Chief Administration Officer of the Town and manages the department heads and day-to-day operations. The Board of Selectmen is comprised of the First Selectman and four Selectmen. No person may simultaneously be a candidate for both the office of First Selectman and the office of Selectmen. The Board of Selectmen reviews all department budgets and develops the General Government budget that is presented to the Board of Finance for further review.

The Board of Education develops and presents its proposed budget to the Board of Finance. Once the Board of Finance accepts the budget, a Public Hearing is held to discuss the budget details. A Town Meeting is then scheduled for the purpose of approving the budget.

The Board of Finance has six members, three are elected at each biennial Town election for four-year terms. No more than four members can be of one political party. Three alternates are also elected for four-year terms.

Also elected under this form of government are: Town Clerk, Treasurer, Tax Collector, Board of Education, Board of Assessment Appeals, Board of Police Commissioners, Board of Fire Commissioners, Water Pollution Control Authority, Registrar of Voters and Planning and Zoning Commission.

The Board of Selectmen appoints the following Boards, Commissions and Personnel: Zoning Board of Appeals, Housing Authority, Advisory Commission on Capital Expenditures, Emergency Management Office, Conservation Commission, Historic District Commission, Parks and Recreation Commission, Retirement Commission, Social Services Commission, Assessor, Town Counsel, Administrator of Social Services, Helena Bailey Spencer Tree Fund Committee, Building Code Board of Appeals, Library Commission, Economic Development Commission, Permanent Building Commission, Town Forest Commission, and Heritage Committee, among others.

Each Board and Commission selects its chairperson at its respective annual meeting.

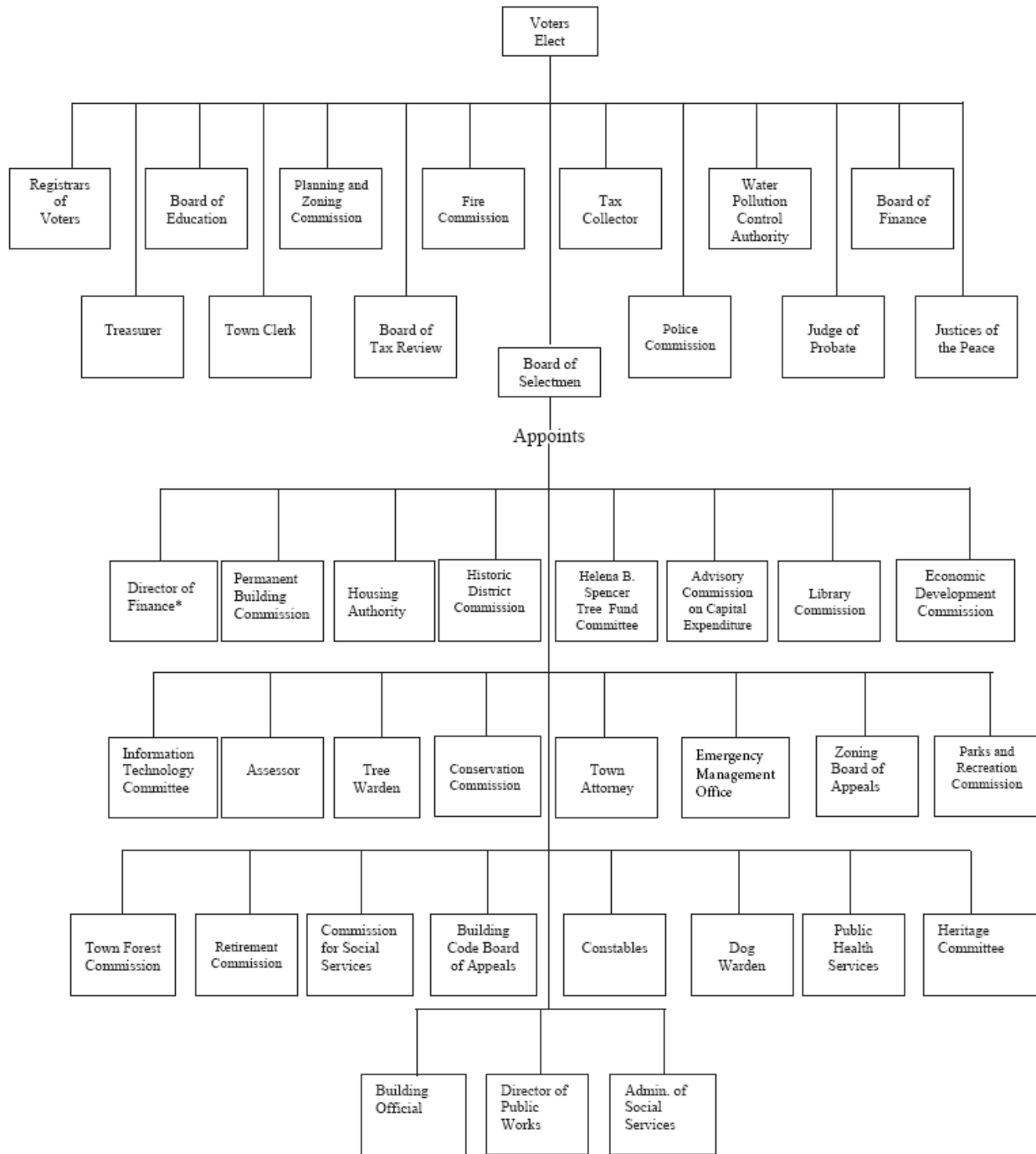
The Finance office maintains financial records for all Town funds. The Town owns and operates HP Servers with Microsoft Office File System. The Town utilizes Munis as its financial management system. An Information Technology Director maintains the system and provides support for the departments consistent with industry computing standards. All Town departments have access to the computer system.

The Board of Education is the policy-making body for all public education in Suffield. This is a bi-partisan board consisting of nine members, no more than six of who shall be of the same political party. The term of office is four years. There is no monetary compensation. The duties of this board are outlined largely by State statutes, the most important being to establish general educational policy and programs, to appoint administrative personnel, and to prepare and oversee an annual budget for the operation and improvement of the school system.

The Superintendent of Schools and her staff administer the school system and conduct the day-to-day operations. The Board of Education looks to the Superintendent for recommendations and information toward the formulation of policy, the appointment of personnel and the determination of programs. The Superintendent and her staff also supply information necessary for the establishment of the annual budget for the Board of Education's decision.

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## Organizational Chart



\*The Director of Finance is to be appointed by a majority of the combined memberships of the Boards of Selectmen and Finance for up to a 4 year term.

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### ***Principal Municipal Officials***

<b><i>Position</i></b>	<b><i>Name</i></b>	<b><i>Manner of Selection/Term</i></b>	<b><i>Term in Office</i></b>	<b><i>Term Expires</i></b>
First Selectman .....	Melissa Mack	Elected - 2 years	1 year	11/17
Selectman .....	Tim Reynolds	Elected - 2 years	11 years	11/17
Selectman .....	Joanne Sullivan	Elected - 2 years	7 years	11/17
Selectman .....	Mel Chafetz	Elected - 2 years	1 year	11/17
Selectman .....	Krystal Holmes	Elected - 2 years	1 year	11/17
Treasurer .....	Christine Davidson	Elected - 4 years	9 years	11/19
Town Clerk .....	Kathy Dunai	Elected - 4 years	1.5 years	11/19
Tax Collector .....	Jill Schechtman	Elected - 4 years	9 years	11/19
Director of Finance .....	Deborah Cerrato	Appointed - 4 years	20 years	11/18
Assessor .....	Helen Totz	Appointed	6 years	Indefinite
Chairperson, Board of Finance .....	Justin Donnelly	Elected - 4 years	9 years	11/17
Chairperson, Board of Education .....	Jeanne Gee	Elected - 4 years	7 years	11/17
Superintendent of Schools .....	Karen Berasi	Appointed	1.5 years	Indefinite
Business Manager.....	William Hoff	Appointed	2 years	Indefinite
WPCA - Business Administrator .....	Julie Nigro	Appointed	12 years	Indefinite
WPCA - Superintendent .....	Shane McCannon	Appointed	1 year	Indefinite
Director of Economic Development .....	Patrick McMahon	Appointed	14 years	Indefinite
Director of Public Works .....	John Cloonan	Appointed	6 years	Indefinite

### ***Summary of Municipal Departments***

**Police:** The Suffield Police Department consists of a Chief, Captain, Lieutenant, four Sergeants, and twelve full-time officers. This force is supplemented by one supernumerary police officer. The Police Department's civilian support staff includes four full-time dispatchers, two part-time dispatchers, one full-time records clerk and one full-time secretary. The police station is a 10,500 square-foot single story complex of cinderblock brick-faced construction. Included in the complex are offices, a meeting room, records, communications, dispatch, briefing and patrol rooms, a detective's office, three interview rooms, a jail, and a two-car garage.

**Fire Department:** The Suffield Fire Department operates four separate fire stations strategically located throughout the community. Apparatus, placed among the four stations, includes four pumpers, one tanker, one brush truck, a rescue unit and an aerial ladder truck. The main fire station is manned 24 hours a day. The department's eight full-time personnel include the Chief, Captain, 6 firefighters. The balance of the force is comprised of 35 volunteer firefighters prepared to respond.

**Emergency Medical Services:** Ambulance service is provided to the Town by the Suffield Volunteer Ambulance Association, which is a private not-for-profit organization. The Town pays the salary for the Ambulance Chief and one full time Paramedic. The Association recruits and trains the volunteers that staff the ambulance. Approximately 85 trained volunteers provide the 24 hour 365 days coverage. Patients are generally transported to Hartford and Springfield, MA. The Association has 3 ambulances licensed by the State of Connecticut to provide service along with three non-transport vehicles.

**Public Works Department:** The DPW is responsible for maintaining all town properties and roads and is composed of four functions: Highway, Landfill, Facilities Management and Inmate Coordinator. The Director provides oversight to the four functions. The director prepares operations budgets, capital improvements budgets and handles personnel, matters. He is responsible for interfacing with Town departments, Board of Selectmen, Board of Finance, Permanent Building Commission and the School's Business Manager. For major capital projects, the director deals with Town Departments and State agencies for approvals. He interfaces with Town volunteer organizations that request town assistance for their projects or programs.

**Highway Department:** The Suffield Highway Department comes under the supervision of the Public Works Department. The Highway Foreman leads a team of seven highway men. The main responsibilities are plowing, applying treated salt and sanding during winter months and a variety of tasks they are called upon to complete. These tasks include mowing of 150 acres of lawn for all schools and Town fields and cleaning out catch basins of accumulated debris per the Department of Energy and Environmental Protection (DEEP) regulations. Also included is pot hole patching, curb repair and drainage improvements. The department also provides assistance to many volunteer organizations for town wide functions.

**Solid Waste:** The Town of Suffield's sanitary landfill is operated under the jurisdiction of the Public Works Department. The Landfill is manned by two full-time employees who are responsible for the operation of the landfill. Their responsibilities include directing residents to the transfer station and maintaining an orderly bulky waste disposal site.

**Secondary Treatment and Sanitary Sewers:** On August 28, 1989, the Town of Suffield began operation of its new secondary treatment plant, replacing the primary treatment facility which was in operation for more than 20 years. Treatment of the incoming waste stream with the EIMCO Carousel, extended aeration process has increased the removal of Biochemical Oxygen Demand and Total Suspended Solids from the primary treatment level of less than 30% to a Secondary Treatment level greater than 95%. The Water Pollution Control Authority (WPCA) serves approximately 3,000 residents and commercial properties in town. Currently, the Plant operates at 55% of capacity. The WPCA's most recent upgrade was in 2007 which brings the capacity up to 2.02 million gallons per day. The upgrade added a new grit removal system as well as an additional Clarifier. A new UV system was installed to aid in disinfection versus the use of Chlorine. Nitrogen removal equipment, which includes anoxic tanks with mixers, was also part of the upgrade. This enables a reduction in the output of Nitrogen into the water ways and is essential with respect to increasingly stringent State limitations. The current limit for the Town is 47 lbs. per day for 2016. The WPCA filled the long vacated Superintendent position in 2016. It is in the process of updating all of its core process treatment equipment related to the 1989 upgrade and will embark on various studies and plan to rehabilitate older and less reliable portions of the sewer service area. Geographically, the WPCA treats water for approximately the eastern half of Suffield, with the exception of Kent Farms, Spaulding School, and the High School, which also ultimately dispose of their waste at the Facility.

**Water:** Suffield is one of 13 communities served by the Connecticut Water Company, Northern Division. The Connecticut Water Company operates three wells within Suffield.

**Gas:** A portion of Suffield is supplied with gas by the Yankee Gas Company, an Eversource company.

**Electricity:** Electricity is furnished by Eversource Energy.

### **Public Facilities**

<b>Facility</b>	<b>Date Occupied</b>	<b>Additions &amp; Major Renovations</b>	<b>Planned Major Improvements</b>
Town Hall .....	1963	1998	Renovation Approved in 2015
Town Garage .....	1974	None	None
Town Hall Annex .....	1958	1993	None
Main Firehouse .....	1963	1997	None
East Street Firehouse .....	1976	None	None
West Suffield Center Firehouse .....	1948	None	None
Ebbs Corner Firehouse .....	1984	None	None
West Suffield Fire Station .....	2005	None	None
Police Station .....	1988	None	None
Sewer Treatment Plant .....	1966	1989	None
Kent Memorial Library .....	1972	2013	None
Bridge St. School - Vacant .....	1924	1986	Renovation Approved in 2015

*Source: Town of Suffield*



### School Facilities

<b>School</b>	<b>Grades</b>	<b>Date of Construction</b>	<b>Additions &amp; Renovations</b>	<b>Number of Classrooms</b>	<b>10/1/2016 Enrollment</b>
Suffield High School .....	9-12	2002	--	62	814
Suffield Middle School .....	6-8	1965	2003	52	533
McAlister Elementary School .....	3-5	1939	2004	46	484
Spaulding Early Education Center .....	Pre-K-2	1953	2005	42	497
<b>Total</b> .....				202	2,328

Source: Town of Suffield, Superintendent's Office

### School Enrollment

<b><u>Historical</u></b>				
<b>School Year</b>	<b>PreK-5</b>	<b>6-8</b>	<b>9-12</b>	<b>Total</b>
2008-2009	1,119	618	849	2,586
2009-2010	1,078	634	864	2,576
2010-2011	1,051	604	872	2,527
2011-2012	1,023	595	868	2,486
2012-2013	986	599	862	2,447
2013-2014	977	594	842	2,413
2014-2015	993	573	821	2,387
2015-2016	964	561	826	2,351
2016-2017	981	533	814	2,328
<b><u>Projected</u></b>				
<b>School Year</b>	<b>Pre K-5</b>	<b>6-8</b>	<b>9-12</b>	<b>Total</b>
2017-2018	935	527	803	2,265
2018-2019	908	496	801	2,205
2019-2020	922	508	730	2,160
2020-2021	879	511	733	2,123

Source: Town of Suffield, Superintendent's Office

### Municipal Employees

	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
General Government <sup>2</sup> .....	78	82	82	78	78
Board of Education .....	420	437	441	423	452
<b>Total</b> .....	498	519	523	501	530

<sup>1</sup> Excludes part-time.

<sup>2</sup> Excludes Library.

## **Municipal Employee Bargaining Organizations**

<b>General Government</b>	<b>Union Representation</b>	<b>Positions Covered</b>	<b>Current Contract Expiration Date</b>
Town Hall.....	United Public Service Employees Union	19	6/30/2016 <sup>1</sup>
Dispatch.....	Teamsters - Local #559	5	6/30/2016 <sup>1</sup>
Police .....	NIPSEU/Suffield Police Union	18	6/30/2014 <sup>1</sup>
Highway .....	Teamsters - Local #559	10	6/30/2017
WPCA .....	UE Local 222, CILU/CIPU	7	6/30/2017
Library .....	United Public Service Employees Union	4	6/30/2016 <sup>1</sup>
Fire Fighters .....	IAFF/UFFA Suffield Fire Fighters Association	5	6/30/2016 <sup>1</sup>
<b>Total General Government Employees .....</b>		<b>68</b>	
<b>Board of Education</b>	<b>Union Representation</b>		
Teachers .....	Suffield Educational Association	224	6/30/2018
Educational Assistants .....	Teamsters Local 671	80	6/30/2017
Custodians & Maintenance ....	Teamsters Local 671	22	6/30/2017
Secretarial & Clerical .....	Teamsters Local 671	21	6/30/2017
Cafeteria .....	UE Local 222, CILU #38	20	6/30/2016 <sup>1</sup>
Administrators .....	Suffield Administrators Group	11	6/30/2017
Nurses .....	Connecticut Health Care Associates	4	6/30/2017
Bus Monitors .....	Teamsters Local 671	2	6/30/2017
Computer Technicians .....	Teamsters Local 671	2	6/30/2017
<b>Total Board of Education Employees .....</b>		<b>386</b>	

<sup>1</sup> In negotiation.

Source: Town of Suffield, Finance Department

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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### III. Demographic and Economic Data Section

#### Population and Density

<i>Actual</i>			
<b>Year</b>	<b>Population<sup>1</sup></b>	<b>% Increase</b>	<b>Density<sup>2</sup></b>
2014 <sup>3</sup>	15,764	0.2%	367.5
2010	15,735	16.1%	366.8
2000	13,552	18.6%	315.9
1990	11,427	23.0%	266.4
1980	9,294	7.6%	216.6
1970	8,634	-	201.3

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 42.9 square miles.

<sup>3</sup> American Community Survey 2010-2014

#### Age Distribution of the Population

<b>Age</b>	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	570	3.6%	194,338	5.4%
5 to 9 years .....	797	5.1	217,491	6.1%
10 to 14 years .....	1,006	6.4	234,666	6.5%
15 to 19 years .....	1,400	8.9	255,499	7.1%
20 to 24 years .....	1,038	6.6	234,482	6.5%
25 to 34 years .....	1,710	10.8	433,145	12.1%
35 to 44 years .....	2,204	14.0	459,130	12.8%
45 to 54 years .....	3,064	19.4	563,772	15.7%
55 to 59 years .....	1,023	6.5	253,952	7.1%
60 to 64 years .....	715	4.5	214,499	6.0%
65 to 74 years .....	1,298	8.2	280,541	7.8%
75 to 84 years .....	650	4.1	162,971	4.5%
85 years and over .....	289	1.8	87,567	2.4%
<b>Total.....</b>	<b>15,764</b>	<b>100%</b>	<b>3,592,053</b>	<b>100%</b>

Median Age (Years) 2014..... 41.5 40.3

Source: American Community Survey 2010-2014

#### Income Distribution

<b>Income</b>	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	-	0.0%	30,584	3.4%
10,000 - 14,999.....	57	1.6	18,591	2.1%
15,000 - 24,999.....	87	2.4	46,537	5.2%
25,000 - 34,999.....	133	3.7	56,473	6.3%
35,000 - 49,999.....	261	7.3	85,206	9.5%
50,000 - 74,999.....	504	14.1	140,776	15.6%
75,000 - 99,999.....	502	14.0	129,656	14.4%
100,000 - 149,999.....	795	22.2	184,327	20.5%
150,000 - 199,999.....	549	15.4	93,100	10.3%
200,000 and over.....	688	19.2	114,307	12.7%
<b>Total.....</b>	<b>3,576</b>	<b>100.0%</b>	<b>899,557</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

### Income Levels

	<b>Town of Suffield</b>	<b>State of Connecticut</b>
Per Capita Income, 2014.....	\$ 39,901	\$ 38,480
Per Capita Income, 2010.....	\$ 41,098	\$ 36,412
Median Family Income, 2014.....	\$ 109,385	\$ 88,217
Percent Below Poverty (Families), 2014 .....	3.00%	10.50%

Source: American Community Survey 2010-2014

### Educational Attainment

Years of School Completed – Age 25 and Over

	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	306	2.8%	106,784	4.3%
9th to 12th grade.....	767	7.0	150,227	6.1
High School graduate.....	2,617	23.9	677,887	27.6
Some college, no degree.....	2,331	21.3	431,807	17.6
Associate's degree .....	794	7.2	180,321	7.3
Bachelor's degree.....	2,481	22.7	506,662	20.6
Graduate or professional degree.....	1,657	15.1	401,889	16.4
<b>Total.....</b>	<b>10,953</b>	<b>100.0%</b>	<b>2,455,577</b>	<b>100.0%</b>
Total high school graduate or higher (%)....		90.2%		89.5%
Total bachelor's degree or higher (%).....		37.8%		37.0%

Source: American Community Survey 2010-2014

### Major Employers

<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>
State of Connecticut.....	Prison	678
Town of Suffield Board of Education .....	Public Education	420
The Suffield House.....	Nursing Home	265
Suffield Academy .....	Private Secondary School	200
C&S Wholesale Grocers .....	Grocery Distribution	185
Kongsberg Automotive .....	Hose Manufacturer	153
Town of Suffield .....	Municipal Government	143
Suffield by the River, LLC .....	Assisted Living Services	142
Hood Ice Cream .....	Dairy Products	105
Windsor Marketing Group.....	Signage Manufacturer	85

Source: Town of Suffield Finance Department.

### Industry Classification

Sector	Town of Suffield		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	64	0.9%	7,413	0.4%
Construction.....	393	5.5	97,974	5.5
Manufacturing.....	929	13.1	191,057	10.8
Wholesale trade.....	207	2.9	44,195	2.5
Retail trade.....	641	9.0	191,267	10.8
Transportation warehousing, and utilities.....	354	5.0	65,068	3.7
Information.....	109	1.5	41,905	2.4
Finance, insurance, real estate, and leasing.....	951	13.4	161,926	9.2
Professional, scientific, management, administrative, and waste management.....	710	10.0	197,880	11.2
Education, health and social services.....	1,633	23.0	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	408	5.7	154,005	8.7
Other services (except public admin.).....	338	4.8	80,179	4.5
Public Administration.....	374	5.3	66,491	3.8
<b>Total Labor Force, Employed.....</b>	<b>7,111</b>	<b>100%</b>	<b>1,766,934</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

### Labor Force Data

Period	Town of Suffield		Percentage Unemployed		
	Employed	Unemployed	Town of Suffield	Hartford Labor Market	State of Connecticut
October 2016.....	7,444	257	3.3	4.5	4.5
<b>Annual Average</b>					
2015.....	7,213	336	4.4	5.6	5.6
2014.....	7,445	426	5.4	6.7	6.7
2013.....	7,004	498	6.6	7.9	7.9
2012.....	7,295	518	6.6	8.4	8.3
2011.....	7,371	598	7.5	8.9	8.8
2010.....	7,359	611	7.7	9.0	9.0
2009.....	6,984	507	6.8	8.3	8.2
2008.....	7,155	351	4.7	5.7	5.7
2007.....	7,171	297	4.0	4.7	4.6
2006.....	7,115	278	3.8	4.6	4.4

Source: State of Connecticut, Department of Labor.

### Commute to Work

16 years of age and over

	Town of Suffield		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone .....	5,937	86.3%	1,364,472	78.7%
Car pools .....	344	5.0	142,105	8.2
Used public transportation .....	59	0.9	81,585	4.7
Walked .....	128	1.9	52,655	3.0
Used other means .....	14	0.2	20,514	1.2
Worked at home .....	396	5.8	73,467	4.2
<b>Total</b> .....	6,878	100.0%	1,734,798	100.0%
Mean travel to work (minutes)	22.8		25.1	

Source: American Community Survey 2010-2014

### Age Distribution of Housing

Year Built	Town of Suffield		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	653	12.8%	334,290	22.4%
1940 to 1969.....	1,584	31.1	536,618	36.0
1970 to 1979.....	540	10.6	200,288	13.4
1980 to 1989.....	999	19.6	193,794	13.0
1990 to 1999.....	540	10.6	113,875	7.6
2000 or 2009.....	727	14.3	104,093	7.0
2010 or later.....	55	1.1	7,423	0.5
<b>Total Housing Units</b> .....	5,098	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

### Housing Inventory

Housing Units	Town of Suffield		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	4,263	83.6%	882,955	59.2%
1-unit, attached.....	383	7.5	79,922	5.4
2 units.....	166	3.3	120,070	8.1
3 or 4 units.....	74	1.5	133,452	9.0
5 to 9 units.....	79	1.5	81,574	5.5
10 to 19 units.....	13	0.3	55,609	3.7
20 or more units.....	120	2.4	124,683	8.4
Mobile home.....	-	-	11,819	0.8
Boat, RV, van, etc.....	-	-	297	0.0
<b>Total Inventory</b> .....	5,098	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

### Housing Unit Vacancy Rates

<b>Housing Units</b>	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
Occupied housing units .....	4,822	94.6%	1,356,206	91.0%
Vacant housing units .....	276	5.4%	134,175	9.0%
<b>Total units</b> .....	5,098	100.0%	1,490,381	100.0%
Homeowner vacancy rate .....		1.4		1.7
Rental vacancy rate .....		0.0		6.9

Source: American Community Survey 2010-2014

### Owner-occupied Housing Units

<b>Specified Owner-Occupied Units</b>	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	71	1.7%	24,122	2.6%
\$50,000 to \$99,000.....	60	1.4	26,438	2.9
\$100,000 to \$149,999.....	202	4.9	72,756	8.0
\$150,000 to \$199,000.....	222	5.3	137,797	15.1
\$200,000 to \$299,999.....	1,384	33.3	257,364	28.2
\$300,000 to \$499,999.....	1,647	39.7	243,882	26.7
\$500,000 to \$999,999.....	509	12.3	109,918	12.0
\$1,000,000 or more.....	56	1.3	40,766	4.5
<b>Total</b> .....	4,151	100.0%	913,043	100.0%
<b>Median Value</b> .....	\$313,600		\$274,500	

Source: American Community Survey 2010-2014

### Number and Size of Households

<b>Household Characteristics</b>	<b>Town of Suffield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Persons in households .....	12,969	–	3,472,533	–
Persons per household (average) .....	2.69	–	2.56	–
Persons per family (average) .....	3.17	–	3.15	–
Family households .....	3,576	74.2%	899,557	66.3%
Non-family households .....	1,246	25.8%	456,649	33.7%
<b>All households</b> .....	4,822	100.0%	1,356,206	100.0%
<i>Family households by type</i>				
Married couple .....	3,060	85.6%	664,328	73.9%
Female householders, no spouse .....	371	10.4%	175,928	19.6%
Other .....	145	4.1%	59,301	6.6%
<b>Total family households</b> .....	3,576	100.0%	899,557	100.0%
<i>Non-family households by type</i>				
Householders living alone .....	1,063	85.3%	378,669	82.9%
Other .....	183	14.7%	77,980	17.1%
<b>Total non-family households</b> .....	1,246	100.0%	456,649	100.0%

Source: American Community Survey 2010-2014

### **Building Permits**

<b>Fiscal Year Ended</b>	<b>Total Building Permits</b>	
	<b>Number</b>	<b>Value</b>
2016	1,310	\$ 310,587
2015	1,322	455,052
2014	1,219	291,353
2013	1,211	282,106
2012	1,231	212,621
2011	1,227	203,425
2010	1,108	246,875
2009	1,017	235,592
2008	1,264	232,192
2007	1,250	300,032

*Source: Town of Suffield, Building Department.*

### **Land Use Summary**

<b>Total Acreage by Zoning</b>	<b>2016</b>	
	<b>Land Area in Use (Acres)</b>	<b>% of Total Town Area</b>
Residential <sup>1</sup> .....	23,969	89.7
Commercial .....	53	0.2
Mixed Use - Residential & Commercial .....	124	0.5
Industrial .....	2,562	9.6
<b>Total All Lands</b> .....	<b>26,708</b>	<b>100.0</b>

<sup>1</sup> Includes single-family, apartments and condominiums.

*Source: 2010 Plan of Conservation and Development.*

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## **IV. Tax Base Data**

### **Property Tax**

#### **Assessments**

Under Section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation of its real properties every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building, once every ten years. The Town's most recent (non-physical) revaluation became effective for the October 1, 2013 grand list, which became effective for the 2014-15 fiscal year. The Town's next revaluation will be for the October 1, 2018 grand list which will become effective for the 2019-20 fiscal year. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last revaluation. Assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year the Town's Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined for the structure with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property of businesses in Town (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has indicated that the average retail values contained in the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Department of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 grand list, but the assessment is prorated, and the proration is based on the period of time from the date of registration until the following October 1. This process generates the Supplemental Motor Vehicle list, which represents newly registered vehicles and includes credits for replaced vehicles. Bills for this supplemental list are issued the following January, eighteen months after the initial grand list date.

Section 206 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 187 of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be

the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles set by a borough or district after the effective date of the Act that is less than 37 mills when combined with the motor vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2015 (the fiscal year ending June 30, 2017) is 28.20 mills.

The Assessor's Office is also responsible for the administration of several property exemption and payment-in-lieu-of-taxes programs which include, but are not limited to, the following: special veterans' programs; elderly tax relief for homeowners and renters; farm, forest and open space; blind and disabled taxpayers; manufacturing exemptions; and State-owned property reimbursement programs.

**The Town of Suffield has enacted the following local option ordinances:**

**12-81c allows the exemption from taxes for** (1) any ambulance-type motor vehicle which is used exclusively for the purpose of transporting any medically incapacitated individual, except any such vehicle used to transport any such individual for profit, (2) any property owned by a nonprofit ambulance company, and (3) any motor vehicle owned by a person with disabilities, or owned by the parent or guardian of such person, which vehicle is equipped for purposes of adapting its use to the disability of such person, provided the legislative body of the municipality adopts a definition of such vehicle.

**12-81j allows** blind residents within income limits to receive an additional \$2,000 exemption by filing an application with the assessor annually.

**12-129n allows** a municipality to adopt a program to allow a credit annually for taxpayers who qualify for the State Elderly Homeowners program

**12-81m allows** an abatement of 50% of eligible taxes to dairy farmers upon application.

**12-81w allows** a municipality to abate or exempt a portion of property taxes of local firefighters and certain emergency and civil preparedness personnel

**12-81(58) allows** exemption from taxes on any real or personal property leased to a charitable, religious or nonprofit organization, exempt from taxation for federal income tax purposes, provided such property is used exclusively for the purposes of such charitable, religious or nonprofit organization and not otherwise exempt.

***Property Tax Levy***

Property taxes are levied on all taxable assessed property on the grand list of October 1 before the beginning of the fiscal year. Real and Personal property taxes over \$100.00 are payable in two installments on July 1 and January 1. Motor vehicle bills are payable in full during the month of July regardless of the amount of the bill. Motor vehicle supplemental bills are payable January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Each year prior to June 30th, outstanding real estate tax accounts are liened in the Town land records and outstanding personal property accounts are UCC lienied with the Connecticut Secretary of the State. Legal demands and alias tax warrants are used in the collection of all types of outstanding taxes. Delinquent motor vehicle and personal property accounts are transferred to a suspense account annually in May at which time they cease to be carried as receivables. All taxes are deemed uncollectible after 15 years from the date of the tax according to Connecticut General Statutes Sec. 12-164.

### Comparative Assessed Valuations

Grand List as of 10/1	Residential Real Property (%)	Commercial & Industrial				Motor Vehicles (%)	Exemptions	
		Real Property (%)	Other Land (%)	Personal Property (%)	Veterans Relief and Elderly		Net Taxable Grand List	
2015	77.8	7.1	1.6	7.3	8.2	\$ 1,412,503	\$ 26,574	\$ 1,385,929
2014	75.1	6.0	7.2	6.1	7.1	1,391,358	24,340	1,367,017
2013 <sup>1</sup>	78.9	7.2	1.5	5.9	8.3	1,365,584	22,393	1,343,191
2012	80.6	7.1	1.5	4.9	7.5	1,451,774	22,911	1,428,863
2011	81.3	7.2	1.5	4.0	7.6	1,429,481	22,427	1,407,054
2010	81.3	7.2	1.4	4.0	7.3	1,413,162	16,658	1,396,504
2009	81.4	7.4	1.4	3.8	7.0	1,401,071	14,366	1,386,705
2008 <sup>1</sup>	81.5	7.4	1.4	3.9	7.0	1,393,934	15,961	1,377,974
2007	61.9	5.8	0.6	0.6	2.9	1,438,941	313,463	1,125,478
2006	61.8	5.9	0.6	0.6	2.8	1,414,923	305,034	1,109,889

<sup>1</sup> Revaluation.

Source: Town of Suffield Assessor's Office

### Property Tax Levies and Collections

<b>Fiscal Year Ended 6/30</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Adjusted Tax Levy</b>	<b>Percent Annual Levy Collected at at End of Fiscal Year</b>	<b>Uncollected</b>	
					<b>Percent Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected As of 6/30/16</b>
2017 <sup>1</sup>	\$ 1,385,929	28.20	\$ 39,956		<i>In Collection</i>	
2016	1,367,017	27.78	38,122	99.30	0.70	0.70
2015	1,343,191	27.12	36,555	98.70	1.30	0.51
2014	1,428,863	25.16	36,059	98.90	1.10	0.35
2013	1,407,054	24.84	34,728	98.80	1.20	0.18
2012	1,396,504	24.17	33,736	98.90	1.10	0.09
2011	1,386,705	23.15	31,973	98.70	1.30	0.05
2010	1,377,974	23.15	31,877	98.60	1.40	0.03
2009	1,125,478	27.30	30,798	98.90	1.10	-
2008	1,109,889	26.40	29,574	98.80	1.20	-

<sup>1</sup> Subject to audit.

Source: Town of Suffield, Tax Collector's Office and Town's Audit Reports.

### Ten Largest Taxpayers

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Taxable Valuation</b>	<b>Percent of Net Taxable Grand List <sup>1</sup></b>
Eversource Energy .....	Utility	\$ 44,466,460	3.21%
Suffield 1120 Harvey Lane LLC .....	Wholesale Grocer	13,481,440	0.97%
Suffield By The River, LLC .....	Assisted Living	7,628,100	0.55%
The Connecticut Water Co. ....	Utility	6,206,400	0.45%
Marketing Research Park .....	Wholesale Grocer	5,275,970	0.38%
Moffie Harold J. ....	Skilled Nursing Facility	5,228,090	0.38%
NN Acquisitions .....	Dormitory Facility	4,664,310	0.34%
HP Hood .....	Manufacturing	4,188,960	0.30%
Yankee Gas.....	Utility	3,800,510	0.27%
Fuller Alfred II Trustee .....	Apartments	3,668,060	0.26%
<b>Total</b> .....		<b>\$ 98,608,300</b>	<b>7.11%</b>

<sup>1</sup> Based on Net Taxable Grand List of October 1, 2015 of \$1,385,929,061.

Source: Town of Suffield, Assessor's Office

**V. Debt Summary**  
**Principal Amount of Bonded Indebtedness**  
**As of December 28, 2016**  
**(Pro-Forma)**

<b>Date</b>	<b>Purpose</b>	<b>Interest Rate %</b>	<b>Original Issue <sup>1</sup></b>	<b>Outstanding</b>	<b>Fiscal Year of Maturity</b>
09/15/05	Schools - Refunding .....	3.00 - 5.00	\$ 14,305,000	\$ 6,990,000	2021
12/20/12	General Purpose .....	2.00 - 3.00	9,000,000	7,065,000	2028
	<b>Sub-Total</b> .....		\$ 23,305,000	\$ 14,055,000	
<b>This Issue</b>					
12/28/16	General Purpose .....	3.00 - 4.00	\$ 9,100,000	\$ 9,100,000	2036
	<b>Total This Issue</b> .....		\$ 9,100,000	\$ 9,100,000	
	<b>Grand Total</b> .....		\$ 32,405,000	\$ 23,155,000	

<sup>1</sup> Excludes refunded bonds.

**Short-Term Debt**

The Town does not have short-term debt.

**Overlapping/Underlying Debt**

The Town does not have any overlapping or underlying debt.

**Annual Bonded Debt Maturity Schedule**  
**As of December 28, 2016**  
**(Pro-Forma)**

<b>Fiscal Year</b>	<b>Existing Debt <sup>2</sup></b>			<b>Pro-forma</b>		<b>Cumulative Principal Retired (%)</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>This Issue</b>	<b>Total Principal</b>	
2017 <sup>1</sup>	\$ 1,400,000	\$ 264,750	\$ 1,664,750	\$ -	\$ 1,400,000	6.05
2018	2,040,000	449,825	2,489,825	-	2,040,000	14.86
2019	2,040,000	360,725	2,400,725	500,000	2,540,000	25.83
2020	2,045,000	271,625	2,316,625	500,000	2,545,000	36.82
2021	2,045,000	182,275	2,227,275	500,000	2,545,000	47.81
2022	645,000	92,925	737,925	500,000	1,145,000	52.75
2023	645,000	73,575	718,575	500,000	1,145,000	57.70
2024	645,000	57,450	702,450	500,000	1,145,000	62.64
2025	640,000	44,600	684,600	500,000	1,140,000	67.57
2026	640,000	31,800	671,800	500,000	1,140,000	72.49
2027	635,000	19,050	654,050	510,000	1,145,000	77.43
2028	635,000	6,350	641,350	510,000	1,145,000	82.38
2029	-	-	-	510,000	510,000	84.58
2030	-	-	-	510,000	510,000	86.78
2031	-	-	-	510,000	510,000	88.99
2032	-	-	-	510,000	510,000	91.19
2033	-	-	-	510,000	510,000	93.39
2034	-	-	-	510,000	510,000	95.59
2035	-	-	-	510,000	510,000	97.80
2036	-	-	-	510,000	510,000	100.00
<b>Total</b>	\$ 14,055,000	\$ 1,854,950	\$ 15,909,950	\$ 9,100,000	\$ 23,155,000	

<sup>1</sup> Excludes \$645,000 in principal and \$274,425 in interest payments made from July 1, 2016 through December 28, 2016.

<sup>2</sup> Excludes refunded bonds.

**Debt Statement**  
**As of December 28, 2016**  
**(Pro-Forma)**

**Long-Term Debt Outstanding:**

General Purpose (Includes this issue) .....	\$ 16,165,000
Schools (Includes this issue) .....	6,990,000
Sewers .....	-
<b>Total Long-Term Debt</b> .....	<b>23,155,000</b>
Short-Term Debt .....	-
<b>Total Direct Debt</b> .....	<b>23,155,000</b>
Underlying Debt .....	-
<b>Total Overall Debt</b> .....	<b>23,155,000</b>
Less: School Construction Grants (as of 6/30/2016) <sup>1</sup> .....	-
<b>Total Overall Net Debt</b> .....	<b>\$ 23,155,000</b>

<sup>1</sup> Includes actual school building grants receivable for previously issued school bonds.

**Current Debt Ratios**  
**As of December 28, 2016**  
**(Pro-Forma)**

Population <sup>1</sup> .....	15,764
Net Taxable Grand List (10/1/15) .....	\$1,385,929,061
Estimated Full Value (70%) .....	\$1,979,898,659
Equalized Net Taxable Grand List (10/1/13) <sup>2</sup> .....	\$1,919,627,780
Income per Capita (2010) <sup>3</sup> .....	\$41,098
Income per Capita (2014) <sup>1</sup> .....	\$39,901

	<b>Total Overall Debt \$23,155,000</b>	<b>Total Overall Net Debt \$23,155,000</b>
Per Capita .....	\$1,468.85	\$1,468.85
Ratio to Net Taxable Grand List .....	1.67%	1.67%
Ratio to Estimated Full Value .....	1.17%	1.17%
Ratio to Equalized Grand List .....	1.21%	1.21%
Debt per Capita to Income per Capita 2010 .....	3.57%	3.57%
Debt per Capita to Income per Capita 2014 .....	3.68%	3.68%

<sup>1</sup> U.S. Census Bureau, American Community Survey, 2010-2014.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Department of Commerce Bureau of the Census 2010.

**Authorization**

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the procedural requirements of the Town Charter.

**Temporary Financing**

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and school construction projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes issued for a sewer project may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants for such project, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

### ***Limitation of Indebtedness***

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation (the "base") are defined as total tax collections including interest, penalties, late payment of taxes and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity and for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment allocation from the State Bond Commission or contract but only to the extent such indebtedness can be paid from such proceeds (v) issued for certain water pollution control projects and (vi) upon placement in escrow of the proceeds of refunding bonds, notes, or other obligations.

### ***THE TOWN OF SUFFIELD HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.***

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**Statement of Statutory Debt Limitation <sup>1</sup>**  
**As of December 28, 2016**  
**(Pro Forma)**

**Total Tax Collections** (including interest and lien fees) for the year ended June 30, 2016 (unaudited) ..... \$ 38,382,993  
Reimbursement for Revenue Loss On:

**Tax relief for elderly freeze** ..... 88,107  
**Base for Debt Limitation Computation** ..... \$ 38,471,100

<b>Debt Limitation:</b>	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Past Pension</b>
2 <sup>1</sup> / <sub>4</sub> times base .....	\$ 86,559,975	-	-	-	-
4 <sup>1</sup> / <sub>2</sub> times base .....	-	\$ 173,119,950	-	-	-
3 <sup>3</sup> / <sub>4</sub> times base .....	-	-	\$ 144,266,625	-	-
3 <sup>1</sup> / <sub>4</sub> times base .....	-	-	-	\$ 125,031,075	-
3 times base .....	-	-	-	-	\$ 115,413,300
<b>Total Debt Limitation</b> .....	<u>\$ 86,559,975</u>	<u>\$ 173,119,950</u>	<u>\$ 144,266,625</u>	<u>\$ 125,031,075</u>	<u>\$ 115,413,300</u>

**Less Indebtedness:**

Outstanding Bonds .....	7,065,000	6,990,000	-	-	-
Bonds: This Issue .....	9,100,000	-	-	-	-
Authorized But Unissued Debt .....	12,785,000	-	-	-	-
<b>Total Indebtedness</b> .....	<u>28,950,000</u>	<u>6,990,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: School Grants Receivable <sup>1</sup> .....	-	-	-	-	-
<b>Net Debt for Calculation of Debt Limitation</b> .....	<u>28,950,000</u>	<u>6,990,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Debt Limitation in Excess of**

**Outstanding And Authorized Debt** ..... \$ 57,609,975 \$ 166,129,950 \$ 144,266,625 \$ 125,031,075 \$ 115,413,300

<sup>1</sup> Principal portion of approved school construction grants receivable over the terms of outstanding school bonds.

Note: In no case shall total indebtedness exceed seven times the annual receipts from taxation or \$269,297,700.

**Authorized but Unissued Debt**  
**As of December 28, 2016**  
**(Pro Forma)**

<b>Project</b>	<b>Amount Authorized</b>	<b>Previously Bonded / Paydowns</b>	<b>Estimated Grants</b>	<b>This Issue: The Bonds</b>	<b>Authorized But Unissued Debt</b>
Roads Improvements .....	\$ 9,100,000	\$ -	\$ -	\$ 9,100,000	\$ -
Town Hall Project.....	4,385,000	-	-	-	4,385,000
Bridge Street Community Center Project.....	8,400,000	-	-	-	8,400,000
<b>Total</b> .....	<u>\$ 21,885,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,100,000</u>	<u>\$ 12,785,000</u>

**Principal Amount of Outstanding Debt**  
**Last Five Fiscal Years**

<b>Long-Term Debt</b>	<b>2016 <sup>1</sup></b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Bonds .....	\$ 14,700	\$ 16,750	\$ 18,815	\$ 20,316	\$ 12,865
<b>Short-Term Debt</b>					
Bond Anticipation Notes .....	-	-	-	-	-
<b>Totals</b> .....	<u>\$ 14,700</u>	<u>\$ 16,750</u>	<u>\$ 18,815</u>	<u>\$ 20,316</u>	<u>\$ 12,865</u>

<sup>1</sup> Subject to audit.

### Ratios of Net Long-Term Debt to Valuation, Population, and Income

<b>Fiscal Year Ended 6/30</b>	<b>Grand List 10/1</b>	<b>Net Assessed Value (000's)</b>	<b>Estimated Full Value (000's)</b>	<b>Net Long-Term Debt (000's)</b>	<b>Ratio of Net Long-Term Debt to Assessed Value (%)</b>	<b>Ratio of Net Long-Term Debt to Estimated Actual Value (%)</b>	<b>Population <sup>2</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt Per Capita to Per Capita Income (%) <sup>3</sup></b>
2016 <sup>1</sup>	2014	\$ 1,575,162	\$ 2,250,231	\$ 14,700	0.93%	0.65%	15,764	\$ 932.50	2.34
2015	2013	1,343,191	1,918,844	16,750	1.25%	0.87%	15,764	1,062.55	2.66
2014	2012	1,428,863	2,041,233	18,815	1.32%	0.92%	15,764	1,193.56	2.99
2013	2011	1,407,054	2,010,078	20,316	1.44%	1.01%	15,764	1,288.75	3.23
2012	2010	1,396,504	1,995,005	12,865	0.92%	0.64%	15,764	816.10	2.05
2011	2009	1,386,705	1,981,008	14,411	1.04%	0.73%	15,764	914.17	2.29
2010	2008	1,377,974	1,968,534	15,995	1.16%	0.81%	15,735	1,016.52	2.55
2009	2007	1,125,478	1,607,826	18,063	1.60%	1.12%	13,552	1,332.87	3.34

<sup>1</sup> Subject to audit.

<sup>2</sup> U.S. Census Bureau, American Community Survey, 2010-2014.

<sup>3</sup> U.S. Census Bureau, American Community Survey, 2010-2014: Income Per Capita \$39,901.

<sup>4</sup> Subject to audit.

### Ratios of Annual Long-Term General Fund Debt Service Expenditures To Total General Fund Expenditures

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures <sup>1</sup></b>	<b>Ratio of Total Debt Service Expenditures To Total General Fund Expenditures</b>
2016 <sup>2</sup>	\$ 2,678,775	\$ 55,496,617	4.83%
2015	2,780,436	58,487,517	4.75%
2014	2,406,951	57,133,624	4.21%
2013	2,184,530	54,519,660	4.01%
2012	2,248,430	54,100,062	4.16%
2011	2,363,255	53,358,754	4.43%

<sup>1</sup> Includes transfers out.

<sup>2</sup> Budgetary basis and subject to audit.

Source: Town of Suffield, Finance Office

### Intergovernmental Revenues as a Percent of Total Revenues

<b>Fiscal Year Ended 6/30</b>	<b>Intergovernmental Revenues</b>	<b>Total Revenues</b>	<b>Percent</b>
2017 <sup>1</sup>	\$14,534,074	\$56,462,596	25.74%
2016 <sup>1</sup>	13,210,365	54,360,206	24.30%
2015	16,357,768	56,288,342	29.06%
2014	17,337,295	56,217,727	30.84%
2013	17,289,320	55,005,844	31.43%

<sup>1</sup> Subject to audit.

Source: Annual Audited Financial Statements.



## **VI. Financial Administration**

### **Fiscal Year**

The Town's fiscal year begins July 1 and ends June 30.

### **Audit**

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management within six months of the end of the fiscal year. The Town of Suffield uses the accounting firm of Blum, Shapiro & Company P.C. and is in full compliance with said provisions.

### **Basis of Accounting**

The financial statements of the Town of Suffield, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Please refer to Appendix A - "Fiscal 2015 Audited Financial Statements" herein for compliance and implementation details.

### **Pension Plan**

The Town of Suffield 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 certified teachers and administrators, who are covered by the State of Connecticut Teachers Retirement. 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 general-purpose financial statements as a pension trust fund.

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 percent (2.25 for police officers and firefighters) of the average of the annual salaries during the 3 highest years out of the final 7 years of employment multiplied by service. Participants are 100% vested after 5 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. This plan is being phased out.

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

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

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

The contribution requirements of plan members and the Town are established and may be amended by the Town legislative body. Benefits and contributions are established by the Town and may be amended only by the Town Charter and union negotiation. Town employees are required to contribute 5.25% of their salary and police and firefighter participants are required to contribute 6.0%. The Town's funding policy provides for periodic employer contributions at actuarially determined rates.

The discount rate used for the calculation of the unfunded accrued liability in the plan is 7.25% per year, compounded annually. For the fiscal year ending June 30, 2016, the Town contribution was \$1,333,075, and the Town has budgeted \$1,432,199 for the fiscal year ending June 30, 2017 contribution. Below is a schedule of funding progress for the Town of Suffield Retirement System.

The assets are managed by an investment manager and oversight is provided by the Town Retirement Commission comprised of six members, including three electors, the First Selectman, The Town Treasurer, and a member of the Board of Finance.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) (b)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
07/01/15 <sup>1</sup>	\$ 27,303,726	\$ 35,993,885	\$ (8,690,159)	75.86%	\$ 9,238,546	94.06%
07/01/13	22,580,848	30,392,438	(7,811,590)	74.30%	8,833,728	88.43%
07/01/11	20,726,827	26,790,558	(6,063,731)	77.37%	8,944,838	67.79%
07/01/09	19,269,025	23,057,237	(3,788,212)	83.57%	8,482,011	44.66%
07/01/07	15,662,228	17,380,181	(1,717,953)	90.12%	7,610,596	22.57%

<sup>1</sup> Budgetary basis and subject to audit.

Certified teachers within the Town's school system participate in a retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Certified payroll subject to retirement amounted to \$35,357,436.

### **Other Post-Employment Benefits**

The Town and the Board of Education provide post-employment benefits for retirees who meet certain requirements regarding age and years of service. This benefit is provided based on various union agreements. As of July 1, 2010, the Town was required to provide benefits to 503 total plan participants. In August 2010 the Town established a Suffield Other Post-Employment Benefits Trust to fund retiree benefits. The Trust investment advisor and investment manager is GYL Financial Synergies.

For the fiscal year ended June 30, 2016, the Town contributed \$824,410 and the Town has budgeted \$692,430 for fiscal year ending June 30, 2017.

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2015	\$ 1,648,135	\$ 1,819,569	110.40%	\$ 2,203,235
6/30/2014	1,601,641	1,744,908	108.95%	2,374,669
6/30/2013	1,915,796	1,622,934	84.71%	2,517,936

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 longterm 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, 2010 was 30 years.

### ***Budget Adoption Procedure***

As set forth in the Town Charter, the Board of Finance and the Town Meeting adopt an annual budget for the general fund. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by that fund. Subsequent to adoption of the budget, any requests for supplemental appropriations or transfers shall be made in writing to the Board of Selectmen whom upon consideration will forward them to the Board of Finance for action. Any transfers that alter the total budget in an amount equal to or greater than 0.25 percent of the total budget must also be approved by Town meeting resolution. Any additional appropriation would also require Town meeting approval. There were additional appropriations of \$250,000 during the fiscal year ended June 30, 2016.

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 Project Fund – Sewer Project Fund. However, the legally adopted budget does not provide for line item revenue and expenditures details for these funds. Instead, a summary total for revenues and expenditures for each of these three funds is presented.

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

The Town's general fund budgetary structure accounts for certain transactions differently from Schedules, which present financial statements in conformity with generally accepted accounting principles (GAAP). First, the Town utilizes encumbrances within its budgetary activity. Encumbrances are recognized as valid charges against a budget appropriation in the year in which the purchase order, contract, or other commitment is issued and, accordingly, encumbrances outstanding are reflected in budgetary reports as current year expenditures. Secondly, state "on-behalf" payments for teachers' retirement are not reflected within the budgetary activity.

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**General Fund Revenues and Expenditures**  
**Three Year Summary of Audited Revenues and Expenditures (GAAP Basis), and**  
**Current and Next Year's Budgets (Budgetary Basis)**

	<b>Adopted Budget 2016-17 <sup>1</sup></b>	<b>Estimated Actual 2015-16 <sup>1</sup></b>	<b>Actual 2014-15</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>
<b>Revenues:</b>					
Property Taxes.....	\$ 39,426,691	\$ 38,442,998	\$ 36,687,209	\$ 36,225,744	\$ 35,158,618
Intergovernmental .....	14,534,074	13,210,365	16,357,768	17,337,295	17,289,320
Charges for Services .....	1,956,786	1,858,538	2,626,345	1,615,913	1,846,845
Interest Income .....	30,000	25,720	30,916	34,293	34,911
Miscellaneous .....	515,045	822,585	586,104	1,004,482	676,150
<b>Total Revenues .....</b>	<b>56,462,596</b>	<b>54,360,206</b>	<b>56,288,342</b>	<b>56,217,727</b>	<b>55,005,844</b>
<b>Expenditures:</b>					
General government .....	5,655,239	4,878,709	6,044,477	5,037,989	5,104,382
Planning and Development .....	417,073	398,939	405,853	382,608	360,460
Public Safety .....	3,915,102	3,993,295	3,705,166	3,632,352	3,478,710
Public Works .....	3,918,217	3,744,616	3,936,962	3,486,881	3,209,664
Health & Social Services .....	694,295	715,344	714,414	704,202	692,965
Library, Parks and Recreation .....	957,180	912,753	342,246	337,152	410,322
Education .....	34,230,243	33,704,273	35,848,599	35,732,506	35,308,503
Miscellaneous .....	396,290	36,290	36,290	36,290	34,790
Debt Service .....	2,584,175	2,678,775	2,780,436	2,406,951	2,184,530
Capital Outlay .....	3,889,856	-	-	-	-
<b>Total Expenditures .....</b>	<b>56,657,670</b>	<b>51,062,994</b>	<b>53,814,443</b>	<b>51,756,931</b>	<b>50,784,326</b>
<b>Revenues over (under) expenditures.....</b>	<b>(195,074)</b>	<b>3,297,212</b>	<b>2,473,899</b>	<b>4,460,796</b>	<b>4,221,518</b>
<b>Other Financing Sources Uses:</b>					
Issuance of General Obligation Bonds .....	-	-	-	-	-
Premium of General Obligation Bonds .....	-	-	-	-	520,793
Issuance of Capital Lease .....	-	-	-	-	-
Use of Fund Balance .....	363,000	-	-	-	-
Operating Transfers In .....	620,074	215,883	2,056,302	391,585	1,093,000
Operating Transfers (Out) .....	(788,000)	(4,433,623)	(4,673,074)	(5,376,693)	(3,735,334)
<b>Total other Financing Sources (uses) .....</b>	<b>195,074</b>	<b>(4,217,740)</b>	<b>(2,616,772)</b>	<b>(4,985,108)</b>	<b>(2,121,541)</b>
<b>Revenues and other financing sources over (under) expenditures and other financing uses.....</b>	<b>-</b>	<b>(920,528)</b>	<b>(142,873)</b>	<b>(524,312)</b>	<b>2,099,977</b>
<b>Fund Balance, beginning .....</b>	<b>N/A</b>	<b>10,863,038</b>	<b>11,005,911</b>	<b>11,530,223</b>	<b>9,430,246</b>
<b>Fund Balance, ending .....</b>	<b>N/A</b>	<b>\$ 9,942,510</b>	<b>\$ 10,863,038</b>	<b>\$ 11,005,911</b>	<b>\$ 11,530,223</b>

<sup>1</sup> Budgetary basis and subject to audit.

**Analysis of General Fund Equity**

	<b>Adopted Budget 2016-17 <sup>1</sup></b>	<b>Estimated Actual 2015-16 <sup>1</sup></b>	<b>Actual 2014-15</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>
Nonspendable.....	N/A	\$ -	\$ -	\$ -	\$ -
Restricted.....	N/A	-	-	176,611	176,611
Committed.....	N/A	350,000	350,000	-	386,000
Assigned.....	N/A	894,680	812,017	1,282,437	3,214,471
Unassigned.....	N/A	9,067,492	9,701,021	9,546,863	7,753,141
<b>Total Fund Balance .....</b>	<b>N/A</b>	<b>\$ 10,312,172</b>	<b>\$ 10,863,038</b>	<b>\$ 11,005,911</b>	<b>\$ 11,530,223</b>

<sup>1</sup> Budgetary basis and subject to audit.

Section 207 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 42 of Public Act No. 16-2 (May 2016 Spec. Sess.) and Section 189(h) of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the “Act”) created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State’s municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Act. For each applicable fiscal year, OPM must determine the municipality’s percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase to in the municipality’s population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 27.12 mills.

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## ***VII. Legal and Other Information***

### ***Litigation***

The Town of Suffield, its officers, employees, boards and commissions, are defendants in a number of lawsuits. It is the opinion of the Town Attorney that such pending litigation will not be finally determined so as to result in any final judgments against the Town of Suffield that individually or in the aggregate would materially adversely affect its financial position.

### ***Transcript and Closing Documents***

The winning bidder of the Bonds will be furnished, subject to delivery of reoffering yield information as requested in the Notice of Sale, the following documentation when the Bonds are delivered:

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman, Treasurer, and Director of Finance which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that as of the date of the Official Statement and the date of the closing, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds.
4. The approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut substantially in the form attached hereto as Appendix B.
5. Executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.
6. The Town will make available to the winning bidder of the Bonds twenty-five (25) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at the office of the Town's financial advisor no later than seven business days of the bid opening. If the Town's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, yields or reoffering prices, the name of the underwriter of the Bonds, and any changes on the Bonds. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at offices of U.S. Bank National Association, in Hartford, Connecticut, and may be examined upon reasonable request.

### ***Concluding Statement***

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

#### **TOWN OF SUFFIELD, CONNECTICUT**

*/s/ Melissa M. Mack*

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Melissa M. Mack, *First Selectman*

*/s/ Christine R. Davidson*

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Christine R. Davidson, *Treasurer*

*/s/ Deborah J. Cerrato*

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Deborah J. Cerrato, *Director of Finance*

Dated as of December 13, 2016

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## ***Appendix A***

### ***2015 General Purpose Financial Statements***

The following includes excerpts from the basic financial statements of the Town of Suffield, Connecticut for the fiscal year ended June 30, 2015. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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## **Independent Auditors' Report**

To the Board of Finance  
Town of Suffield, Connecticut

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Suffield, Connecticut, as of and for the year ended June 30, 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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
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	129,237	127,437	21,009	21,526	150,246	148,963
Deferred Inflows of Resources	1,344	263			1,344	263
Long-term debt outstanding	27,927	29,200			27,927	29,200
Other liabilities	5,080	3,602	216	130	5,296	3,732
Total liabilities	33,007	32,802	216	130	33,223	32,932
Deferred Outflows of Resources	44	24			44	24
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	13,022	15,629	2,200	2,437	15,222	18,066
Total Net Position	\$ 97,530	\$ 94,874	\$ 20,793	\$ 21,396	\$ 118,323	\$ 116,270

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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
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
<b>Total</b>	<b>\$ 101,469</b>	<b>\$ 98,233</b>	<b>\$ 18,593</b>	<b>\$ 18,959</b>	<b>\$ 120,062</b>	<b>\$ 117,192</b>

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**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
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>
<b>Deferred Outflows of Resources:</b>			
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>
<b>Liabilities:</b>			
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>
<b>Deferred Inflows of Resources:</b>			
Advance property tax collections	<u>44,168</u>		<u>44,168</u>
<b>Net Position:</b>			
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>	<u>(41,091,899)</u>	<u>(209,092)</u>	<u>(41,300,991)</u>
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>
<b>ASSETS</b>				
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>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
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>

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

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

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

Fund balances - total governmental funds	\$ 20,773,220
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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><u>97,530,588</u></u>
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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**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,913,517)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	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.

622,980

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 2,657,432</u>
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The accompanying notes are an integral part of the financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>WPCA</b>	<b>Internal</b>
	<b>Enterprise Fund</b>	<b>Service Funds</b>
Assets:		
Cash and cash equivalents	\$ 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**

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
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**

	<b>Business-Type Activities WPCA Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
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><u>2,121,123</u></u>	\$ <u><u>958,138</u></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><u>315,590</u></u>	\$ <u><u>313,924</u></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><u>400,097</u></u>
Liabilities:		
Accounts and other payables	<u>          </u>	\$ <u><u>400,097</u></u>
Net Position:		
Held in Trust for Pension and OPEB Benefits	\$ <u><u>35,095,028</u></u>	

The accompanying notes are an integral part of the financial statements

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

	<b>Trust Funds</b>
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



## **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**

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

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

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

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

**D. Deposits and Investments**

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

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

Investments are reported at fair value.

**E. Receivables and Payables**

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

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest on delinquent balances is computed at 1.5% per month. Liens are filed on delinquent real estate taxes within one year. An amount of \$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**

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**G. Capital Assets**

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

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

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

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

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

**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**

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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  
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**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**

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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**

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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><u>23,070,408</u></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.

	<b><u>Standard &amp; Poor's</u></b>
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:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 – 10	More Than 10
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**

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**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></u>	<u></u>	<u></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	850,540			850,540
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	160,683	53,677	158,841	55,519
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>

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**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.

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Interfund transfers:

	<b>Transfers In</b>			<b>Total</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental</b>	<b>Transfers Out</b>
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:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 18,815,210	\$	\$ 2,065,210	\$ 16,750,000	\$ 2,050,000
Premiums on bonds	<u>778,351</u>		<u>116,524</u>	<u>661,827</u>	
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	<u>85,365</u>		<u>85,365</u>	<u>-</u>	<u>-</u>
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>

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

<b>Description</b>	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2015</b>
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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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**  
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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**  
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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.

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

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

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**Annual OPEB Cost and Net OPEB Obligations**

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

	<u><b>Retiree Health Plan</b></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><u>\$ 2,203,235</u></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><b>Fiscal Year Ended</b></u>	<u><b>Annual OPEB Cost (AOC)</b></u>	<u><b>Actual Contribution</b></u>	<u><b>Percentage of AOC Contributed</b></u>	<u><b>Net OPEB Obligation</b></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  
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**Schedule of Funding Progress**

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

**Schedule of Employer Contributions**

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/15	\$ 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.

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**C. Funding Policy**

**Contributions**

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

**Investments**

**Investment Policy**

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

<b>Asset Class</b>	<b>Target Allocation</b>
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	7.30%
Total	100.00%

**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**  
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**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.



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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:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
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.

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**Changes in the Net Pension Liability**

<b>Town Retirement Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 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	1,589,294	278,228	1,311,066
Balances as of June 30, 2015	\$ 35,005,759	\$ 27,309,419	\$ 7,696,340

**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:

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

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

For the year ended June 30, 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](http://www.ct.gov).

**B. Benefit Provisions**

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

**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).

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**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>\$ 43,871,978</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**

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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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	100.0%	

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

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**F. Discount Rate**

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

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

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

**H. Pension Plan Fiduciary Net Position**

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

**I. Other Information**

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

**11. FIDUCIARY TRUST FUNDS**

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

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

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total Trust Fund</b>
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	<u>(81,162)</u>	<u>(22,308)</u>	<u>(103,470)</u>
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	<u>5,044</u>		<u>5,044</u>
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**

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

		<b>Claims Payable July 1</b>		<b>Claims and Changes in Estimates</b>		<b>Claims Paid</b>		<b>Claims Payable June 30</b>
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>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</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**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
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	310,210	310,210	497,643	187,433
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	346,900	346,900	325,359	(21,541)
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	94,517	94,517	82,446	(12,071)
Recreation:				
Camps	43,165	43,165	38,527	(4,638)
Activity	80,000	80,000	80,935	935
Total	123,165	123,165	119,462	(3,703)
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	788,600	788,600	1,601,435	812,835
Total current services and fees	1,663,392	1,663,392	2,626,345	962,953

(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	<u>275,000</u>	<u>275,000</u>	<u>316,000</u>	<u>41,000</u>
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	5,996,034	6,168,397	6,017,375	151,022
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	387,291	420,662	408,683	11,979
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	3,729,258	3,766,312	3,704,366	61,946
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	3,743,583	3,902,590	3,864,028	38,562
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	745,365	743,521	714,414	29,107

(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	3,253,731	278,228
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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	580,000	690,700	825,000	698,455	790,600	965,635	984,803	1,166,646	1,248,754	1,292,936
Contribution Deficiency (Excess)	\$ -	\$ (7)	\$ (27,000)	\$ -	\$ -	\$ -	\$ 21,906	\$ (31)	\$ (39,252)	\$ -
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**

---

	<b>2014</b>	<b>2015</b>
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**

	<b>2015</b>
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

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## ***Appendix B***

### ***Form of Opinion of Bond Counsel and Tax Matters***

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## **Appendix B – Form of Legal Opinion of Bond Counsel and Tax Matters**

December \_\_, 2016

Town of Suffield  
230C Mountain Road  
Suffield, CT 06078

RE: Town of Suffield, Connecticut  
\$9,100,000 General Obligation Bonds, Issue of 2016, dated December \_\_, 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Suffield, Connecticut (the “Town”) of its \$9,100,000 General Obligation Bonds, Issue of 2016, dated December \_\_, 2016 (the “Bonds”).

In connection therewith, we have examined the law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Town and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents and the proper indexing and accuracy of all public records and documents. As to questions of fact material to our opinion, we have relied upon written representations and agreements executed by officials of the Town authorized to issue the Bonds, in connection with the issuance and delivery of the Bonds, without undertaking to verify the same by independent investigation.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement, the final Official Statement or any other offering material relating to the Bonds (except only the matters set forth as our opinion in the Preliminary Official Statement and the final Official Statement), and we express no opinion relating thereto.

Based upon the foregoing examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. When certified as provided thereon by a duly authorized official of U.S. Bank National Association, the Bonds will be the valid and binding general obligations of the Town. The Bonds will be payable as to both principal and interest, unless paid from other sources, from

ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to certain classified property such as certified forest land taxable at a limited rate pursuant to Section 12-97 of the Connecticut General Statutes and dwelling houses of qualified elderly persons of low income taxable at limited amounts pursuant to Section 12-129b of the Connecticut General Statutes. Subject to conformity with Section 12-129d of the Connecticut General Statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses.

2. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and such interest is not treated as a preference item for purposes of calculating the federal alternative minimum tax for individuals or corporations. Such interest is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the federal alternative minimum tax imposed on such corporations.

The Bonds are qualified to be "qualified tax-exempt obligations" of the Town in accordance with Section 265(b)(3) of the Code.

The opinions set forth in the preceding paragraphs are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

3. Under existing law, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the federal alternative minimum tax.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

Although we have rendered an opinion that interest on the Bonds is not includable in the gross income of the owners thereof for purposes of federal income taxation, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any other federal or state tax consequence of ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Very truly yours,

UPDIKE, KELLY & SPELLACY, P.C.

## **TAX MATTERS**

### ***Federal Tax Matters***

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Failure to comply with the continuing requirements of the Code may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, irrespective of the date on which such noncompliance occurs. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, contains certain representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the federal alternative minimum tax imposed on such corporations.

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special

rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of the Bonds.

### ***State Taxes***

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or to reflect any changes in law that may thereafter occur or become effective.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

No assurance can be given that future legislation, or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other state and local tax consequences of ownership and disposition of the Bonds.

### ***Original Issue Discount***

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth on the cover page of the Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law, OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income of the owners of the Bonds for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount



that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

### ***Original Issue Premium***

The initial public offering prices of certain maturities of the Bonds (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. The offering prices relating to the yields set forth on the cover page of the Official Statement for the OIP Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OIP Bonds are sold. Prospective purchasers of OIP Bonds should consult their own tax advisors regarding the amortization of premium and the effect upon basis.

### ***Proposed Legislation and Other Matters***

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds, or the marketability of the Bonds, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Bonds or the market price for, or marketability of, the Bonds. No assurance can be given with respect to the impact of future legislation on the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisors regarding such matters.

### ***General***

The opinions of Bond Counsel are rendered as of their date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. No assurance can be given that future federal legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or will not change the effect of other

federal tax law consequences discussed above of owning and disposing of the Bonds. No assurance can be given that future legislation, or amendments to the State of Connecticut income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates. The opinions of Bond Counsel are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***

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## Appendix C – Form of Continuing Disclosure Agreement

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.*

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of the \_\_\_\_ day of December, 2016, by the Town of Suffield, Connecticut (the “Town”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$9,100,000 General Obligation Bonds, Issue of 2016, dated December \_\_, 2016 (the “Bonds”) for the benefit of the beneficial owners from time to time of the Bonds.

#### **Section 1. Definitions.**

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Town, dated December \_\_, 2016, prepared in connection with the Bonds.

“Listed Events” means any of the events listed in Section 3 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

## **Section 2. Annual Financial Information.**

(a) The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2016) as follows:

(i) Audited financial statements of the Town's general fund, special revenue fund, capital projects funds, internal service and trust or agency funds, and the general long-term obligations account group (the "Governmental Funds") for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town is required to prepare audited financial statements of its various funds and accounts. The modified accrual basis of accounting is followed for the Town's general fund with major revenues recorded when measurable and available and expenditures recorded when incurred.

(ii) In addition to the information and statements described in (i) above:

- (A) amounts of the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage or amount of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total net debt as of the close of the fiscal year,
- (F) total bonded debt of the Town per capita,
- (G) ratios of the total bonded debt of the Town to the Town's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Town's pension benefit obligations.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Town's fiscal year currently ends

on June 30. The Town agrees that if audited information is not available eight months after the close of any fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is [www.emma.msrb.org](http://www.emma.msrb.org), or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Town shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Town agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Town may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Reporting of Listed Events.**

The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material.



#### **Section 4. Notice of Failure to Provide Annual Financial Information.**

The Town agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

#### **Section 6. Termination.**

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Enforcement.**

The Town acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Town should be made to the First Selectman, Town of Suffield, 230C Mountain Road, Suffield, CT 06078.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

#### **Section 8. Miscellaneous.**

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under

this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

TOWN OF SUFFIELD, CONNECTICUT

By: \_\_\_\_\_  
MELISSA M. MACK  
First Selectman

By: \_\_\_\_\_  
CHRISTINE R. DAVIDSON  
Treasurer

By: \_\_\_\_\_  
DEBORAH J. CERRATO  
Director of Finance

## ***Appendix D***

### ***Notice of Sale***

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## APPENDIX D – NOTICE OF SALE

### NOTICE OF SALE

**TOWN OF SUFFIELD, CONNECTICUT**  
**\$9,100,000 GENERAL OBLIGATION BONDS, ISSUE OF 2016**  
**(BANK QUALIFIED)**  
**BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF SUFFIELD, CONNECTICUT (the “Town”), until 11:30 A.M. (E.S.T.) on TUESDAY,

DECEMBER 13, 2016

for the purchase, when issued, of all (but not less than all) of the Town’s \$9,100,000 General Obligation Bonds, Issue of 2016, dated December 28, 2016 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on January 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>
2019	\$500,000	2028	\$510,000
2020	\$500,000	2029	\$510,000
2021	\$500,000	2030	\$510,000
2022	\$500,000	2031	\$510,000
2023	\$500,000	2032	\$510,000
2024	\$500,000	2033	\$510,000
2025	\$500,000	2034	\$510,000
2026	\$500,000	2035	\$510,000
2027	\$510,000	2036	\$510,000

The Bonds will bear interest commencing July 15, 2017 and semiannually thereafter on January 15 and July 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

### Optional Redemption

The Bonds maturing on or before January 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing January 15, 2025 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after January 15, 2024, either in whole or in part at any time, in such order of maturity and amount as the Town may determine, and by lot within a maturity, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
January 15, 2024 and thereafter	100.0%

## **Nature of Obligation**

The Bonds will constitute general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied against all taxable property in the Town. All property taxation is without limit as to rate or amount, except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

## **Bank Qualification**

The Bonds SHALL be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **DTC Book Entry**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Town, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates for the Bonds will be the last business day of May and November in each year.

## **Proposals**

Each bid must be for the entire \$9,100,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY**® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

## **Basis of Award**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the responsible bidder whose bid proposes the lowest true interest cost to the Town. For the purposes of determining the winning bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to December 28, 2016, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to December 28, 2016, the delivery date of the Bonds. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

## CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

## Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: [parity@i-deal.com](mailto:parity@i-deal.com)). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

**Disclaimer.** Each of **PARITY®** prospective electronic bidders shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Town nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Town is using **PARITY®** as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements



with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Town is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will also act as Registrar, Paying Agent and Transfer Agent.

### **Delivery and Payment**

At or prior to the delivery of the Bonds the winning bidder shall be furnished, without cost, with (a) the approving opinion of Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut, Bond Counsel; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York on or about December 28, 2016.

### **Bond Counsel Opinion**

The legality of the issue will be passed upon by Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will appear on each Bond certificate and will state that the Bonds are valid and binding obligations of the Town. Absent special circumstances preventing compliance, Bond Counsel will require as a precondition to release of its opinion printed on the Bonds that the purchaser of such Bonds deliver to it a completed certificate regarding public reoffering price with respect to the Bonds awarded to such bidder, as described below under "Reoffering Prices".

The legal opinion will also state that based on and assuming the accuracy of and continuing compliance with certain written representations and agreements received from authorized officials of the Town in connection with the issuance and delivery of the Bonds, as to which bond counsel has made no independent verification, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes and is not included in Connecticut taxable income for purposes of the Connecticut

income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the federal alternative minimum tax. The opinion will provide that although interest on the Bonds is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, interest on the Bonds may be includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the federal alternative minimum tax imposed on such corporations.

The Bonds will be “qualified tax-exempt obligations” for purposes of the deduction by financial institutions of interest expenses that is allocable to tax-exempt obligations in accordance with Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **Reoffering Prices**

Bond Counsel will require as a precondition to release of its opinion printed on the Bonds that the purchaser of such Bonds deliver to it, prior to the date of delivery of the Bonds, a completed certificate regarding public reoffering price with respect to the Bonds awarded to such purchaser, the form of such certificate to be furnished to the purchaser by Bond Counsel following the bond sale, to the effect that (A) the purchaser has either purchased the Bonds at the prices shown on such certificate for investment and not with a view toward distribution or resale and not in the capacity of a bond house, broker or other intermediary, or (B) has made a bona fide public offering of the Bonds to the public (i) at initial offering prices not greater than, or yields not lower than, the respective prices or yields shown on the certificate, and (ii) a substantial amount of each maturity of the Bonds was sold to the final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than or yields not lower than, such offering prices or yields. Prior to the delivery date of the Bonds, the completed certificate shall be delivered to Sandra D. Dawson, Esq., Updike, Kelly & Spellacy, P.C., 100 Pearl Street, 17th floor, P.O. Box 231277, Hartford, CT 06123, E-mail: [sdawson@uks.com](mailto:sdawson@uks.com), Telephone: (860) 548-2643.

### **Official Statement**

For more information regarding the Bonds or the Town, reference is made to the Preliminary Official Statement dated December 6, 2016 (the “Official Statement”) prepared by the Town’s financial advisor, Phoenix Advisors, LLC, describing the Bonds and the financial condition of the Town. The Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), and such electronic access to the Official Statement is being provided as a matter of convenience only. The only official version of the Official Statement is the printed version for physical delivery. Copies of the Official Statement may be obtained from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, Telephone (203) 878-4945. Twenty-five (25) copies of the Official Statement, which those bidding upon the Bonds should distribute to persons purchasing the Bonds from such bidders, will be made available by the Town to the purchaser of the Bonds by no later than the earlier of the delivery of the Bonds or the seventh business day after the bid opening. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer. The Town deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission

Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. If the Town’s financial advisor, Phoenix Advisors, LLC, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices, and the name of the managing underwriter of the Bonds.

### **Continuing Disclosure Agreement**

As required by the Rule, the Town will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Town to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

### **Bona Fide Public Offering**

As a condition of the sale and delivery of the Bonds by the Town to the purchaser at closing, the purchaser must make a bona fide public offering of each of the maturities of the Bonds at the public offering prices set forth on the cover of the final Official Statement and provide satisfactory evidence thereof to the Town and Bond Counsel.

TOWN OF SUFFIELD, CONNECTICUT

MELISSA M. MACK

First Selectman

CHRISTINE R. DAVIDSON

Treasurer

DEBORAH J. CERRATO

Director of Finance

December 6, 2016

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