

TOWN OF PLAINFIELD, CONNECTICUT
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF PLAINFIELD, CONNECTICUT

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INDEPENDENT AUDITORS' REPORT

To the Honorable First Selectman and
Members of the Board of Finance
Town of Plainfield, Connecticut

Report on the Audit of the Financial Statements

Opinions

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 Plainfield, Connecticut (Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

Implementation of an Accounting Standard

During fiscal year ended June 30, 2022, the Town adopted GASB Statement No. 87, *Leases*. The impact of this standard increased assets for lease receivables and increased deferred inflows for lease revenue by \$204,971 at July 1, 2021.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 8 through 18, and required supplementary information presented on pages 89 through 105, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plainfield, Connecticut's basic financial statements. The supplementary information on pages 106 through 115, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The supplementary information presented on pages 106 through 115 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 supplementary information presented on pages 106 through 115 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December XX, 2022, on our consideration of the Town of Plainfield, 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 the effectiveness of the Town of Plainfield, Connecticut's 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 Plainfield, Connecticut's internal control over financial reporting and compliance.

Providence, Rhode Island
December XX, 2022

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

The management of the Town of Plainfield, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,907,787 (net position).
- The Town's total net position increased by \$727,940 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,107,741, an increase of \$792,285 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$9,752,204 or 20.00% of the fiscal year 2022 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.4 months of operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$1,605,591 or 18.57% during the current fiscal year due to current year principal payments.
- The Town's business-type activities, which consists solely of the Water Pollution Control Authority fund, ended the fiscal year with net position of \$8,613,725, an increase of \$371,255 from the prior year. Of the total net position, \$1,171,617 or 13.60% is classified as unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 19 through 21 of this report.

Fund Financial Statements

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

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 22 through 25 of this report.

Proprietary Funds

The Town maintains two types of proprietary funds. The Town maintains an enterprise fund to account for its Water Pollution Control Authority which is the Town's sewer operating facility. It also maintains an internal service fund for the Town and Board of Education's participation in the Eastern Connecticut Health Insurance Program (ECHIP) self-insurance program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 26 through 28 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of retirees for pension and other post-employment benefits. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 88 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 89 through 115 of this report.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$71,907,787 as of June 30, 2022 and \$71,179,847 as of June 30, 2021, and is summarized as follows:

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Current and other assets	\$ 25,313,960	\$ 1,532,202	\$ 26,846,162	\$ 28,186,611	\$ (1,340,449)	-4.76%
Capital assets	62,487,033	11,151,566	73,638,599	75,865,198	(2,226,599)	-2.93%
Total assets	87,800,993	12,683,768	100,484,761	104,051,809	(3,567,048)	-3.43%
Deferred outflows of resources	3,084,098	---	3,084,098	1,274,039	1,810,059	142.07%
Current and other liabilities	8,582,752	638,680	9,221,432	8,901,707	319,725	3.59%
Long-term liabilities	14,224,392	3,366,874	17,591,266	15,711,517	1,879,749	11.96%
Total liabilities	22,807,144	4,005,554	26,812,698	24,613,224	2,199,474	8.94%
Deferred inflows of resources	4,783,885	64,489	4,848,374	9,532,777	(4,684,403)	-49.14%
Net Position:						
Net investment in capital assets	58,650,594	7,442,108	66,092,702	66,656,514	(563,812)	-0.85%
Restricted	592,986	--	592,986	641,543	(48,557)	-7.57%
Unrestricted	4,050,482	1,171,617	5,222,099	3,881,790	1,340,309	34.53%
Total net position	\$ 63,294,062	\$ 8,613,725	\$ 71,907,787	\$ 71,179,847	\$ 727,940	1.02%

Total assets of the Town at June 30, 2022 and 2021 were \$100,484,761 and \$104,051,809, respectively, an decrease of 3.43%. The significant components of current assets and other assets are cash, tax receivables, grant receivables, loan receivables, and claims deposits. Capital assets include land, land improvements, buildings and building improvements, infrastructure, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position (Continued)

Total liabilities of the Town at June 30, 2022 and 2021 were \$26,812,698 and \$24,613,224, respectively, an increase of 8.94%. Current liabilities include accounts payable, accrued liabilities, current portions of long-term liabilities and unearned revenue. Noncurrent liabilities are primarily made up of the long-term portion of debt, accrued compensated absences, net OPEB liabilities and net pension liabilities.

Deferred inflows and outflows of resources relate to the Town's pension and OPEB liabilities as well as deferred outflows for charges on bond refunding and deferred inflows for loan receivables. In 2022, the Town's deferred outflows increased by \$1,810,059 and deferred inflows decreased by \$4,684,403. These changes are the result of fluctuations in the actuarial valuations of the liabilities and the change in the value of pension assets.

Net position represents the Town's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Town's equity in land, buildings and building improvements, construction in progress, infrastructure, and equipment, net of related accumulated depreciation and capital debt outstanding. The next net position category is restricted net position; which occurs when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Town. Unrestricted net position increased by \$1,340,309, or 34.53%, for the fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position

Changes in net position for the years ended June 30, 2022 and 2021 are as follows:

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Revenues						
Program revenues:						
Charges for services	\$ 1,630,487	\$ 2,534,798	\$ 4,165,285	\$ 3,298,150	\$ 867,135	26.29%
Operating grants and contributions	27,638,918	--	27,638,918	24,665,923	2,972,995	12.05%
Capital grants and contributions	62,338	--	62,338	82,908	(20,570)	-24.81%
General revenues						
Property taxes	29,711,053	--	29,711,053	29,169,054	541,999	1.86%
Grants and contributions not restricted to specific programs	623,871	--	623,871	636,780	(12,909)	-2.03%
Unrestricted investment earnings	57,015	1,550	58,565	17,726	40,839	230.39%
Total revenues	<u>59,723,682</u>	<u>2,536,348</u>	<u>62,260,030</u>	<u>57,870,541</u>	<u>4,389,489</u>	7.59%
Program expenses:						
Education	47,840,266	--	47,840,266	42,223,808	5,616,458	13.30%
General government	3,821,189	--	3,821,189	3,730,744	90,445	2.42%
Public safety	2,985,901	--	2,985,901	1,302,205	1,683,696	129.30%
Public works	2,410,385	--	2,410,385	2,089,886	320,499	15.34%
Social services	592,929	--	592,929	475,985	116,944	24.57%
Administration	1,328,354	--	1,328,354	1,031,976	296,378	28.72%
Interest	182,400	--	182,400	222,300	(39,900)	-17.95%
Sewer	--	2,370,666	2,370,666	2,506,824	(136,158)	-5.43%
Total Expenses	<u>59,161,424</u>	<u>2,370,666</u>	<u>61,532,090</u>	<u>53,583,728</u>	<u>7,948,362</u>	14.83%
Change in net position before transfers	562,258	165,682	727,940	4,286,813	(3,558,873)	-83.02%
Transfers	(205,573)	205,573	--	--	--	0.00%
Change in net position	<u>\$ 356,685</u>	<u>\$ 371,255</u>	<u>\$ 727,940</u>	<u>\$ 4,286,813</u>	<u>\$ (3,558,873)</u>	-83.02%

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Change in Net Position (Continued)

Governmental activities increased the Town's net position by \$356,685. Business-type activities increased the Town's net position by \$371,255.

Total revenues generated by the Town increased by \$4,389,489 or 7.59% in comparison to revenues reported in the prior year. The increase in revenues was primarily related to increases in property tax revenues, charges for services and covid related operating grants.

Expenses incurred by the Town increased \$7,948,362 or 14.83% in comparison to expenses reported the prior year. The increase was driven by an increase in expenses due to increases in pension and OPEB liabilities.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,107,741. Of this amount, \$9,752,204 is unassigned and available for spending at the discretion of the Town.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,752,204. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20.00% of the fiscal year 2022 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.4 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$546,028 during the current fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$546,028. Expenditures were \$367,919 less than budgeted and revenues were \$1,358,031 more than budgeted due to favorable property tax collections and an increase in licenses, permits and fees. See page 89 for the detailed comparison of budget versus actual for the year ended June 30, 2022.

WATER POLLUTION CONTROL AUTHORITY BUDGETARY HIGHLIGHTS

The Town adopts an annual budget for its Water Pollution Control Authority (WPCA). During the year ended June 30, 2022 there were no additional appropriations made to the budget. The budget for 2022 planned for no change to net position. However, the actual net change in net position of the WPCA on a budgetary basis was an increase of \$371,255. Expenditures were \$83,852 less than budgeted due to depreciation offset by savings in interest expense and personnel costs and revenues were \$81,830 higher than expected, predominantly due to pre-industrial treatment revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2022 and 2021 totaled \$73,638,599 and \$75,865,198, respectively (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and infrastructure.

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

	Governmental		Business-type		Total		\$ Variance	% Variance
	Activities		Activities					
	2022	2021	2022	2021	2022	2021		
Land	\$ 3,201,836	\$ 3,201,836	\$ 31,740	\$ 31,740	\$ 3,233,576	\$ 3,233,576	\$ --	0.00%
Buildings and								
improvements	35,789,485	37,283,896	603,069	663,376	36,392,554	37,947,272	(1,554,718)	-4.10%
Machinery and equipment	2,265,655	2,076,934	88,879	118,215	2,354,534	2,195,149	159,385	7.26%
Infrastructure	<u>21,230,057</u>	<u>21,701,776</u>	<u>10,427,878</u>	<u>10,787,425</u>	<u>31,657,935</u>	<u>32,489,201</u>	<u>(831,266)</u>	-2.56%
Total	<u>\$ 62,487,033</u>	<u>\$ 64,264,442</u>	<u>\$ 11,151,566</u>	<u>\$ 11,600,756</u>	<u>\$ 73,638,599</u>	<u>\$ 75,865,198</u>	<u>\$ (2,226,599)</u>	-2.93%

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$7,038,833. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$1,605,591 or 18.57% during the current fiscal year due to current year principal payments.

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

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

	Governmental		Business-type		Total		\$ Variance	% Variance
	Activities		Activities					
	2022	2021	2022	2021	2022	2021		
General obligation bonds	\$ 3,505,000	\$ 4,700,000	\$ 3,426,289	\$ 3,756,216	\$ 6,931,289	\$ 8,456,216	\$ (1,524,927)	-18.03%
Notes payable	--	--	107,544	188,208	107,544	188,208	(80,664)	-42.86%
Total	<u>\$ 3,505,000</u>	<u>\$ 4,700,000</u>	<u>\$ 3,533,833</u>	<u>\$ 3,944,424</u>	<u>\$ 7,038,833</u>	<u>\$ 8,644,424</u>	<u>\$ (1,605,591)</u>	-18.57%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- For purposes of calculating property tax revenues for fiscal year 2022, the Assessor's grand list was used along with an estimated tax rate and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- Intergovernmental grants were based on estimates from the State.
- It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

- Building Permits were higher than prior year due to the increase volume of building permits. Amazon electrical permit drove the building permits up due to the cost of the permit. Interior renovations at Backus and Plainfield Square renovations are two additional permits that drove up the building permit revenue. Beginning of FY 2022, town clerk received a high volume of conveyance tax. When Feds raised the rate in March, May, and June 2022. Town received more in investment interest. The Town sold 3 lots at the Industrial Park.

All of these factors were considered in preparing the Town's budget for fiscal year 2023. The Town's fiscal year 2023 General Fund budget was approved on May 16, 2022. The approved General Fund budgetary expenditure appropriation totaled \$49,457,940, an increase of \$691,132 over fiscal year 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kelly Vachon, Director of Finance, Town of Plainfield, 8 Community Avenue, Plainfield, Connecticut, 06374.

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 19,149,341	\$ 1,227,394	\$ 20,376,735
Receivables:			
Property taxes and interest, net	1,532,500	--	1,532,500
Grants and contracts	905,550	--	905,550
Usage charges	--	96,058	96,058
Sewer assessments	--	15,850	15,850
Other	128,284	--	128,284
Loans, net	745,156	--	745,156
Inventories	215,073	--	215,073
Internal balances	(141,183)	141,183	--
Total Current Assets	<u>22,534,721</u>	<u>1,480,485</u>	<u>24,015,206</u>
Noncurrent Assets			
Sewer assessments	--	51,717	51,717
Lease receivables	167,917	--	167,917
Claims deposit	2,611,322	--	2,611,322
Capital assets not being depreciated	3,201,836	31,740	3,233,576
Capital assets, net of accumulated depreciation	59,285,197	11,119,826	70,405,023
Total Noncurrent Assets	<u>65,266,272</u>	<u>11,203,283</u>	<u>76,469,555</u>
Total Assets	<u>87,800,993</u>	<u>12,683,768</u>	<u>100,484,761</u>
Deferred Outflows of Resources			
Deferred charges on refunding	233,587	--	233,587
Pension-related deferred outflows	2,032,610	--	2,032,610
OPEB-related deferred outflows	817,901	--	817,901
Total Deferred Outflows of Resources	<u>3,084,098</u>	<u>--</u>	<u>3,084,098</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,679,501	\$ 156,493	\$ 3,835,994
Accrued interest	72,990	61,682	134,672
Other liabilities	361,294	--	361,294
Claims payable	799,000	--	799,000
Unearned revenue	2,462,324	--	2,462,324
Current portion of compensated absences	161,119	7,792	168,911
Current portion of general obligation bonds and notes	1,040,000	412,713	1,452,713
Current portion of capital lease obligations	6,524	--	6,524
Total Current Liabilities	<u>8,582,752</u>	<u>638,680</u>	<u>9,221,432</u>
Noncurrent Liabilities			
Compensated absences, net	1,450,070	70,129	1,520,199
General obligation bonds and notes, net	3,023,502	3,296,745	6,320,247
Capital lease obligations, net	--	--	--
Net pension liability	3,285,702	--	3,285,702
Net OPEB liability	6,465,118	--	6,465,118
Noncurrent Liabilities	<u>14,224,392</u>	<u>3,366,874</u>	<u>17,591,266</u>
Total Liabilities	<u>22,807,144</u>	<u>4,005,554</u>	<u>26,812,698</u>
Deferred Inflows of Resources			
Deferred sewer assessment charges	--	64,489	64,489
Deferred lease receivable	170,809	--	170,809
Deferred loans	745,156	--	745,156
Pension-related deferred inflows	33,727	--	33,727
OPEB-related deferred inflows	3,834,193	--	3,834,193
Total Deferred Inflows of Resources	<u>4,783,885</u>	<u>64,489</u>	<u>4,848,374</u>
Net Position			
Net investment in capital assets	58,650,594	7,442,108	66,092,702
Restricted for:			
Social service programs	592,986	--	592,986
Unrestricted	4,050,482	1,171,617	5,222,099
Total Net Position	<u>\$ 63,294,062</u>	<u>\$ 8,613,725</u>	<u>\$ 71,907,787</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
						Total
Governmental Activities:						
General government	\$ 3,821,189	\$ 721,743	\$ 491,942	\$ --	\$ (2,607,504)	\$ (2,607,504)
Public safety	2,985,901	101,470	20,186	--	(2,864,245)	(2,864,245)
Public works	2,410,385	598,393	--	--	(1,811,992)	(1,811,992)
Social services	592,929	110,433	--	62,338	(420,158)	(420,158)
Administration	1,328,354	--	--	--	(1,328,354)	(1,328,354)
Education	47,840,266	98,448	27,126,790	--	(20,615,028)	(20,615,028)
Interest expense	182,400	--	--	--	(182,400)	(182,400)
Total Governmental Activities	59,161,424	1,630,487	27,638,918	62,338	(29,829,681)	(29,829,681)
Business-Type Activities:						
Water pollution control authority	2,370,666	2,534,798	--	--	\$ 164,132	164,132
Total Business-Type Activities	2,370,666	2,534,798	--	--	164,132	164,132
Total	\$ 61,532,090	\$ 4,165,285	\$ 27,638,918	\$ 62,338	(29,829,681)	(29,665,549)
General Revenues:						
Property taxes					29,711,053	29,711,053
Grants and contributions not restricted to specific programs					623,871	623,871
Unrestricted investment earnings					57,015	58,565
Transfers					(205,573)	--
Total General Revenues and transfers					30,186,366	30,393,489
Change in net position					356,685	727,940
Net position - beginning, as restated					62,937,377	71,179,847
Net position - ending					\$ 63,294,062	\$ 71,907,787

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

TOWN OF PLAINFIELD, CONNECTICUT

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Town Cares Act Funds	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 14,725,582	\$ 2,165,587	\$ 2,258,172	\$ 19,149,341
Receivables:				
Property taxes, net	1,532,500	--	--	1,532,500
Grants and contracts	25,952	--	879,598	905,550
Loans, net	--	--	745,156	745,156
Leases	167,917	--	--	167,917
Other	128,284	--	--	128,284
Due from other funds	208,390	--	117,171	325,561
Other assets	215,073	--	--	215,073
Total Assets	<u>\$ 17,003,698</u>	<u>\$ 2,165,587</u>	<u>\$ 4,000,097</u>	<u>\$ 23,169,382</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 3,049,378	\$ --	\$ 630,123	\$ 3,679,501
Other	361,294	--	--	361,294
Unearned revenue	--	2,163,126	299,198	2,462,324
Due to other funds	441,406	--	25,338	466,744
Total Liabilities	<u>3,852,078</u>	<u>2,163,126</u>	<u>954,659</u>	<u>6,969,863</u>
Deferred Inflows of Resources				
Deferred loans	--	--	745,156	745,156
Deferred lease receivable	170,809	--	--	170,809
Unavailable revenue-property taxes and interest	1,175,813	--	--	1,175,813
Total Deferred Inflows of Resources	<u>1,346,622</u>	<u>--</u>	<u>745,156</u>	<u>2,091,778</u>
Fund Balances				
Nonspendable	215,073	--	--	215,073
Restricted	--	2,461	590,525	592,986
Committed	--	--	1,709,757	1,709,757
Assigned	1,837,721	--	--	1,837,721
Unassigned	9,752,204	--	--	9,752,204
Total Fund Balances	<u>11,804,998</u>	<u>2,461</u>	<u>2,300,282</u>	<u>14,107,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 17,003,698</u>	<u>\$ 2,165,587</u>	<u>\$ 4,000,097</u>	<u>\$ 23,169,382</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2022

Total Fund Balances for Governmental Funds	\$ 14,107,741
Total Net Position Reported for Governmental Activities in the Statement of Net Position is Different Because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:	
Land	\$ 3,201,836
Land improvements	1,021,529
Buildings and improvements	69,925,213
Machinery and equipment	12,164,667
Infrastructure	35,378,950
Less: accumulated depreciation and amortization	<u>(59,205,162)</u>
Total Capital Assets, Net	62,487,033
Internal service fund activity for self insurance with ECHIP is not recorded within the governmental funds.	1,812,322
Property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.	1,175,813
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:	
Long-Term Debt:	
Bonds and notes payable	(3,505,000)
Unamortized bond premium	(558,502)
Deferred amount on refunding's	233,587
Obligations under capital lease	(6,524)
Accrued interest payable	(72,990)
Other Long-Term Assets and Liabilities:	
Compensated absences	(1,611,189)
Net pension liability	(3,285,702)
Net OPEB liability	<u>(6,465,118)</u>
Total Long-Term Liabilities	(15,271,438)
Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are reported in the statement of net position.	<u>(1,017,409)</u>
Net Position of Governmental Activities	<u><u>\$ 63,294,062</u></u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Town Cares Act Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 29,761,831	\$ --	\$ --	\$ 29,761,831
Grants and contracts	21,013,417	75,000	6,064,383	27,152,800
Licenses, permits and fees	1,291,816	--	124,704	1,416,520
Interest	50,478	2,461	3,522	56,461
Other	905,688	--	480,606	1,386,294
Total Revenue	<u>53,023,230</u>	<u>77,461</u>	<u>6,673,215</u>	<u>59,773,906</u>
Expenditures				
Current				
General Government	3,546,117	75,000	--	3,621,117
Public safety	2,932,512	--	41,597	2,974,109
Public works	1,779,092	--	105,789	1,884,881
Social services	567,750	--	--	567,750
Administration	1,328,354	--	--	1,328,354
Education	40,047,038	--	6,282,033	46,329,071
Capital outlays	693,366	--	--	693,366
Debt Service				
Principal payments	1,195,000	--	--	1,195,000
Interest and other charges	182,400	--	--	182,400
Total Expenditures	<u>52,271,629</u>	<u>75,000</u>	<u>6,429,419</u>	<u>58,776,048</u>
Excess of Revenues over Expenditures	<u>751,601</u>	<u>2,461</u>	<u>243,796</u>	<u>997,858</u>
Other Financing Sources (Uses)				
Transfers out	(205,573)	--	--	(205,573)
Total Other Financing Sources (Uses)	<u>(205,573)</u>	<u>--</u>	<u>--</u>	<u>(205,573)</u>
Net Change in Fund Balances	546,028	2,461	243,796	792,285
Fund Balances - Beginning, as restated	<u>11,258,970</u>	<u>--</u>	<u>2,056,486</u>	<u>13,315,456</u>
Fund Balances - Ending	<u>\$ 11,804,998</u>	<u>\$ 2,461</u>	<u>\$ 2,300,282</u>	<u>\$ 14,107,741</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - for governmental funds	\$ 792,285
<p>The net position reported for governmental activities in the statement of net position is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:</p>	
Expenditures for capital assets	\$ 679,366
Depreciation and amortization expense	<u>(2,456,776)</u>
Net adjustment	(1,777,410)
<p>Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows in the governmental funds. This amount represents the change in deferred inflows of resources.</p>	
	(50,777)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principle on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:</p>	
Principle repayments:	
Bonds and notes payable	1,195,000
Capital leases	<u>79,934</u>
	1,274,934
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds recognize the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of such items is as follows:</p>	
Compensated absences	106,650
Net pension liability	(6,228,332)
Net OPEB liability	(214,651)
Amortization of deferred charge on bond refunding	(61,679)
Amortization of bond premium	23,888
Accrued interest	<u>21,220</u>
	(6,352,904)
Changes in activity for internal service fund	(172,049)
<p>Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities.</p>	
	<u>6,642,606</u>
Change in net position of governmental activities	<u>\$ 356,685</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2022

	Business-type Activity Enterprise Fund Water Pollution Control Authority	Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,227,394	\$ --
Receivables:		
Sewer assessments	15,850	--
Usage charges	96,058	--
Claim deposits	--	2,611,322
Due from other funds	141,183	--
Total Current Assets	<u>1,480,485</u>	<u>2,611,322</u>
Noncurrent Assets:		
Sewer assessments receivable, net of current portion	51,717	--
Capital assets:		
Non-depreciable	31,740	--
Depreciable, net	11,119,826	--
Total Noncurrent Assets	<u>11,203,283</u>	<u>--</u>
Total Assets	<u>12,683,768</u>	<u>2,611,322</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	156,493	799,000
Accrued interest	61,682	--
Compensated absences	7,792	--
Bonds and note payable	412,713	--
Total Current Liabilities	<u>638,680</u>	<u>799,000</u>
Noncurrent Liabilities:		
Compensated absences, net of current portion	70,129	--
Bonds and note payable, net of current portion	3,296,745	--
Total Liabilities	<u>4,005,554</u>	<u>799,000</u>
Deferred Inflows of Resources		
Deferred sewer assessment charges	64,489	--
Total Deferred Inflows of Resources	<u>64,489</u>	<u>--</u>
Net Position		
Net investment in capital assets	7,442,108	--
Unrestricted	1,171,617	1,812,322
Total Net Position	<u>\$ 8,613,725</u>	<u>\$ 1,812,322</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activity - Enterprise Fund Water Pollution Control Authority	Internal Service Funds
Operating Revenues		
Charges for services	\$ 2,534,798	\$ --
Employer contributions	--	7,109,482
Employee contributions	--	1,777,371
Total Operating Revenues	<u>2,534,798</u>	<u>8,886,853</u>
 Operating Expenses		
Personnel services	995,731	--
Operations and maintenance	806,945	--
Employee benefits	--	8,882,161
Administrative expenses	--	177,295
Depreciation	<u>449,344</u>	<u>--</u>
Total Operating Expenses	<u>2,252,020</u>	<u>9,059,456</u>
Operating Income	282,778	(172,603)
 Nonoperating Revenues (Expenses)		
Interest income	1,550	554
Interest expense, net	<u>(118,646)</u>	<u>--</u>
Net Nonoperating Revenues (Expenses)	<u>(117,096)</u>	<u>554</u>
 (Loss) Income Before Transfers	165,682	(172,049)
Transfer in	<u>205,573</u>	<u>--</u>
 Change in Net Position	371,255	(172,049)
 Net Position - Beginning	<u>8,242,470</u>	<u>1,984,371</u>
 Net Position - Ending	<u>\$ 8,613,725</u>	<u>\$ 1,812,322</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activity - Enterprise Fund Water Pollution Control Authority	Internal Service Funds
Cash Flows From Operating Activities		
Cash received for the following:		
Charges for services	\$ 2,499,799	\$ 8,895,902
Cash paid for the following:		
Personnel services	(1,025,109)	--
Operations and maintenance	(895,663)	--
Self-insurance claims	--	(8,896,456)
Net Cash Provided by (Used In) Operating Activities	<u>579,027</u>	<u>(554)</u>
Cash Flows Provided by Noncapital Financing Activities		
Interfund activity	<u>346,756</u>	<u>--</u>
Cash Flows From Capital and Related Financing Activities		
Principal paid on capital debt	(410,591)	--
Interest paid on capital debt	<u>(140,777)</u>	<u>--</u>
Net Cash Used in Capital and Related Financing Activities	<u>(551,368)</u>	<u>--</u>
Cash Flows Provided by Investing Activities		
Interest and dividends	<u>1,550</u>	<u>554</u>
Net Increase in Cash and Cash Equivalents	375,965	--
Cash and Cash Equivalents, Beginning of Year	<u>851,429</u>	<u>--</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,227,394</u>	<u>\$ --</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities:		
Operating (Loss) Income	\$ 282,778	\$ (172,603)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	449,344	--
Decrease (increase) in assets:		
Accounts receivable	(34,999)	9,049
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(88,718)	163,000
Compensated absences	<u>(29,378)</u>	<u>--</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 579,027</u>	<u>\$ (554)</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

JUNE 30, 2022

	Employee Benefit Trust Funds
Assets	
Cash and cash equivalents	\$ 484,828
Investments:	
Mutual funds	<u>28,161,686</u>
Total Assets	<u>\$ 28,646,514</u>
Net Position	
Held in trust for employee benefits	<u>\$ 28,646,514</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Employee Benefit Trust Funds
Additions	
Contributions:	
Employer	\$ 1,168,862
Plan members	115,721
Other revenue	<u>47,505</u>
Total Contributions	<u>1,332,088</u>
Investment income (loss)	<u>(4,461,107)</u>
Total Additions	<u>(3,129,019)</u>
Deductions	
Benefit payments	1,658,613
Administrative expenses	<u>90,363</u>
Total Deductions	<u>1,748,976</u>
Change in Net Position	(4,877,995)
Net Position - Beginning	<u>33,524,509</u>
Net Position - Ending	<u><u>\$ 28,646,514</u></u>

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Plainfield, Connecticut (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental entities. In certain instances, summaries of the Town’s significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

FINANCIAL REPORTING ENTITY

The Town of Plainfield, Connecticut was incorporated as a town in 1699. The Town covers an area of 42.7 square miles, and is located 49 miles east of Hartford. The Town operates under a Board of Selectmen, Town Meeting, Board of Finance form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*: Omnibus an amendment of GASB Statements No. 14 and No. 34. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization’s governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a) The primary government is legally entitled to or can otherwise access the organization’s resources.
- b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c) The primary government is obligated in some manner for the debt of the organization.

Through the application of GASB Statement No. 61 criteria, it is determined that a component unit does not exist within the Town.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expense of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The funds of the Town are described below:

GOVERNMENTAL FUNDS

Governmental funds are used to account for operations that supply basic governmental services. The Town uses the following types of governmental funds:

General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in other funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town Cares Act Fund is a special revenue fund that is considered major in the current year.

Capital Project Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUNDS

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Proprietary Funds include Enterprise and Internal Service Funds. During the year ended June 30, 2022 the Town maintained one Enterprise Fund and one Internal Service Fund. The Town uses its enterprise fund to account for its Water Pollution Control Authority activity and uses its internal service fund to account for the self-insured medical activities of the Town and Board of Education.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS (NOT INCLUDED IN GOVERNMENT-WIDE STATEMENTS)

Fiduciary Funds are used to report assets held by the Town in a trustee capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

Pension Trust Fund is used to account for resources legally held in a trust for payment of pension benefits, and cannot be used at the Town's discretion or to support the Town's general operations.

OPEB (Other Post-Employment Benefits (OPEB) Trust Fund is used to account for payment of post-employment benefits that the Town provides to qualified retirees in accordance with union contract provisions.

MAJOR AND NON-MAJOR FUNDS

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund:	See above for description
Town Cares Act Fund	See special revenue for description
<i>Proprietary Funds:</i>	
Water Pollution Control Authority	Accounts for the activities of the sewer operations.
Internal Service Fund	Accounts for the self-insured medical activities of the Town and Board of Education.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS (CONTINUED)

Non Major:

Special Revenue Funds: Grant programs including federal grants, state grants, and private grants. The Town currently maintains six (6) special revenue funds which have been classified as non-major Governmental Funds. The details of these funds may be found in the combining fund statements in the other supplementary information section of these financial statements.

Capital Project Funds: The Town currently maintains four (4) Capital Project Funds. The details of these funds may be found in the combining fund statements in the other supplementary information section of these financial statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

On the Government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities (proprietary funds) are presented using the economic resources measurement focus as defined in item (b) below and the accrual basis of accounting.

In the fund financial statements, the current financial resources measurement focus (modified accrual) or the economic resources measurement focus (full accrual) is used as appropriate:

- (a) All governmental funds utilize a current financial resources measurement focus and a modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The Government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (usually 60 days). Revenues not considered to be available are recorded as deferred inflows. Expenditures, including capital outlays, are recognized when a related fund liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when due.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided they are collected during the year or within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as unearned revenues.

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. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

For purposes of the cash flow statement, all investments with original maturities of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition. The Town maintains deposits in various financial institutions, which are separately displayed in the financial statements as "cash and cash equivalents."

Investments

The Town invests in various types of investments, which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported as investment income. The Town's investments are held in the Town's Fiduciary Funds.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position and activities.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Accounts Receivable

In the Government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables. Business-type activities report service and special assessment fees as its major receivables. In addition, at June 30, 2022 the Town's Sewer fund also reported assessments receivable of \$67,567.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At June 30, 2022 the Town has estimated the allowance for doubtful accounts for delinquent taxes of \$612,898.

Property Taxes, Sewer Assessment and Usage Charges

All property tax, sewer use and sewer assessment receivables are shown net of an allowance for uncollectible accounts. The allowance is calculated based upon historical collections and analysis of creditor's ability to pay.

Property taxes are assessed as of October 1. Taxes for real estate and personal property taxes are due in two installments on 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. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value.

Upon completion of projects, sewer assessments are levied and assessed to the users each June. Usage charges are billed semi-annually in July and January for flat rate fees for connections. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. Prepays recorded in governmental-type funds do not reflect current appropriated resources and, as such are reported as non-spendable fund balance.

Inventory

Inventory is stated at cost using the first-in, first-out method. Inventory consists primarily of materials and supplies. Inventory maintained in governmental funds is recorded as expenditures at the time of purchase.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the Government-wide or fund financial statements.

In the Government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Capital Assets (Continued)

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. 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. The costs of normal maintenance and repairs that do not add to value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The ranges of estimated useful lives by type of asset are as follows:

Asset	Years
Buildings	50
Building improvements	20
Infrastructure	75
Distribution and collection systems	50 - 65
Machinery and equipment	5 - 20

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-wide statements.

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There were no impairments reported as of June 30, 2022.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Bond Premiums and Issuance Costs

In the Government-wide statement of net position, bond premiums and discounts are deferred and amortized over the term of the related bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds payable. Bond issuance costs are expensed in the year incurred.

In the governmental funds, bond premiums and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental funds financial statements, while discounts are reported as other financing uses.

Long-term Obligations

In the Government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences, and accrued claims and judgements) are reported as liabilities in the statement of net position.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The face amount of debt issued is reported as other financing sources in the governmental funds financial statements.

Compensated Absences

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave is recorded as a long-term obligation in the Government-wide financial statements.

Judgments and Claims

Liabilities for legal cases and other claims against Governmental funds are recorded when the ultimate liability can be estimated and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2022 the Town reported \$2,850,511 of deferred outflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred outflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. 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, at June 30, 2022 the Town also reported \$233,587 of deferred outflows related to deferred charges on refundings in the Government-wide statement of net position. The deferred charge on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2022 the Town reported \$3,867,920 of deferred inflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB 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 and OPEB plans (active employees and inactive employees). The town also showed a deferred inflow related to lease receivables of \$170,809.

At June 30, 2022 the Town also reported in the Government-wide statement of net position \$64,489 of deferred inflows related to deferred sewer assessments and \$745,156 of deferred inflows related to deferred loans.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

At June 30, 2022 the Town also had an item qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue of \$1,175,813 at June 30, 2022 represents property taxes receivables which are assessed on October 31, 2019 and prior and are not collected within 60 days of June 30, 2022.

Interfund Transactions

Interfund activity within and among the funds of the Town have been classified and reported as follows:

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Transactions between funds have been eliminated in the Government-wide financial statements but fully presented within the governmental fund of financial statements with no elimination made between or within funds.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due from/to other funds” (current portion) or “advances from/to other funds” (noncurrent portion). All other outstanding balances between funds are reported as “due from/to 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.”

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance

Government-wide Financial Statements

Net position is classified and displayed in the following three components:

- (a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and deferred inflows of resources, if any, that are attributable to the acquisition, construction, or improvement of those assets, increased by deferred outflows of resources related to those assets, if any.
- (b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position – the remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Proprietary fund net position is classified the same as in the Government-wide statements.

Governmental Fund Financial Statements

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned. These categories are defined below:

- Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash within one year.
- Restricted – includes amounts that are restricted for specific purposes. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance (Continued)

Governmental Fund Financial Statements (Continued)

- Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman, with the Board of Finance approval (the highest levels of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.
- Assigned – Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter and in accordance with the Town's adopted Fund Balance Policy (Town Finance Director).
- Unassigned – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

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

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

PENSIONS

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement system and additions/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement system.

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Town and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

RECENTLY ISSUED ACCOUNTING STANDARDS

During fiscal year ended June 30, 2022, the Town adopted GASB Statement No. 87, *Leases*. The impact of this standard increased assets for lease receivables and increased deferred inflows for lease revenue by \$204,971 at July 1, 2021. See restatement Note 15. There was no significant impact on these financial statements from the implementation of additional accounting standards.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December XX, 2022, which is the date these financial statements were available to be issued. As of this date, there are no events requiring recognition or disclosure into these financial statements.

USE OF ESTIMATES

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Significant items subject to such estimates include the pension and the other postemployment benefit liability. Actual results could differ from those estimates.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

A reconciliation of the Town's cash and cash equivalents per the financial statements as of June 30, 2022 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 20,376,735
Statement of fiduciary net position:	
Cash and cash equivalents	484,828
Less: cash equivalents considered investments	
for disclosure purposes	(13,460,102)
Net cash deposits	<u>\$ 7,401,461</u>

CASH DEPOSITS – CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$602,037 of the Town's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 602,037
Uninsured and collateralized	<u>7,089,365</u>
	<u>\$ 7,691,402</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2022 is as follows:

Statement of fiduciary net position:

Investments	\$ 28,161,686
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Plus: cash equivalents considered investments for disclosure purposes	13,460,102
	<u>\$ 41,621,788</u>

Interest Rate Risk

The Town's investment policy limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The pension plan's policy strives for a balanced return on investments to limit its exposure to fair value losses by providing long-term return opportunities through an allocation of the funds discussed above. In addition, the plan strives to meet cash requirements for benefit payments.

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's investments to this risk using the segmented time distribution model is as follows:

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Investment Type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
<i>Governmental activities:</i>				
Connecticut Short-term Investment Fund	Net Asset Value	AAA	\$ 12,567,015	\$ 12,567,015
<i>Business-type activities</i>				
Connecticut Short-term Investment Fund	Net Asset Value	AAA	408,259	408,259
<i>Fiduciary</i>				
Money Market Mutual Fund	Net Asset Value	Unrated	484,828	484,828
			<u>\$ 13,460,102</u>	<u>13,460,102</u>
Other Investments:				
<i>Fiduciary:</i>				
Mutual funds	Fair Value			28,161,686
				<u>\$ 41,621,788</u>

Because the investments in money market mutual funds and the State of Connecticut's Short Term Investment Fund (STIF) have weighted average maturities of less than 90 days, they are presented as investments with maturities of less than one year.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (*CONTINUED*)

INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The pension and Other Post Employment Benefit Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor. The Town's investment policy for its pension and OPEB fund is intended to provide long-term total return opportunity through an allocation between 50% and 70% of equities and between 30% and 50% of fixed income investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments in external investment pools, mutual funds and group annuity contracts are not evidenced by securities and are therefore not exposed to custodial credit risk. Investments in equity securities are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or pension fund's name. The Town's investments in mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Concentrations of Credit Risk

The Town's investment policy generally restricts investments in any one issuer that is in excess of 10%. In addition, the Town's policy defines other limitations in an effort to avoid incurring unreasonable inherent risk of over-concentration in specific instruments, individual issuers or maturities. As of June 30, 2022, more than 10% of the Town's fiduciary investments are invested in the following:

Issuer	Investment	Value	% of Fiduciary Investments
Fidelity	Fidelity 500 Index Fund	\$ 7,453,766	26.47%

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2022, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 28,161,686	\$ --	\$ --	\$ 28,161,686

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 -- RECEIVABLES

LOANS RECEIVABLE

Loans receivable represents loans disbursed from Community Development Block Grants ("CDBG") and Economic Development Committee proceeds. The loans are noninterest bearing and payment is due only a) in the event of default, which is upon the death of borrower, b) transfer of title of property or c) refinancing property-related debt. Loans receivable consist of the following as of June 30, 2022

Loans receivable	\$	745,156
Less deferred loans		<u>(745,156)</u>
Total	\$	<u><u>--</u></u>

LEASE RECEIVABLE

The Town is reporting Leases Receivable of \$167,917 at June 30, 2022. For 2022, the Town reported lease revenue of \$37,054 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue
<u>Sprint Spectrum, LP</u>	<u>\$ 167,917</u>	<u>\$ 37,054</u>

Sprint Spectrum, LP - On April 16, 2002, the Town entered into a lease agreement with Sprint Spectrum, LP, for the lease of a cell tower that is part of the Town. Based on this agreement, the Town is receiving monthly payments through June 2027. There are renewal options included in this lease agreement.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2022 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,201,836	\$ --	\$ --	\$ 3,201,836
Total capital assets, not being depreciated	<u>3,201,836</u>	<u>--</u>	<u>--</u>	<u>3,201,836</u>
Capital assets, being depreciated:				
Land improvements	1,021,529	--	--	1,021,529
Buildings and improvements	69,925,213	--	--	69,925,213
Machinery and equipment	11,485,301	693,366	(14,000)	12,164,667
Infrastructure	35,378,950	--	--	35,378,950
Total capital assets, being depreciated	<u>117,810,993</u>	<u>693,366</u>	<u>(14,000)</u>	<u>118,490,359</u>
Less accumulated depreciation for:				
Land improvements	(1,021,529)	--	--	(1,021,529)
Buildings and improvements	(32,641,318)	(1,494,411)	--	(34,135,729)
Machinery and equipment	(9,408,368)	(490,645)	--	(9,899,013)
Infrastructure	(13,677,172)	(471,719)	--	(14,148,891)
Total accumulated depreciation	<u>(56,748,387)</u>	<u>(2,456,775)</u>	<u>--</u>	<u>(59,205,162)</u>
Total capital assets, being depreciated, net	<u>61,062,606</u>	<u>(1,763,409)</u>	<u>(14,000)</u>	<u>59,285,197</u>
Governmental activities capital assets, net	<u>\$ 64,264,442</u>	<u>\$ (1,763,409)</u>	<u>\$ (14,000)</u>	<u>\$ 62,487,033</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

Education	\$ 1,744,434
Public safety	85,978
Public works	601,184
Social services	25,179
Total depreciation expense - governmental activities	<u>\$ 2,456,775</u>

Capital asset activity for business-type activities for the year ended June 30, 2022 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 31,740	\$ --	\$ --	\$ 31,740
Total capital assets, being depreciated	<u>31,740</u>	<u>--</u>	<u>--</u>	<u>31,740</u>
Capital assets, being depreciated:				
Buildings and improvements	2,713,818	--	--	2,713,818
Machinery and equipment	1,121,362	--	--	1,121,362
Infrastructure	<u>24,431,052</u>	<u>--</u>	<u>--</u>	<u>24,431,052</u>
Total capital assets, being depreciated	<u>28,266,232</u>	<u>--</u>	<u>--</u>	<u>28,266,232</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(2,050,441)	(60,307)	--	(2,110,748)
Machinery and equipment	(1,003,147)	(29,336)	--	(1,032,483)
Infrastructure	<u>(13,643,628)</u>	<u>(359,547)</u>	<u>--</u>	<u>(14,003,175)</u>
Total accumulated depreciation and amortization	<u>(16,697,216)</u>	<u>(449,190)</u>	<u>--</u>	<u>(17,146,406)</u>
Total capital assets, being depreciated, net	<u>11,569,016</u>	<u>(449,190)</u>	<u>--</u>	<u>11,119,826</u>
Business-type activities capital assets, net	<u>\$ 11,600,756</u>	<u>\$ (449,190)</u>	<u>\$ --</u>	<u>\$ 11,151,566</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLE

Interfund receivable and payable balances at June 30, 2022 are as follows:

Funds	Due From	Due To
Governmental Funds		
Dog Fund	\$ --	\$ 5,914
School Lunch Fund	87,425	--
Construction Fund	--	19,424
General Fund	208,390	441,406
School Project Fund	29,746	--
	<u>325,561</u>	<u>466,744</u>
Business-type Activities		
Water Pollution Control Fund	<u>141,183</u>	--
 Total due from/to other funds	 <u>\$ 466,744</u>	 <u>\$ 466,744</u>

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

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Funds	Transfer In	Transfer Out
Governmental Funds		
General Fund	\$ --	\$ 205,573
Business-type Activities		
Water Pollution Control Fund	<u>205,573</u>	--
 Total due from/to other funds	 <u>\$ 205,573</u>	 <u>\$ 205,573</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 4,700,000	\$ --	\$ (1,195,000)	\$ 3,505,000	\$ 1,040,000
Unamortized bond premium	582,390	--	(23,888)	558,502	--
Total bonds and note payable	5,282,390	--	(1,218,888)	4,063,502	1,040,000
Other liabilities:					
Capital leases	86,458	--	(79,934)	6,524	6,524
Compensated absences	1,717,839	691,396	(798,046)	1,611,189	161,119
Net pension liability (asset)	(2,942,630)	6,228,332	--	3,285,702	--
Net OPEB liability	6,250,467	214,651	--	6,465,118	--
Total governmental activities	<u>\$ 10,394,524</u>	<u>\$ 7,134,379</u>	<u>\$ (2,096,868)</u>	<u>\$ 15,432,035</u>	<u>\$ 1,207,643</u>
Business-type Activities					
General obligation bonds	\$ 3,600,000	\$ --	\$ (280,000)	\$ 3,320,000	\$ 280,000
USDA bonds payable	156,216	--	(49,927)	106,289	52,049
Clean Water notes payable	188,208	--	(80,664)	107,544	80,664
Unamortized bond premium	190,678	--	(15,053)	175,625	--
Total bonds and notes payable	4,135,102	--	(425,644)	3,709,458	412,713
Other liabilities:					
Compensated absences	107,299	22,546	(51,924)	77,921	7,792
Total business-type activities	<u>\$ 4,242,401</u>	<u>\$ 22,546</u>	<u>\$ (477,568)</u>	<u>\$ 3,787,379</u>	<u>\$ 420,505</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

The long-term liabilities above typically have been liquidated by the General Fund for governmental activities and the Water Pollution Control Authority (WPCA) for business-type activities. However, payment of the WPCA General obligation bond, 2014, Series A is paid by the General Fund which is then reimbursed by the WPCA fund.

BONDS AND NOTES PAYABLE

A summary of bonds and notes payable outstanding at June 30, 2022 is as follows:

Governmental Activities:	Date of Issuance	Amount Issued	Interest Rate	Maturity Date	Balance		Retirements	Balance		
					Outstanding June 30, 2021	Additions		Outstanding June 30, 2022	Due Within One Year	
General Obligation Bonds and Notes Payable:										
General obligation refunding bonds, 2014 Series B	4/1/2014	\$ 4,725,000	2.00-5.00%	7/15/2025	\$ 4,550,000	\$ --	\$ 1,045,000	\$ 3,505,000	\$ 1,040,000	
General obligation bonds, Issue of 2017	7/15/2017	3,580,000	2.00-5.00%	7/15/2021	150,000	--	150,000	--	--	
		8,305,000			4,700,000	--	1,195,000	3,505,000	1,040,000	
Deferred bond premium		860,577			582,390	--	23,888	558,502	--	
Total Governmental Activities Bonds and Notes Payable		\$ 9,165,577			\$ 5,282,390	\$ --	\$ 1,218,888	\$ 4,063,502	\$ 1,040,000	

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

BONDS AND NOTES PAYABLE (CONTINUED)

Business-Type Activities:

	Date of Issuance	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding June 30, 2020	Additions	Retirements	Balance Outstanding June 30, 2021	Amounts Due Within One Year
General Obligation Bonds and Notes Payable:									
General obligation bonds, 2014, Series A	7/15/2015	\$ 5,275,000	2.00-4.00%	7/15/2033	\$ 3,600,000	\$ --	\$ 280,000	\$ 3,320,000	\$ 280,000
USDA Sewer Bond, 2003	8/1/2015	752,000	4.25%	8/1/2023	156,216	--	49,927	106,289	52,049
Clean Water Fund 417-C	10/30/2004	1,606,152	2.00%	10/30/2024	188,208	--	80,664	107,544	80,664
		7,633,152			3,944,424	--	410,591	3,533,833	412,713
Deferred bond premium		301,068			190,678	--	15,053	175,625	--
Total Business-Type Activities Bonds and Notes Payable		\$ 7,934,220			\$ 4,135,102	\$ --	\$ 425,644	\$ 3,709,458	\$ 412,713

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

BONDS AND NOTES PAYABLE (CONTINUED)

Year Ending June 30,	Principal	Interest	Total
Governmental Activities:			
2023	\$ 1,040,000	\$ 138,450	\$ 1,178,450
2024	1,045,000	91,525	1,136,525
2025	1,100,000	37,900	1,137,900
2026	<u>320,000</u>	<u>5,200</u>	<u>325,200</u>
	<u>\$ 3,505,000</u>	<u>\$ 273,075</u>	<u>\$ 3,778,075</u>
Business-Type Activities:			
2023	412,713	125,873	538,586
2024	361,120	111,161	472,281
2025	280,000	97,544	377,544
2026	280,000	92,594	372,594
2027	275,000	78,203	353,203
2028-2032	1,375,000	192,800	1,567,800
2033-2034	<u>550,000</u>	<u>65,655</u>	<u>615,655</u>
	<u>\$ 3,533,833</u>	<u>\$ 763,830</u>	<u>\$ 4,297,663</u>

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2022 totaled \$86,265 for general purposes, \$2,494,805 for school purposes, and \$1,697,994 for sewer purposes.

Legal Debit Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2022.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Legal Debit Limit (Continued)

The following schedule provides information regarding the Town's debt limitations:

Total cash collections for the year ended

June 30, 2022:

Taxes	\$ 29,190,826
Interest and lien fees	324,317
Total	<u>29,515,143</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)

Base

	--
	<u>\$ 29,515,143</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 66,409,072	--	--	\$ --	--
4-1/2 times base	--	132,818,144	--	--	--
3-3/4 times base	--	--	110,681,786	--	--
3-1/4 times base	--	--	--	95,924,215	--
3 times base	--	--	--	--	88,545,429
Total debt limitation	<u>66,409,072</u>	<u>132,818,144</u>	<u>110,681,786</u>	<u>95,924,215</u>	<u>88,545,429</u>
Indebtedness:					
Bonds and notes payable	4,063,502	--	3,709,458	--	--
Authorized, unissued bonds	<u>86,265</u>	<u>2,494,805</u>	<u>1,697,994</u>	--	--
	4,149,767	2,494,805	5,407,452	--	--
Less: sewer assessments receivable	--	--	15,850	--	--
Total indebtedness	<u>4,149,767</u>	<u>2,494,805</u>	<u>5,391,602</u>	--	--
Debt limitation in excess of outstanding and authorized debt	<u>\$ 62,259,305</u>	<u>\$ 130,323,339</u>	<u>\$ 105,290,184</u>	<u>\$ 95,924,215</u>	<u>\$ 88,545,429</u>
Total capacity of borrowing (7 times base)	<u>\$ 206,606,001</u>				

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

CAPITAL LEASES

A summary of assets under capital leases as of June 30, 2022 are as follows:

	Governmental Activities
Equipment	\$ 469,693
Less: accumulated amortization	<u>319,017</u>
	<u>\$ 150,676</u>

Depreciation expense relative to leased property under capital leases totaled \$66,010 for the year ended June 30, 2022 and is included in depreciation expense disclosed in Note 5.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 are as follows:

	Governmental Activities
Year Ending June 30:	
2023	<u>\$ 6,524</u>
Total minimum lease payments	6,524
Less: amount representing interest	<u>--</u>
Present value of minimum lease payments	<u>\$ 6,524</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 – FUND BALANCE

The various components of fund balance at June 30, 2022 are as follows:

	General Funds	Town Cares Act Funds	Nonmajor Governmental Funds
Nonspendable:			
Prepays / inventories	\$ 215,073	\$ --	\$ --
Restricted for:			
Social services	--	2,461	138,929
Education	--	--	451,596
Committed for:			
Public safety	--	--	57,235
Capital improvements	--	--	902,655
Education	--	--	749,867
Assigned to:			
Trucks and vehicles	305,795	--	--
Revaluation	34,637	--	--
Capital improvements	630,952	--	--
Dow Road Bridge	350,000	--	--
Education	516,337	--	--
Unassigned	9,752,204	--	--
	<u>\$ 11,804,998</u>	<u>\$ 2,461</u>	<u>\$ 2,300,282</u>

NOTE 10 – EMPLOYEE RETIREMENT PLANS

DEFINED BENEFIT PLAN

Plan Description

Plan Administration – The Town administers a retirement plan (the “Plan”) a single-employer contributory, defined benefit plan. Benefit terms may be established and amended by the Town and the collective bargaining unit.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Plan Membership – Under the plan, all full-time members of the Police Department who are members of the bargaining unit are eligible for benefits. In addition, new employees of the Town who have completed 2 years of bargaining agreement, nurses, custodians, secretaries, bus drivers and paraprofessionals, who became eligible on July 1, 1995 with service credited for periods after July 1, 1984, are eligible for benefits.

The Plan is closed to employees of the Police Department hired after November 27, 2012 and employees of the Highway Department hired after October 16, 2012.

The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2021:

Inactive plan members or beneficiaries currently receiving benefits	151
Inactive plan members entitled to but not yet receiving benefits	121
Active plan members	<u>120</u>
	<u>392</u>

Benefits Provided – The Plan provides retirement benefits for Police employees calculated at 2% to 7/1/2004 and 2.5% after 7/1/2004 of the average of the annual salaries, excluding overtime, commissions, bonuses, etc., of the highest 3 years of employment multiplied by service. For all other employees, the retirement benefit is calculated at 1.2% of the average of the annual salaries, excluding overtime, commissions, bonuses, etc., of the highest 3 consecutive years of employment, multiplied by service. Participants (except Police) are 10% vested for each year of service.

Contributions – The Town establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the actuarially determined rate. Police participants are required to contribute 7% of their base monthly earnings. For the year ended June 30, 2022, the Town contributed \$1,072,000 or 18.14% of covered annual payroll.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded by the Plan.

Investments – investments are reported at fair value, except for investments in participating interest earning investment contracts, recorded at amortized cost, and certain external investment pools, recorded at net asset value.

Investment policy – Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor. The Town's investment policy for its pension fund is intended to provide long-term total return opportunity through an allocation between 50% and 70% of equities and between 30% and 50% of fixed income investments.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Concentrations – As of June 30, 2022, more than 10% of the Town's Plan investments are invested in the following:

Issuer	Investment	Value	% of Plan Investments
Fidelity	Fidelity 500 Index Fund	\$ 7,453,766	26.47%

Rate of return – For the year ended June 30, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -13.59%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

The components of the net pension liability of the Town Plan as June 30, 2022 were as follows:

Total pension liability	\$ 30,880,844
Plan fiduciary net position	<u>27,595,142</u>
Town's net pension liability - Town Plan	<u>\$ 3,285,702</u>

Plan fiduciary net position as a percentage of the total pension liability	89.36%
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TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2022, were as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance as of July 1, 2021	\$ 29,467,226	\$ 32,409,856	\$ (2,942,630)
Changes for the year:			
Service cost	506,959	--	506,959
Interest	1,896,685	--	1,896,685
Changes of benefit terms	451,858	--	451,858
Differences between expected and actual experience	236,748	--	236,748
Changes of assumptions	(64,387)	--	(64,387)
Contributions - employer	--	1,072,000	(1,072,000)
Contributions - employee	--	115,720	(115,720)
Net investment loss	--	(4,387,899)	4,387,899
Benefit payments, including refunds	(1,614,245)	(1,614,245)	--
Administrative expense	--	(290)	290
Net changes	<u>1,413,618</u>	<u>(4,814,714)</u>	<u>6,228,332</u>
Balance as of June 30, 2022	<u>\$ 30,880,844</u>	<u>\$ 27,595,142</u>	<u>\$ 3,285,702</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases, including inflation	2.00%
Investment rate of return	6.50%
Discount rate	6.50%

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

Mortality rates were based on the Pub-2010 general mortality table projected to the valuation date with Scale MP-2021.

The long-term expected rate of return on pension plan investment 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 June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	22.80%	0.44%
Fixed Income High Yield	2.00%	4.05%
Global	5.00%	-0.10%
US Large Cap	33.00%	4.47%
US Small Cap	5.50%	4.96%
International Developed	22.00%	6.50%
International Emerging Markets	8.50%	8.90%
Commodities	0.80%	0.15%
REITs	0.40%	3.91%
	<u>100.00%</u>	

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

Discount rate – The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 6.5%, 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 (5.5%) or 1-percentage-point higher (7.5%).

	1% Decrease 5.50%	Current Discount 6.50%	1% Increase 7.50%
Town's plan net pension liability	\$ 6,612,893	\$ 3,285,702	\$ 474,103

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized pension expense related to the Town Plan of \$925,933. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,908,599	\$ --
Changes of assumptions	--	(33,727)
Differences between expected and actual experience	<u>124,011</u>	<u>--</u>
Total	<u>\$ 2,032,610</u>	<u>\$ (33,727)</u>

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

Year ended June 30,	
2023	\$ 440,960
2024	228,206
2025	33,541
2026	<u>1,296,176</u>
	<u>\$ 1,998,883</u>

Payable to the Town

The Town does not have a reported payable liability to the Town Plan as of June 30, 2022.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

Benefit Provisions

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Benefit Provisions (Continued)

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

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

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

Contributions

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

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

Administrative Expenses

Administrative costs of the plan are funded by the State.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Basis of Presentation

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2021 based on an actuarial valuation performed as of June 30, 2021. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2020 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expense for the year ended June 30, 2021 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2021.

Allocation Methodology

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2019 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For the fiscal year 2021, the Town's expected contribution effort for allocation purposes totaled \$4,185,391 or 0.335% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2021.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2021. The portion of the collective pension expense allocated to the Town totaled \$4,185,391. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2022.

The total collective net pension liability of participating employers for the TRS was approximately \$14.926 billion as of June 30, 2021 measurement date. The portion attributed to the Town totaled \$49,984,323 or approximately 0.335% of the total collective net pension liability.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

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

Long-Term Rate of Return

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Long-Term Rate of Return (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity - US Equity	20.00%	5.60%
Public Equity - International Developed Equity	11.00%	6.00%
Public Equity - Emerging Market Equity	9.00%	7.90%
Fixed Income - Core Fixed Income	16.00%	2.10%
Fixed Income - Inflation Linked Bonds	5.00%	1.10%
Fixed Income - High Yield	6.00%	4.00%
Fixed Income - Emergin Market Debt	5.00%	2.70%
Private Equity	10.00%	4.50%
Real Estate	10.00%	7.30%
Alternative Investments	7.00%	2.90%
Liquidity Fund	1.00%	0.40%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Proportionate Share of the Collective Net Pension Liability

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2021 measurement date, calculated using a discount rate of 6.90%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease 5.90%	Current Discount 6.90%	1% Increase 7.90%
Town's proportionate share of the State's total net pension liability	\$ 62,515,961	\$ 49,984,323	\$ 39,580,491

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

BOARD OF EDUCATION PLAN

Plan Administration

The Town of Plainfield Board of Education administers another post-employment benefits program (the "OPEB Plan"), which is a single-employer defined benefit plan. The OPEB Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Board of Education and the union representing Board of Education employees and are renegotiated each three-year bargaining period. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Plan Membership

Membership of the OPEB Plan consisted of the following as of July 1, 2020, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	30
Active members	<u>265</u>
Total members	<u>295</u>

Contributions

Contribution requirements of the plan members and the Town are established by and may be amended through negotiations between the Board of Education and the union. Currently, Board of Education employees who are age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service in the Plainfield School System are eligible to receive benefits. Those who choose to participate must pay 100% of the premium cost. The Town finances the Plan on a pay-as-you-go basis. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions totaled \$96,862 for the year ended June 30, 2022 and represented .58% of covered payroll.

Net OPEB Liability

The Town's net OPEB liability reported as of June 30, 2022 totaled \$6,465,118. The net OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial assumptions – The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.30%, net of investment-related expense
Inflation rate	2.40%
Salary increases	2.40%
Healthcare cost trend rate	6.50% initial 4.40% final

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best –estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities	35.00%	4.95%
Foreign equities	25.00%	5.85%
Fixed income	35.00%	1.45%
Real estate	5.00%	3.95%
	<u>100.00%</u>	

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Net OPEB Liability (Continued)

Discount rate – The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of July 1, 2021	\$ 7,365,120	\$ 1,114,653	\$ 6,250,467
Changes for the year:			
Service cost	76,164	--	76,164
Interest	482,265	--	482,265
Differences between expected and actual experience	(362,692)	--	(362,692)
Changes assumptions	--	--	--
Contributions - employer	--	96,862	(96,862)
Contributions - TRB subsidy	--	47,505	(47,505)
Net investment loss	--	(163,281)	163,281
Benefit payments, including refunds	(44,367)	(44,367)	--
Net changes	<u>151,370</u>	<u>(63,281)</u>	<u>214,651</u>
Balance as of June 30, 2022	<u>\$ 7,516,490</u>	<u>\$ 1,051,372</u>	<u>\$ 6,465,118</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Changes in OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using the discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Discount Rates		
	1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
Net OPEB Liability	\$ 7,244,846	\$ 6,465,118	\$ 5,794,239

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the Town's net OPEB liability for the OPEB Plan as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a health care trend rate that is 1-percentage-point lower (3.40%) or 1-percentage-point higher (5.40%) than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease 3.40%	Current 4.40%	1% Increase 5.40%
Net OPEB Liability	\$ 5,695,009	\$ 6,465,118	\$ 7,370,271

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized OPEB expense of \$43,306. At June 30, 2022, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 117,855	\$ --
Changes of assumptions	700,046	(533,273)
Differences between expected and actual experience	--	(3,300,920)
Total	<u>\$ 817,901</u>	<u>\$ (3,834,193)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2023	\$ (391,613)
2024	(392,658)
2025	(397,481)
2026	(369,485)
2027	(417,273)
Thereafter	<u>(1,047,782)</u>
	<u>\$ (3,016,292)</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

Benefit Provisions

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Benefit Provisions (Continued)

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

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

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

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

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

Administrative Expenses

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Basis of Presentation

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2021 based on an actuarial valuation performed as of June 30, 2021. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of June 30, 2021 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2021.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2021.

Allocation Methodology

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employers and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2021.

For fiscal year 2021, the Town's expected contribution effort for allocation purposes totaled \$98,490 or 0.0335% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2022.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2021. The portion of the collective OPEB expense allocated to the Town totaled \$98,490. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2022.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Allocation Methodology (Continued)

The total collective net OPEB liability of participating employers for the TRS was approximately \$1.626 billion as of the June 30, 2021 measurement date. The portion attributed to the Town totaled \$5,445,700 or approximately 0.335% of the total collective net OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Salary increases	3.00%-6.50%, including inflation
Investment rate of return	3.00%, net of investment related expense
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Long-Term Rate of Return (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.00%	-0.42%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate.
- Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2022 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Proportionate Share of the Collective Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2021 measurement date, calculated using a discount rate of 2.21%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage – point higher (3.21%) than the current rate:

	1% Decrease 1.21%	Current Discount 2.21%	1% Increase 3.21%
Town's proportionate share of the State's total net OPEB liability	\$ 4,460,507	\$ 5,445,700	\$ 4,509,096

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates – The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2021 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Town's proportionate share of the State's total net OPEB liability	\$ 4,448,925	\$ 5,445,700	\$ 6,823,004

NOTE 12 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2022, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 12 – RISK MANAGEMENT (CONTINUED)

The Town is a member of the Connecticut Interlocal Risk Management Agency (“CIRMA”), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a of Connecticut General Statutes, for workers’ compensation coverage and liability-automobile-property pool. CIRMA currently has 240 members in the workers compensation pool (of which 120 are municipalities) and 117 members in its liability –automobile-property pool (of which 37 are municipalities). The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members’ premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws.

The Town is currently a member of the Eastern Connecticut Health Insurance Program (“ECHIP”), a cooperative formed in accordance with Public Act 10-174 of the Connecticut General Statutes in order to self-insure medical and dental costs to the employees of its member Towns and Boards of Education. Through this cooperative the Town accounts for and finances employee medical benefit claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. Through ECHIP, the Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$150,000 for combined hospital and major medical.

ECHIP establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2022. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expense, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of the Town’s portion of claims activity for the years ended June 30, 2022, 2021 and 2020 are as follows:

Year Ended June 30,	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2022	\$ 636,000	\$ 9,045,161	\$ 8,882,161	\$ 799,000
2021	\$ 413,000	\$ 7,370,563	\$ 7,147,563	\$ 636,000
2020	\$ 505,353	\$ 7,294,206	\$ 7,386,559	\$ 413,000

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 – COMMITMENTS AND CONTINGENCIES

GRANTS AND CONTRACTS

The amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

LITIGATION

The Town is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Town.

NOTE 14 – ECONOMIC UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business across the country for non-essential services. There is considerable uncertainty about the duration of closings. The Town has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact the Town's financial condition or results of operations is uncertain.

NOTE 15 – RESTATEMENTS

The Town implemented GASB Statement No. 87, *Leases*, resulting in the following restatements:

	Governmental Activities	General Fund
Net Position as originally stated at July 1, 2021	\$ 62,937,377	\$ 1,125,970
Adoption of GASB statement 87		
Lease Receivable	204,971	204,971
Deferred Inflow - Leases	(204,971)	(204,971)
Net Position at July 1, 2021, as restated	<u>\$ 62,937,377</u>	<u>\$ 1,125,970</u>

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 29,114,557	\$ 29,114,557	\$ 29,761,831	\$ 647,274
Intergovernmental	15,794,168	15,794,168	15,882,454	88,286
Licenses, permits and fees	705,357	705,357	1,291,816	586,459
Interest	20,000	20,000	50,478	30,478
Out of town tuition	941,752	941,752	847,082	(94,670)
Other	705,484	705,484	805,688	100,204
Total Revenues	<u>47,281,318</u>	<u>47,281,318</u>	<u>48,639,349</u>	<u>1,358,031</u>
Expenditures				
General government	3,722,961	3,722,961	3,546,117	(176,844)
Public safety	2,673,999	2,673,999	2,932,512	258,513
Public works	1,564,080	1,564,080	1,507,811	(56,269)
Social services	560,869	560,869	567,750	6,881
Administration	1,367,565	1,367,565	1,328,354	(39,211)
Capital outlays	1,094,932	1,094,932	964,647	(130,285)
Education	35,993,861	35,993,861	35,763,157	(230,704)
Debt service	1,788,544	1,788,544	1,788,544	--
Total Expenditures	<u>48,766,811</u>	<u>48,766,811</u>	<u>48,398,892</u>	<u>(367,919)</u>
(Deficiency) Excess of Revenues Over Expenditures	(1,485,493)	(1,485,493)	240,457	1,725,950
Other Financing Sources (Uses)				
WPCA Bond Payment	205,571	205,571	205,571	--
Fund balance - school pension	200,000	200,000	--	(200,000)
Usage of School 2%	100,000	100,000	100,000	--
Fund balance usage	979,922	979,922	--	(979,922)
Total Other Financing Sources (Uses)	<u>1,485,493</u>	<u>1,485,493</u>	<u>305,571</u>	<u>(1,179,922)</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 546,028</u>	<u>\$ 546,028</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL – BUDGETARY BASIS GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Property Taxes				
Property taxes	\$ 28,639,557	\$ 28,639,557	\$ 29,016,524	\$ 376,967
Interest and lien fees	175,000	175,000	316,128	141,128
Back taxes & interest	300,000	300,000	429,179	129,179
Total Property Taxes	<u>29,114,557</u>	<u>29,114,557</u>	<u>29,761,831</u>	<u>647,274</u>
Intergovernmental				
Educational equalization	14,990,047	14,990,047	14,979,760	(10,287)
Town aid road	290,093	290,093	289,922	(171)
Telephone access lines	37,943	37,943	32,234	(5,709)
Local capital improvements	123,317	123,317	---	(123,317)
Mohegan/Pequot grant	82,099	82,099	82,099	--
PILOT - State-owned property	34,173	34,173	34,173	--
PILOT - Hospitals	26,401	26,401	26,401	---
Reimbursement disability	3,342	3,342	2,567	(775)
PILOT - Veterans exemption	5,465	5,465	5,381	(84)
Distres/Enterprise Zone	38,951	38,951	271,285	232,334
MRSA - Grant Municipal	144,803	144,803	144,803	---
Emergency Mgt. Asst.	7,534	7,534	7,538	4
Other state revenue	10,000	10,000	6,291	(3,709)
Total Intergovernmental Revenues	<u>15,794,168</u>	<u>15,794,168</u>	<u>15,882,454</u>	<u>88,286</u>
Licenses, Permits, and Fees				
Pool receipts	100,000	100,000	83,680	(16,320)
Building permits	175,000	175,000	548,980	373,980
Planning and zoning fees	40,135	40,135	49,413	9,278
Town clerk fees	280,000	280,000	475,702	195,702
Town clerk - copies	14,000	14,000	21,163	7,163
Police - other duty	55,000	55,000	64,523	9,523
F/M Services - Canterbury	5,872	5,872	3,915	(1,957)
Town Hall rental	2,500	2,500	10,357	7,857
Cell Tower rental	32,850	32,850	34,083	1,233
Total Licenses, Permits and Fees	<u>705,357</u>	<u>705,357</u>	<u>1,291,816</u>	<u>586,459</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED) GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Investment - Interest	<u>20,000</u>	<u>20,000</u>	<u>50,478</u>	<u>30,478</u>
Out of Town Tuition	<u>941,752</u>	<u>941,752</u>	<u>847,082</u>	<u>(94,670)</u>
Other				
Tuition - special revenue	512,484	512,484	466,945	(45,539)
Other local revenue	113,000	113,000	145,657	32,657
Industrial park lot sales	50,000	50,000	180,438	130,438
Rental recreation	10,000	10,000	--	(10,000)
Police - miscellaneous revenue	<u>20,000</u>	<u>20,000</u>	<u>12,648</u>	<u>(7,352)</u>
Total Other	<u>705,484</u>	<u>705,484</u>	<u>805,688</u>	<u>100,204</u>
Total Revenues	<u>47,281,318</u>	<u>47,281,318</u>	<u>48,639,349</u>	<u>1,358,031</u>
Other Financing Sources				
WPCA Bond Payment	205,571	205,571	205,571	--
Fund balance - School Pension	200,000	200,000	--	(200,000)
Usage of School 2%	100,000	100,000	100,000	--
Fund balance usage	<u>979,922</u>	<u>979,922</u>	<u>--</u>	<u>(979,922)</u>
Total Other Financing Sources	<u>1,485,493</u>	<u>1,485,493</u>	<u>305,571</u>	<u>(1,179,922)</u>
Total Revenues and Other Financing Sources	<u>\$ 48,766,811</u>	<u>\$ 48,766,811</u>	<u>\$ 48,944,920</u>	<u>\$ 178,109</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - BUDGETARY BASIS GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
General Government				
First Selectman	\$ 156,436	\$ 156,436	\$ 153,671	\$ (2,765)
Finance	271,777	271,777	271,491	(286)
Assessor	220,562	220,562	218,103	(2,459)
Tax Collector	142,604	142,604	135,685	(6,919)
Town Clerk	200,907	200,907	199,208	(1,699)
Election and registrars	56,493	56,493	42,344	(14,149)
Employee benefits	<u>2,674,182</u>	<u>2,674,182</u>	<u>2,525,615</u>	<u>(148,567)</u>
Total General Government	<u>3,722,961</u>	<u>3,722,961</u>	<u>3,546,117</u>	<u>(176,844)</u>
Public Safety				
Fire Marshal	80,518	80,518	73,233	(7,285)
Police Department	2,171,219	2,171,219	2,438,205	266,986
Building Inspector	167,257	167,257	166,439	(818)
Planning and Engineering	177,638	177,638	177,902	264
Animal Control	<u>77,367</u>	<u>77,367</u>	<u>76,733</u>	<u>(634)</u>
Total Public Safety	<u>2,673,999</u>	<u>2,673,999</u>	<u>2,932,512</u>	<u>258,513</u>
Public Works				
Building and grounds	266,296	266,296	262,404	(3,892)
Highway	1,007,691	1,007,691	955,810	(51,881)
Town Aid Road	<u>290,093</u>	<u>290,093</u>	<u>289,597</u>	<u>(496)</u>
Total Public Works	<u>1,564,080</u>	<u>1,564,080</u>	<u>1,507,811</u>	<u>(56,269)</u>
Social Services				
Recreation	415,919	415,919	429,927	14,008
Libraries	67,650	67,650	60,523	(7,127)
Economic Development	<u>77,300</u>	<u>77,300</u>	<u>77,300</u>	<u>--</u>
Total Social Services	<u>560,869</u>	<u>560,869</u>	<u>567,750</u>	<u>6,881</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED) GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Over (Under)
Administration				
Telephone	\$ 51,213	\$ 51,213	\$ 49,051	\$ (2,162)
Engineering firm	120,000	120,000	145,972	25,972
Legal fees	130,000	130,000	120,427	(9,573)
Postage	26,000	26,000	23,369	(2,631)
Computer	356,234	356,234	348,080	(8,154)
Computer salary	41,647	41,647	--	(41,647)
Probate	8,022	8,022	8,022	--
Copy machines	32,000	32,000	25,086	(6,914)
Claims	1,000	1,000	--	(1,000)
Contingency	60,015	60,015	59,253	(762)
Tax refunds	22,500	22,500	16,098	(6,402)
Fireworks	10,000	10,000	--	(10,000)
US Flags on Pole in Town	500	500	--	(500)
Board and commissions	28,300	28,300	14,315	(13,985)
Purchased services	474,485	474,485	512,725	38,240
Contingency	5,649	5,649	5,956	307
Total Administration	<u>1,367,565</u>	<u>1,367,565</u>	<u>1,328,354</u>	<u>(39,211)</u>
Capital Outlays	<u>1,094,932</u>	<u>1,094,932</u>	<u>964,647</u>	<u>(130,285)</u>
Education	<u>35,993,861</u>	<u>35,993,861</u>	<u>35,763,157</u>	<u>(230,704)</u>
Debt Services				
Principal payments	1,475,000	1,475,000	1,475,000	--
Interest and fiscal charges	313,544	313,544	313,544	--
Total Debt Services	<u>1,788,544</u>	<u>1,788,544</u>	<u>1,788,544</u>	<u>--</u>
Total Expenditures	<u>\$ 48,766,811</u>	<u>\$ 48,766,811</u>	<u>\$ 48,398,892</u>	<u>\$ (367,919)</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

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

	LAST EIGHT FISCAL YEARS							
	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of net pension liability attributed to the Town	0.335%	0.335%	0.354%	0.354%	0.365%	0.366%	0.370%	0.370%
Town's proportionate share of the net pension liability	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State's proportionate share of the net pension liability attributed to the town	49,984,323	63,110,844	60,402,877	46,574,000	49,324,000	52,038,000	40,551,000	37,482,000
Total	\$ 49,984,323	\$ 63,110,844	\$ 60,402,877	\$ 46,574,000	\$ 49,324,000	\$ 52,038,000	\$ 40,551,000	\$ 37,482,000
Town's covered payroll	\$ 14,907,000	\$ 14,952,000	\$ 14,861,000	\$ 14,770,000	\$ 14,679,000	\$ 14,588,000	\$ 12,917,000	\$ 14,388,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	29.82%	23.69%	24.60%	31.71%	29.76%	28.03%	31.85%	38.39%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	49.24%	52.00%	55.93%	55.93%	55.93%	55.93%	55.93%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TOWN PENSION PLAN

LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,365,794	\$ 1,365,794	\$ 1,516,632	\$ 1,516,632	\$ 1,472,606	\$ 1,472,606	\$ 1,472,606	\$ 1,448,874
Contributions in relation to the actuarially determined contribution	<u>1,072,000</u>	<u>1,758,012</u>	<u>1,200,543</u>	<u>1,048,968</u>	<u>1,151,600</u>	<u>1,153,732</u>	<u>1,125,405</u>	<u>1,174,169</u>
Contribution deficiency	<u>\$ 293,794</u>	<u>\$ (392,218)</u>	<u>\$ 316,089</u>	<u>\$ 467,664</u>	<u>\$ 321,006</u>	<u>\$ 318,874</u>	<u>\$ 347,201</u>	<u>\$ 274,705</u>
Covered employee payroll	\$ 5,909,064	\$ 6,075,445	\$ 5,956,319	\$ 7,622,489	\$ 7,294,248	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889
Contributions as a percentage of covered employee payroll	18.14%	28.94%	20.16%	13.76%	15.79%	17.34%	17.68%	17.91%
Annual money-weighted rate of return, net of investment expense	-13.59%	32.53%	3.00%	3.90%	8.25%	12.93%	0.79%	0.41%

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS TOWN PENSION PLAN

LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,365,794	\$ 1,365,794	\$ 1,516,632	\$ 1,516,632	\$ 1,472,606	\$ 1,472,606	\$ 1,472,606	\$ 1,448,874	\$ 1,448,874
Contributions in relation to the actuarially determined contribution	<u>1,072,000</u>	<u>1,758,012</u>	<u>1,200,543</u>	<u>1,048,968</u>	<u>1,151,600</u>	<u>1,153,732</u>	<u>1,125,405</u>	<u>1,174,169</u>	<u>706,969</u>
Contribution deficiency	<u>\$ 293,794</u>	<u>\$ (392,218)</u>	<u>\$ 316,089</u>	<u>\$ 467,664</u>	<u>\$ 321,006</u>	<u>\$ 318,874</u>	<u>\$ 347,201</u>	<u>\$ 274,705</u>	<u>\$ 741,905</u>
Covered employee payroll	\$ 5,909,064	\$ 6,075,445	\$ 5,956,319	\$ 7,622,489	\$ 7,294,248	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889	\$ 6,273,578
Contributions as a percentage of covered employee payroll	18.14%	28.94%	20.16%	13.76%	15.79%	17.34%	17.68%	17.91%	11.27%
Annual money-weighted rate of return, net of investment expense	-13.59%	32.53%	3.00%	3.90%	8.25%	12.93%	0.79%	0.41%	16.27%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS TOWN OTHER POST-EMPLOYMENT BENEFITS PLAN

LAST SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 76,164	\$ 103,135	\$ 98,883	\$ 109,629	\$ 122,205	\$ 194,502
Interest	482,265	619,151	612,566	639,253	598,463	492,015
Differences between expected and actual experience	(362,692)	(2,746,850)	(378,414)	(739,958)	(45,625)	(185,789)
Changes of assumptions	--	868,732	--	(160,035)	(812,951)	(2,956,730)
Benefit payments, including refunds	(44,367)	(434,505)	(58,290)	(375,101)	(335,060)	(122,705)
Net change in total OPEB liability	151,370	(1,590,337)	274,745	(526,212)	(472,968)	(2,578,707)
Total OPEB liability - beginning	<u>7,365,120</u>	<u>8,955,457</u>	<u>8,680,712</u>	<u>9,206,924</u>	<u>9,679,892</u>	<u>12,258,599</u>
Total OPEB liability - ending	<u>7,516,490</u>	<u>7,365,120</u>	<u>8,955,457</u>	<u>8,680,712</u>	<u>9,206,924</u>	<u>9,679,892</u>
Plan Fiduciary Net Position						
Contributions - employer	96,862	683,488	5,184	416,850	381,666	61,401
Contributions - TRB subsidy	47,505	51,017	53,106	58,251	53,394	61,304
Net investment income	(163,281)	193,759	18,080	31,215	26,278	31,395
Benefit payments, including refunds	(44,367)	(434,505)	(58,290)	(375,101)	(335,060)	(122,705)
Administrative expense	--	--	--	--	--	(972)
Net change in change in plan fiduciary net position	(63,281)	493,759	18,080	131,215	126,278	30,423
Plan fiduciary net position - beginning	<u>1,114,653</u>	<u>620,894</u>	<u>602,814</u>	<u>471,599</u>	<u>345,321</u>	<u>314,898</u>
Plan fiduciary net position - ending	<u>1,051,372</u>	<u>1,114,653</u>	<u>620,894</u>	<u>602,814</u>	<u>471,599</u>	<u>345,321</u>
Town's Net OPEB Liability						
	\$ 6,465,118	\$ 6,250,467	\$ 8,334,563	\$ 8,077,898	\$ 8,735,325	\$ 9,334,571
Plan fiduciary net position as a percentage of total OPEB liability	13.99%	15.13%	6.93%	6.94%	5.12%	3.57%
Covered payroll						
	\$ 16,735,813	\$ 16,343,567	\$ 17,560,387	\$ 17,132,085	\$ 18,953,011	\$ 18,445,753
Town's net OPEB liability as a percentage of covered payroll	38.63%	38.24%	47.46%	47.15%	46.09%	50.61%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS TOWN OTHER POST-EMPLOYMENT BENEFIT PLAN

LAST SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 564,195	\$ 719,331	\$ 716,821	\$ 913,974	\$ 908,368	\$ 1,104,300
Contributions in relation to the actuarially determined contribution	<u>96,862</u>	<u>683,488</u>	<u>5,184</u>	<u>416,850</u>	<u>381,666</u>	<u>61,401</u>
Contribution deficiency	<u>\$ 467,333</u>	<u>\$ 35,843</u>	<u>\$ 711,637</u>	<u>\$ 497,124</u>	<u>\$ 526,702</u>	<u>\$ 1,042,899</u>
Covered employee payroll	\$ 16,735,813	\$ 16,343,567	\$ 17,560,387	\$ 17,132,085	\$ 18,953,011	\$ 18,445,753
Contributions as a percentage of covered employee payroll	0.58%	4.18%	0.03%	2.43%	2.01%	0.33%
Annual money-weighted rate of return, net of investment expense	-14.65%	25.58%	3.00%	5.63%	6.02%	9.99%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

LAST FIVE FISCAL YEARS

	2022	2021	2020	2019	2018
Proportion of the net OPEB liability attributed to the Town	0.335%	0.335%	0.354%	0.354%	0.365%
Town's proportionate share of the net OPEB liability	\$ --	\$ --	\$ --	\$ --	\$ --
State's proportionate share of the net OPEB liability attributed to the Town	5,445,700	9,412,985	9,420,169	9,420,169	12,696,000
Total	\$ 5,445,700	\$ 9,412,985	\$ 9,420,169	\$ 9,420,169	\$ 12,696,000
Town's covered payroll	\$ 14,907,000	\$ 14,952,000	\$ 14,861,000	\$ 14,770,000	\$ 14,679,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	273.74%	158.84%	157.76%	156.79%	115.62%
Plan-fiduciary net position as a percentage of the total OPEB liability	6.11%	2.50%	2.08%	2.08%	1.49%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND

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

- Other than the Education Department, which submits estimates directly to the Board of Finance, department heads submit their estimated budget to the Board of Selectmen, who review and may revise the budget before submitting to the Board of Finance for review and consideration. Expenditures are controlled at the department level.
- After one or more public hearings, the Board of Finance may revise the estimates for presentation at the Annual Town Budget Meeting, or at a referendum if an increase in the mill rate is proposed, which is held on the third Monday in May. The Town Meeting has the power to accept or reject the budget.
- Should the Annual Town Budget Meeting or referendum fail to adopt the budget, another meeting or referendum shall be held within fourteen days thereafter until final approval is given. Any budget which has been rejected by the Town Meeting shall be considered in the interim by the Board of Finance, which shall revise the rejected budget, and present a revision at the next subsequent Town Meeting for acceptance. If the budget remains unaccepted on July 1, the budget adopted for the immediately preceding fiscal year shall be deemed to be the temporary budget for the fiscal year beginning on July 1, and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the Town Meeting finally adopts a budget.
- The Board of Finance upon written request of the Board of Selectmen may transfer unexpended balances from one appropriation to another in accordance with the General Statutes.
- The Board of Education may transfer unexpended balances from one account to another within its total line appropriation.
- Non-budgeted appropriations in excess of \$10,000 require a Town Meeting to become effective and non-budgeted appropriations in excess of \$50,000 require a referendum. During the year, no additional appropriations were authorized.
- Formal budgetary integration is employed as a management control device during the year.
- The Budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND (CONTINUED)

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at the year-end, except those for the Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2022:

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	\$ 546,028
On behalf state pension contribution - revenue	4,283,881
On behalf state pension contribution - expenditures	<u>(4,283,881)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis	<u>\$ 546,028</u>

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2021. This information is utilized by the Town for reporting as of June 30, 2021.

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

Assumptions Changes – There have been no changes in assumptions that have had a significant effect on the measurement of the total pension liability.

NOTE 3 – SCHEDULE OF THE TOWN'S NET PENSION LIABILITY – TOWN EMPLOYEE RETIREMENT PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial reporting for Pension Plans – An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the measurement of the total pension liability.

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

Assumptions Changes – The following changes in assumptions were made in the current year and may have had a significant effect on the measurement of the total pension liability:

- Inflation rate is assumed to be 2.40%, previously 2.50%

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 – SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS – TOWN EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

Actuarial determined contribution rates are calculated as of July 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial contributions for fiscal year ending June 30, 2022 were determined from the July 1, 2020 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level Percentage of Salary
Remaining amortization period	10 Years
Asset valuation method	Market Value
Inflation	2.40%
Investment rate of return	6.50%
Salary increases	2.00%
Retirement age	Age 62 for Town Employees Age 55 for Police

NOTE 4 – SCHEDULE OF CHANGES IN NET OPEB LIABILITY – OTHER POST-EMPLOYMENT BENEFITS PLAN

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

The Town measures the total OPEB liability at the end of each fiscal year using the Entry Age Normal Method.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 – SCHEDULE OF CHANGES IN NET OPEB LIABILITY – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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

Assumption Changes – There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* in fiscal year 2018. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most fiscal years.

The July 1, 2020 actuarial valuation directly calculated the July 1, 2020 total OPEB liability. The July 1, 2020 total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the total OPEB liability as of June 30, 2022.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022:

Actuarial cost method	Entry Age
Amortization method	Level percentage of Salary
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	2.40%
Investment rate of return	6.30%
Healthcare cost trend rates	6.50%, current
	4.40%, final

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – SCHEDULE OF THE TOWN’S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY – CONNECTICUT STATE TEACHERS’ RETIREMENT SYSTEM

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2021. This information is utilized by the Town for reporting as of June 30, 2021.

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

Assumption Changes – There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2022

Grand List Year	Balance Uncollected June 30, 2021	Current Levy	Lawful Corrections		Transfers		Balance To Be Collected	Collections				Balance Uncollected June 30, 2022
			Additions	Deductions	To Suspense	Taxes		Interest	Fees	Lien	Total	
2020	\$ --	\$ 29,591,767	\$ 36,791	\$ 66,233	\$ 3,547	\$ 29,558,778	\$ 28,650,701	\$ 117,642	\$ 392	\$ 28,768,735	\$ 908,077	
2019	780,712	--	2,231	5,792	47,962	729,189	347,856	76,608	2,176	426,640	381,333	
2018	408,900	--	323	1,100	104,768	303,355	91,619	42,947	812	135,378	211,736	
2017	210,872	--	42	691	1,564	208,659	44,254	21,096	600	65,950	164,405	
2016	131,044	--	--	--	582	130,462	28,823	18,431	260	47,514	101,639	
2015	103,078	--	--	--	766	102,312	8,512	5,646	120	14,278	93,800	
2014	60,195	--	--	--	739	59,456	4,647	6,075	72	10,794	54,809	
2013	49,868	--	--	--	735	49,133	2,663	3,550	72	6,285	46,470	
2012	47,731	--	--	--	999	46,732	2,456	16,519	24	18,999	44,276	
2011	40,321	--	--	--	1,619	38,702	4,889	5,909	48	10,846	33,813	
2010	31,179	--	--	--	1,220	29,959	3,951	2,019	24	5,994	26,008	
2009	24,343	--	--	--	1,185	23,158	--	1,130	--	1,130	23,158	
2008	20,705	--	--	--	1,170	19,535	--	--	--	--	19,535	
2007	18,784	--	--	--	1,170	17,614	--	--	--	--	17,614	
2006	19,180	--	--	--	--	19,180	455	2,145	--	2,600	18,725	
2005	13,938	--	--	--	13,938	--	--	--	--	--	--	
	<u>\$ 1,960,850</u>	<u>\$ 29,591,767</u>	<u>\$ 39,387</u>	<u>\$ 73,816</u>	<u>\$ 181,964</u>	<u>\$ 31,336,224</u>	<u>\$ 29,190,826</u>	<u>\$ 319,717</u>	<u>\$ 4,600</u>	<u>\$ 29,515,143</u>	<u>2,145,398</u>	
Current year revenue per budget versus actual							29,445,703	Allowance for doubtful accounts		(612,898)		
Change in 60 day accrual							(254,877)	Total receivable for general fund at year end		<u>\$ 1,532,500</u>		
							<u>\$ 29,190,826</u>					

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Nonmajor Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Dog Fund	School Lunch Fund	Education Funds	Afterschool Program Fund	CDBG Fund	Police Fund	
Assets							
Cash and cash equivalents	\$ 41,749	\$ 462,857	\$ 666,110	\$ 34,468	\$ 138,930	\$ 21,725	\$ 1,365,839
Receivables:							
Grant and contracts	--	303,260	576,338	--	--	--	879,598
Loans, net	--	--	--	--	745,156	--	745,156
Due from other funds	--	87,425	--	--	--	--	87,425
Total Assets	\$ 41,749	\$ 853,542	\$ 1,242,448	\$ 34,468	\$ 884,086	\$ 21,725	\$ 3,078,018
Liabilities							
Accounts payable	\$ 325	\$ 132,869	\$ 313,060	\$ 485	\$ --	\$ --	\$ 446,739
Accrued liabilities	--	--	178,594	4,789	--	--	183,383
Unearned revenue	--	--	299,198	--	--	--	299,198
Due to other funds	5,914	--	--	--	--	--	5,914
Total Liabilities	6,239	132,869	790,852	5,274	--	--	935,234
Deferred Inflows of Resources							
Deferred loans	--	--	--	--	745,157	--	745,157
Fund Balances							
Restricted for:							
Social service programs	--	--	--	--	138,929	--	138,929
Education	--	--	451,596	--	--	--	451,596
Committed to:							
Capital improvements	--	--	--	--	--	--	--
Public safety	35,510	--	--	--	--	21,725	57,235
Education	--	720,673	--	29,194	--	--	749,867
Unassigned	--	--	--	--	--	--	--
Total Fund Balances	35,510	720,673	451,596	29,194	138,929	21,725	1,397,627
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 41,749	\$ 853,542	\$ 1,242,448	\$ 34,468	\$ 884,086	\$ 21,725	\$ 3,078,018

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED) NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Nonmajor Capital Projects Funds					Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	School Project Fund			
Assets							
Cash and cash equivalents	\$ 41,162	\$ 362,434	\$ 488,737	\$ --	\$ 892,333	\$ 2,258,172	
Receivables:							
Grant and contracts	--	--	--	--	--	879,598	
Loans, net	--	--	--	--	--	745,156	
Due from other funds	--	--	--	29,746	29,746	117,171	
Total Assets	<u>\$ 41,162</u>	<u>\$ 362,434</u>	<u>\$ 488,737</u>	<u>\$ 29,746</u>	<u>\$ 922,079</u>	<u>\$ 4,000,097</u>	
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 446,739	
Accrued liabilities	--	--	--	--	--	183,383	
Unearned revenue	--	--	--	--	--	299,198	
Due to other funds	19,424	--	--	--	19,424	25,338	
Total Liabilities	<u>19,424</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,424</u>	<u>954,658</u>	
Deferred Inflows of Resources							
Deferred loans	--	--	--	--	--	745,157	
Fund Balances							
Restricted for:							
Social service programs	--	--	--	--	--	138,929	
Education	--	--	--	--	--	451,596	
Committed to:							
Capital improvements	21,738	362,434	488,737	29,746	902,655	902,655	
Public safety	--	--	--	--	--	57,235	
Education	--	--	--	--	--	749,867	
Unassigned	--	--	--	--	--	--	
Total Fund Balances	<u>21,738</u>	<u>362,434</u>	<u>488,737</u>	<u>29,746</u>	<u>902,655</u>	<u>2,300,282</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 41,162</u>	<u>\$ 362,434</u>	<u>\$ 488,737</u>	<u>\$ 29,746</u>	<u>\$ 922,079</u>	<u>\$ 4,000,097</u>	

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Dog Fund	School Lunch Fund	Education Funds	Afterschool Program Fund	CDBG Fund	Police Fund	
Revenues							
Grants and contracts	\$ --	\$ 1,749,255	\$ 4,282,096	\$ --	\$ --	\$ 33,032	\$ 6,064,383
Licenses, permits and fees	26,256	--	--	98,448	--	--	124,704
Interest	15	593	258	--	58	--	924
Other	497	--	417,771	--	62,338	--	480,606
Total Revenues	<u>26,768</u>	<u>1,749,848</u>	<u>4,700,125</u>	<u>98,448</u>	<u>62,396</u>	<u>33,032</u>	<u>6,670,617</u>
Expenditures							
Public safety	19,922	--	--	--	--	21,675	41,597
Public works	--	--	--	--	3,947	--	3,947
Education	--	1,363,824	4,809,592	108,617	--	--	6,282,033
Total Expenditures	<u>19,922</u>	<u>1,363,824</u>	<u>4,809,592</u>	<u>108,617</u>	<u>3,947</u>	<u>21,675</u>	<u>6,327,577</u>
Excess (deficiency) of revenues over expenditures	6,846	386,024	(109,467)	(10,169)	58,449	11,357	343,040
Other Financing Sources							
Transfers in	--	--	--	--	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	6,846	386,024	(109,467)	(10,169)	58,449	11,357	343,040
Fund Balances - Beginning, as restated	<u>28,664</u>	<u>334,649</u>	<u>561,063</u>	<u>39,363</u>	<u>80,480</u>	<u>10,368</u>	<u>1,054,587</u>
Fund Balances - Ending	<u>\$ 35,510</u>	<u>\$ 720,673</u>	<u>\$ 451,596</u>	<u>\$ 29,194</u>	<u>\$ 138,929</u>	<u>\$ 21,725</u>	<u>\$ 1,397,627</u>

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Capital Projects Funds					Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	School Project Fund			
Revenues							
Grants and contracts	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,064,383
Licenses, permits and fees	--	--	--	--	--	--	124,704
Interest	73	1,100	1,425	--	--	2,598	3,522
Other	--	--	--	--	--	--	480,606
Total Revenues	73	1,100	1,425	--	--	2,598	6,673,215
Expenditures							
Public safety	--	--	--	--	--	--	41,597
Public works	--	101,842	--	--	--	101,842	105,789
Education	--	--	--	--	--	--	6,282,033
Total Expenditures	--	101,842	--	--	--	101,842	6,429,419
Excess (deficiency) of revenues over expenditures	73	(100,742)	1,425	--	--	(99,244)	243,796
Other Financing Sources							
Transfers in	--	--	--	--	--	--	--
Total Other Financing Sources	--	--	--	--	--	--	--
Net change in fund balance	73	(100,742)	1,425	--	--	(99,244)	243,796
Fund Balances - Beginning, as restated	21,665	463,176	487,312	29,746		1,001,899	2,056,486
Fund Balances - Ending	\$ 21,738	\$ 362,434	\$ 488,737	\$ 29,746	\$	\$ 902,655	\$ 2,300,282

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – BUDGETARY BASIS

PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
Revenues				
Sewer use charges	\$ 2,241,918	\$ 2,241,918	\$ 2,243,844	\$ 1,926
Lien charges	500	500	1,156	656
Interest charges	12,000	12,000	20,298	8,298
Investment income	--	--	1,550	1,550
Sewer permits	100	100	160	60
Sewer assessments	20,000	20,000	30,422	10,422
Pre industrial treatment	120,000	120,000	183,115	63,115
Other	60,000	60,000	55,803	(4,197)
Total Revenues	<u>2,454,518</u>	<u>2,454,518</u>	<u>2,536,348</u>	<u>81,830</u>
Expenditures				
Personnel costs	1,213,508	1,213,508	995,731	(217,777)
Administration	90,455	90,455	84,815	(5,640)
Operations	479,069	479,069	417,709	(61,360)
Utilities	203,240	203,240	194,504	(8,736)
Vehicles	37,820	37,820	31,220	(6,600)
Equipment replacement	84,600	84,600	78,697	(5,903)
Depreciation expense	--	--	449,344	449,344
Debt service	345,826	345,826	118,646	(227,180)
Total Expenditures	<u>2,454,518</u>	<u>2,454,518</u>	<u>2,370,666</u>	<u>(83,852)</u>
Excess (deficiency) revenues over expenditures	--	--	165,682	165,682
Other Financing Sources				
Transfers in	--	--	205,573	205,573
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>205,573</u>	<u>205,573</u>
Change in net position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 371,255</u>	<u>\$ 371,255</u>

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER ASSESSMENTS COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2022

	Uncollected Assessments July 1, 2021	Current Assessments	Lawful Corrections		Adjusted Assessments Collectible	Assessments Collected	Collections		Uncollected Assessments June 30, 2022
			Additions	Deductions			Interest and Lien Fees	Total	
Special Assessments	\$ 13,038	\$ --	\$ 46,677	\$ 3,500	\$ 56,215	\$ 40,365	\$ 1,272	\$ 41,637	\$ 15,850

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER USAGE COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2022

Grand List Year	Uncollected Charges July 1, 2021	Current Billings	Lawful Corrections		Transfer to Suspense	Adjusted Charges Collectible	Charges Collected	Collections		Uncollected Charges June 30, 2022
			Additions	Deductions				Interest and Lien Fees	Total	
2020	\$ --	\$ 2,140,484	\$ 110,415	\$ 2,093	\$ --	\$ 2,248,806	\$ 2,205,190	\$ 9,262	\$ 2,214,452	\$ 43,616
2019	44,564	--	828	824	--	44,568	24,736	6,349	31,085	19,832
2018	14,838	--	--	--	--	14,838	6,578	3,036	9,614	8,260
2017	6,960	--	--	--	--	6,960	870	580	1,450	6,090
2016	5,655	--	--	--	--	5,655	1,015	816	1,831	4,640
2015	4,350	--	--	--	--	4,350	--	--	--	4,350
2014	2,900	--	--	--	--	2,900	--	--	--	2,900
2013	2,340	--	--	--	--	2,340	--	--	--	2,340
2012	2,150	--	--	--	--	2,150	240	373	613	1,910
2011 and prior	2,120	--	--	--	--	2,120	--	--	--	2,120
	<u>\$ 85,877</u>	<u>\$ 2,140,484</u>	<u>\$ 111,243</u>	<u>\$ 2,917</u>	<u>\$ --</u>	<u>\$ 2,334,687</u>	<u>\$ 2,238,629</u>	<u>\$ 20,416</u>	<u>\$ 2,259,045</u>	<u>\$ 96,038</u>

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUNDS

JUNE 30, 2022

	Pension Trust Funds	OPEB Trust Funds	Total
Assets			
Cash and cash equivalents	\$ 382,327	\$ 102,501	\$ 484,828
Investments:			
Mutual funds	<u>27,212,815</u>	<u>948,871</u>	<u>28,161,686</u>
Total Assets	<u>\$ 27,595,142</u>	<u>\$ 1,051,372</u>	<u>\$ 28,646,514</u>
Net Position			
Held in trust for employee benefits	<u>\$ 27,595,142</u>	<u>\$ 1,051,372</u>	<u>\$ 28,646,514</u>

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION EMPLOYEE BENEFIT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Pension Trust Funds	OPEB Trust Funds	Total
Additions			
Contributions:			
Employer	\$ 1,072,000	\$ 96,862	\$ 1,168,862
Plan members	115,721	--	115,721
Other revenue	--	47,505	47,505
Total Contributions	<u>1,187,721</u>	<u>144,367</u>	<u>1,332,088</u>
Investment income (loss)	<u>(4,297,826)</u>	<u>(163,281)</u>	<u>(4,461,107)</u>
Total Additions	<u>(3,110,105)</u>	<u>(18,914)</u>	<u>(3,129,019)</u>
Deductions			
Benefit payments	1,614,246	44,367	1,658,613
Administrative expenses	<u>90,363</u>	<u>--</u>	<u>90,363</u>
Total Deductions	<u>1,704,609</u>	<u>44,367</u>	<u>1,748,976</u>
Change in net position	(4,814,714)	(63,281)	(4,877,995)
Net Position - Beginning	<u>32,409,856</u>	<u>1,114,653</u>	<u>33,524,509</u>
Net Position - Ending	<u>\$ 27,595,142</u>	<u>\$ 1,051,372</u>	<u>\$ 28,646,514</u>