

TOWN OF PLAINFIELD, CONNECTICUT

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut (the "Town") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flow thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14, and the schedules on the Town's pension and other post-employment benefits plans on pages 63 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules on pages 69 through 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut
December 21, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017

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 fiscal year ended June 30, 2017.

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 \$60,730,435 (net position).
- The Town's total net position increased by \$191,301 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 \$10,605,526, an increase of \$1,728,816 in comparison with the prior year. The primary cause of this fund balance increase is due to the issuance of bonds during the year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$7,868,884 or 15.3% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.8 months of General Fund operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$641,382 or 4.13% during the current fiscal year due to current year principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows 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 of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
JUNE 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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 15 and 16 of this report.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental 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 and School Project Fund, which are considered to be 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 17 - 21 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund. The Town maintains an enterprise fund to account for its Water Pollution Control Authority which is the Town's sewer operating facility.

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 22 - 24 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 62 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 63 - 82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$69,493,295 and \$69,598,485 as of June 30, 2017 and 2016, respectively, and are summarized as follows:

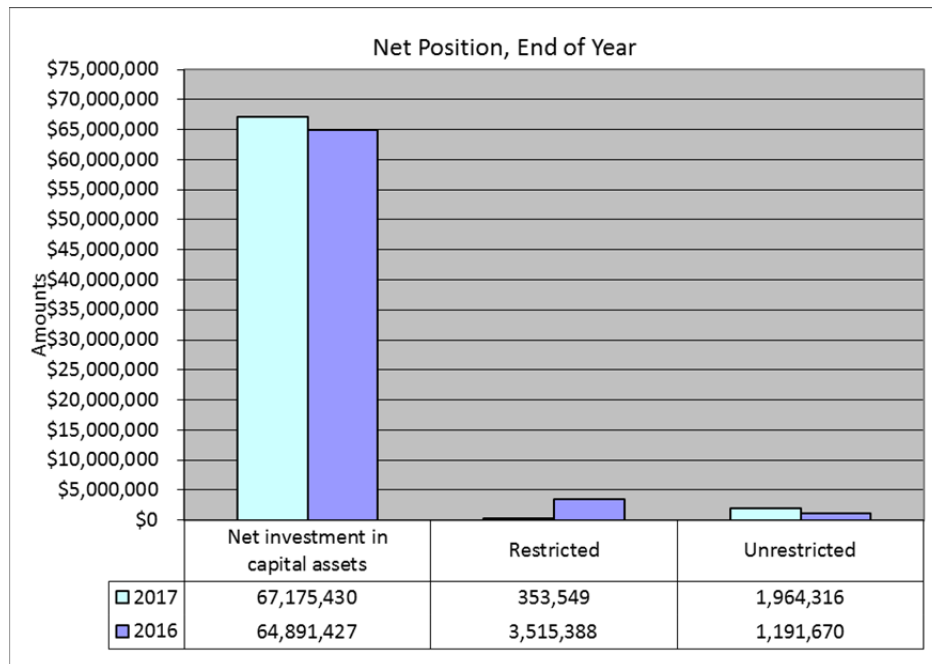
	2017		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 15,542,179	\$ 2,484,341	\$ 18,026,520
Capital assets	70,905,871	12,334,002	83,239,873
Total assets	86,448,050	14,818,343	101,266,393
Deferred outflows of resources	1,256,314	-	1,256,314
Long-term liabilities	22,951,872	5,890,363	28,842,235
Other liabilities	3,662,590	165,120	3,827,710
Total liabilities	26,614,462	6,055,483	32,669,945
Deferred inflows of resources	359,467	-	359,467
Net Position:			
Net investment in capital assets	60,654,492	6,520,938	67,175,430
Restricted	353,549	-	353,549
Unrestricted	(277,606)	2,241,922	1,964,316
Total net position	\$ 60,730,435	\$ 8,762,860	\$ 69,493,295

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

	2016		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 15,365,082	\$ 3,995,222	\$ 19,360,304
Capital assets	71,684,316	11,434,232	83,118,548
Total assets	87,049,398	15,429,454	102,478,852
Deferred outflows of resources	2,935,695	-	2,935,695
Long-term liabilities	23,523,904	6,299,505	29,823,409
Other liabilities	5,235,801	70,598	5,306,399
Total liabilities	28,759,705	6,370,103	35,129,808
Deferred inflows of resources	686,254	-	686,254
Net Position:			
Net investment in capital assets	59,686,523	5,204,904	64,891,427
Restricted	1,426,871	2,088,517	3,515,388
Unrestricted	(574,260)	1,765,930	1,191,670
Total net position	\$ 60,539,134	\$ 9,059,351	\$ 69,598,485



As of June 30, 96.7% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

Restricted net position represents amounts restricted for social services which is equal to 0.50% of the Town's net position. Amounts restricted for social services are to be used for the Town's rehabilitation loan programs. Restrictions for capital purposes are to be used for the capital improvements of the Town's School buildings and Sewer facilities.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position decreased by \$105,190 in comparison to the prior year.

Changes in Net Position

Changes in net position for the years ended June 30, 2017 and 2016 are as follows:

	2017		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 3,929,871	\$ 1,761,287	\$ 5,691,158
Operating grants and contributions	22,360,844	-	22,360,844
Capital grants and contributions	928,333	-	928,333
General revenues:			
Property taxes	27,699,352	-	27,699,352
Grants and contributions not restricted to specific programs	762,968	-	762,968
Unrestricted investment earnings (loss)	76,390	(152,620)	(76,230)
Total revenues	<u>55,757,758</u>	<u>1,608,667</u>	<u>57,366,425</u>
Program expenses:			
Education	44,404,736	-	44,404,736
General government	4,434,659	-	4,434,659
Public safety	2,806,431	-	2,806,431
Public works	1,760,024	-	1,760,024
Social services	617,343	-	617,343
Administration	863,694	-	863,694
Interest	479,570	-	479,570
Sewer	-	2,105,158	2,105,158
Total expenses	<u>55,366,457</u>	<u>2,105,158</u>	<u>57,471,615</u>
Change in net position before transfers	391,301	(496,491)	(105,190)
Transfers	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>
Change in net position	<u>\$ 191,301</u>	<u>\$ (296,491)</u>	<u>\$ (105,190)</u>

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

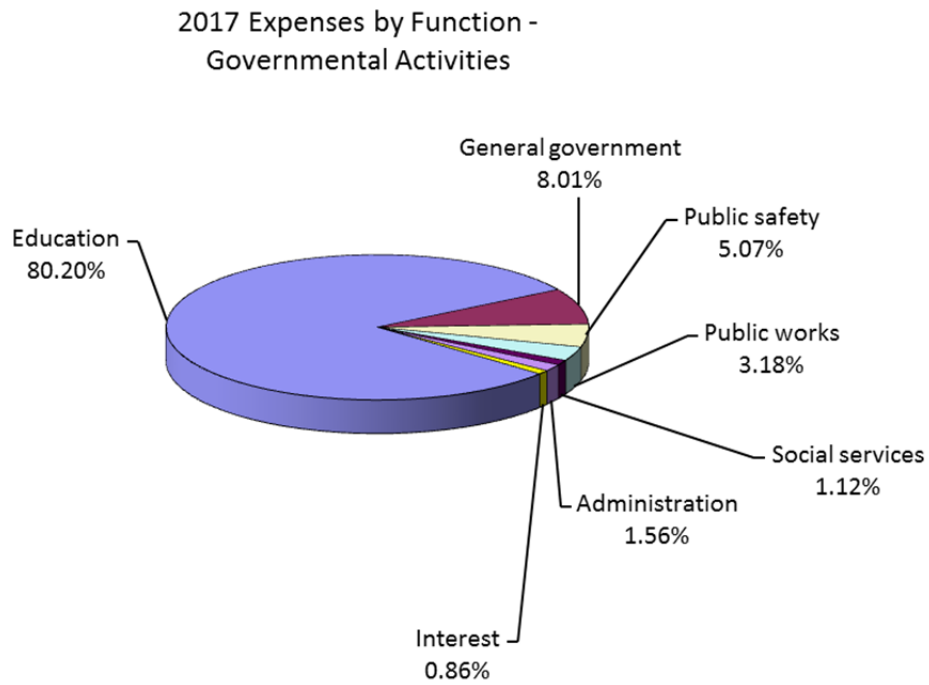
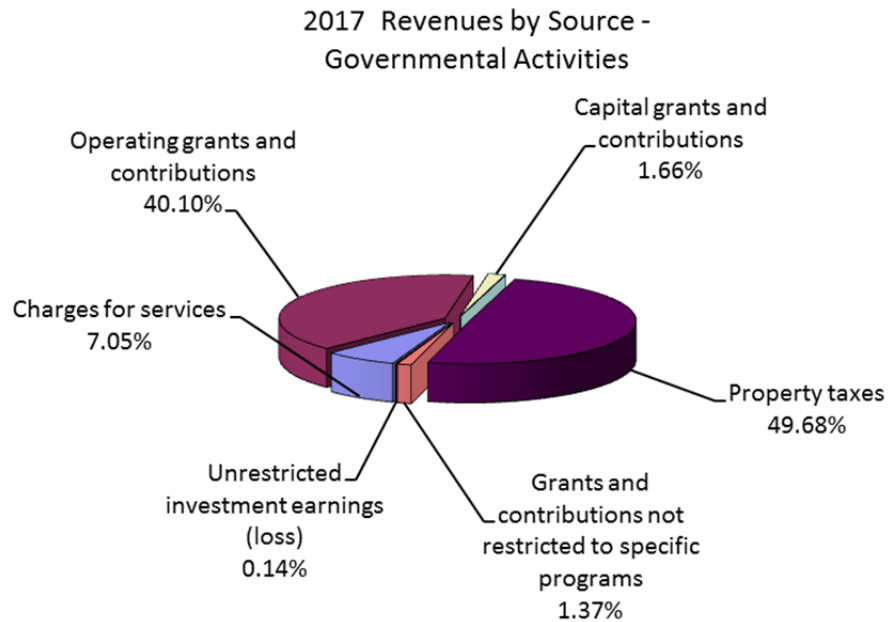
Changes in Net Position (Continued)

	2016		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 4,055,456	\$ 1,889,654	\$ 5,945,110
Operating grants and contributions	22,377,317	-	22,377,317
Capital grants and contributions	1,375,429	-	1,375,429
General revenues:			
Property taxes	26,147,218	-	26,147,218
Grants and contributions not restricted to specific programs	493,938	-	493,938
Unrestricted investment earnings	31,815	26,076	57,891
Total revenues	<u>54,481,173</u>	<u>1,915,730</u>	<u>56,396,903</u>
Program expenses:			
Education	45,041,436	-	45,041,436
General government	3,842,918	-	3,842,918
Public safety	2,307,851	-	2,307,851
Public works	2,419,269	-	2,419,269
Social services	477,122	-	477,122
Administration	852,209	-	852,209
Interest	423,344	-	423,344
Sewer	-	2,242,227	2,242,227
Total expenses	<u>55,364,149</u>	<u>2,242,227</u>	<u>57,606,376</u>
Change in net position	<u>\$ (882,976)</u>	<u>\$ (326,497)</u>	<u>\$ (1,209,473)</u>

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*



TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*

Governmental Activities

Governmental activities increased the Town's net position by \$191,301. The current year increase was driven by an increase in property tax revenue and intergovernmental revenue as compared to prior year.

Business-type Activities

Business-type activities decreased the Town's net position by \$296,491. The decrease is related to current year depreciation expense on the capital assets currently in use by the WPCA's operations.

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 \$10,605,526, an increase of \$1,728,816 in comparison with the prior year. The primary cause of this fund balance increase is due to the issuance of bonds during the year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,868,884. 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 15.3% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.8 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$752,151 during the current fiscal year.

School Project Fund

The School Project Fund is a capital project fund established to account for capital projects related to the Town's School Buildings. The fund had an ending fund balance of \$19,325.

The fund balance of the School Project Fund increased by \$962,192 during the current fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year ended June 30, 2017, additional appropriations of \$60,000 were made to the budget in anticipation of increases in costs for Education.

The final budget anticipated a use of fund balance in the amount of \$60,000. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$748,009. Expenditures were \$426,372 less than budgeted and total budgetary revenues were \$992,343 more than budgeted.

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, 2017 there were no additional appropriations made to the budget. The budget for 2017 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 \$167,191. Expenditures were \$159,482 less than budgeted and total budgetary revenues were \$7,494 higher than expected due primarily to increased collections of miscellaneous unbudgeted revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2017 and 2016 totaled \$82,239,873 and \$83,118,548, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was \$121,325 or 0.15%. This increase consisted of capital asset additions of \$2,832,720 offset by current year depreciation expense of \$2,706,255. Major capital asset events during the current fiscal year consisted of buildings and improvements to the Town's school buildings of \$345,968, machinery and equipment of \$502,676 for educational equipment and equipment for use by the Town's public works and public safety departments, and infrastructure of \$544,127 for the completion of two bridge projects. The Town's sewer improvement project was still ongoing resulting in additional increases to construction in progress in the amount of \$1,398,938.

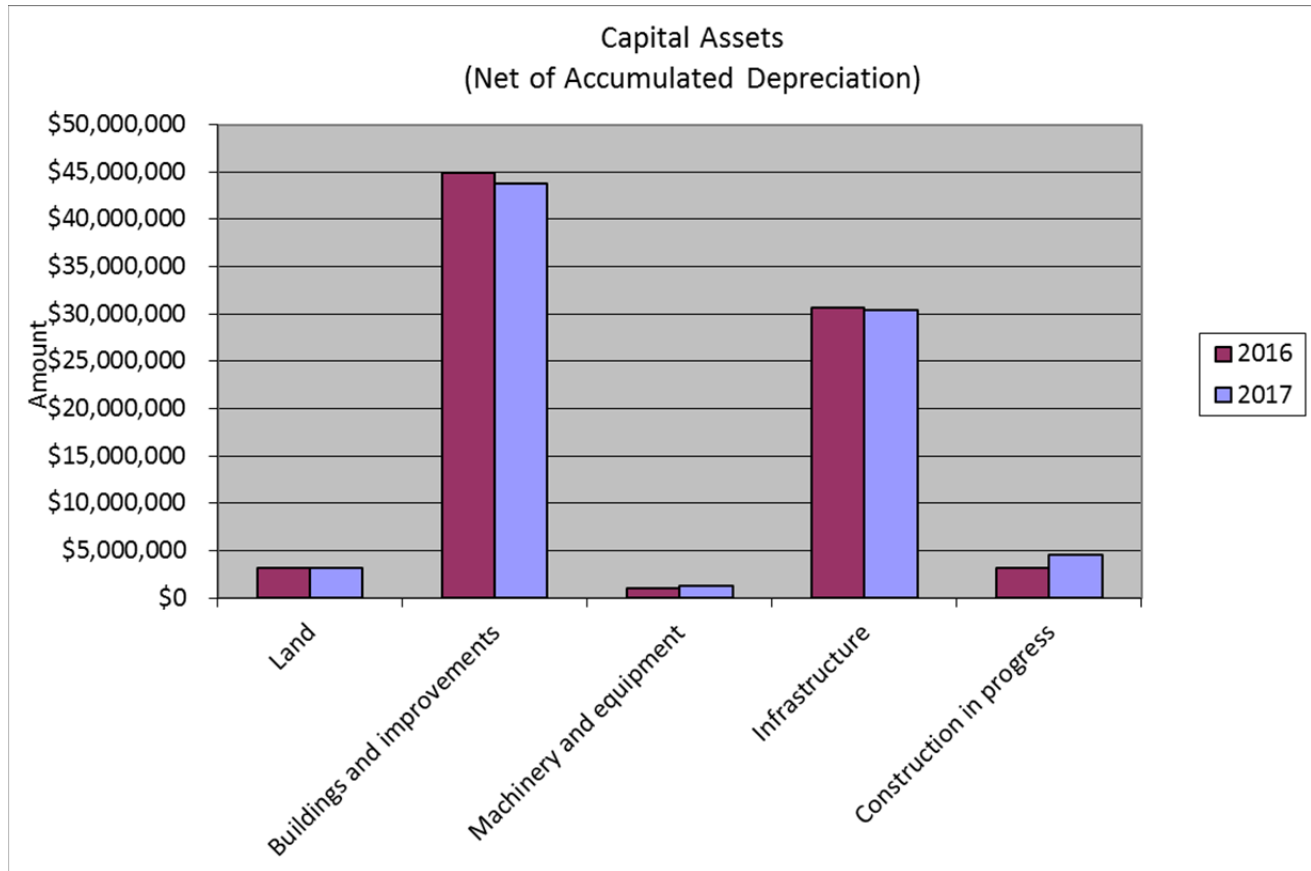
TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 3,201,836	\$ 3,201,836	\$ 31,740	\$ 31,740	\$ 3,233,576	\$ 3,233,576
Buildings and improvements	42,922,271	44,004,573	904,606	964,913	43,826,877	44,969,486
Machinery and equipment	1,193,110	968,047	65,311	91,241	1,258,421	1,059,288
Infrastructure	23,588,654	23,509,860	6,773,113	7,186,044	30,361,767	30,695,904
Construction in progress	-	-	4,559,232	3,160,294	4,559,232	3,160,294
Total	<u>\$ 70,905,871</u>	<u>\$ 71,684,316</u>	<u>\$ 12,334,002</u>	<u>\$ 11,434,232</u>	<u>\$ 83,239,873</u>	<u>\$ 83,118,548</u>



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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

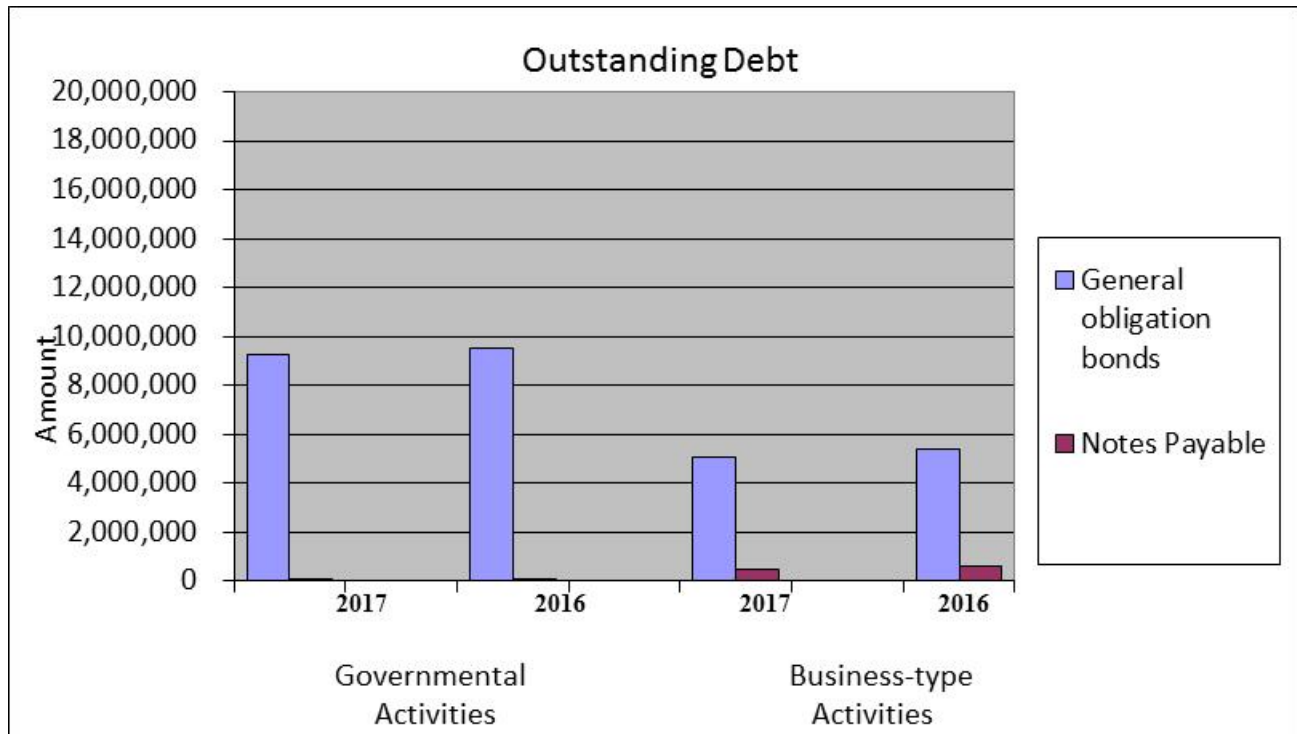
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$14,882,527. 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 \$641,382 or 4.13% during the current fiscal year due to current year principal payments. The Town maintains an A3 rating from Moody's Investor Service for general obligation debt.

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 \$193,197,732, which 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 Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 9,280,000	\$ 9,500,000	\$ 5,050,867	\$ 5,371,414	\$ 14,330,867	\$ 14,871,414
Notes Payable	40,351	60,525	511,309	591,970	551,660	652,495
Total	\$ 9,320,351	\$ 9,560,525	\$ 5,562,176	\$ 5,963,384	\$ 14,882,527	\$ 15,523,909



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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
JUNE 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town is currently 6.4%, as compared to the state's average unemployment rate of 5.9% and the national unemployment rate of 5.1%.
- Inflationary trends in the region are comparable to national indices.
- During the current fiscal year, unassigned fund balance of the General Fund increased to \$7,868,884. The Town has assigned approximately \$400,000 for future capital and bond payments in the 2018 fiscal year budget.
- 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 2018, 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.

All of these factors were considered in preparing the Town's budget for fiscal year 2018.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,403,195	\$ 2,144,708	\$ 15,547,903
Receivables:			
Property taxes and interest, net of allowance of \$797,000	1,533,114	-	1,533,114
Intergovernmental	245,599	-	245,599
User charges	-	86,726	86,726
Sewer assessments	-	76,079	76,079
Other	266,826	-	266,826
Loans, net of allowance of \$584,000	228,627	-	228,627
Inventories	34,924	-	34,924
Internal balances	(170,106)	170,106	-
Other assets	-	6,722	6,722
Capital assets:			
Non-depreciable	3,201,836	4,590,972	7,792,808
Depreciable, net	67,704,035	7,743,030	75,447,065
Total assets	<u>86,448,050</u>	<u>14,818,343</u>	<u>101,266,393</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	541,982	-	541,982
Deferred pension expense	714,332	-	714,332
Total deferred outflows of resources	<u>1,256,314</u>	<u>-</u>	<u>1,256,314</u>
LIABILITIES			
Accounts payable	1,373,919	102,012	1,475,931
Accrued liabilities:			
Salaries and benefits payable	1,824,432	19,420	1,843,852
Accrued interest	208,963	43,688	252,651
Other	208,943	-	208,943
Unearned revenue	46,333	-	46,333
Noncurrent liabilities:			
Due within one year	1,760,464	410,661	2,171,125
Due in more than one year	21,191,408	5,479,702	26,671,110
Total liabilities	<u>26,614,462</u>	<u>6,055,483</u>	<u>32,669,945</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension benefits	359,467	-	359,467
Total deferred inflows of resources	<u>359,467</u>	<u>-</u>	<u>359,467</u>
NET POSITION			
Net investment in capital assets	60,654,492	6,520,938	67,175,430
Restricted for social services	365,438	-	365,438
Unrestricted	(289,495)	2,241,922	1,952,427
Total net position	<u>\$ 60,730,435</u>	<u>\$ 8,762,860</u>	<u>\$ 69,493,295</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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Education	\$ 44,404,736	\$ 2,900,803	\$ 22,123,901	\$ 620,699	\$ (18,759,333)	\$ -	\$ (18,759,333)
General government	4,434,659	604,600	82,739	-	(3,747,320)	-	(3,747,320)
Public safety	2,806,431	75,848	101,030	-	(2,629,553)	-	(2,629,553)
Public works	1,760,024	-	53,174	307,634	(1,399,216)	-	(1,399,216)
Social services	617,343	348,620	-	-	(268,723)	-	(268,723)
Administration	863,694	-	-	-	(863,694)	-	(863,694)
Interest expense	479,570	-	-	-	(479,570)	-	(479,570)
Total governmental activities	55,366,457	3,929,871	22,360,844	928,333	(28,147,409)	-	(28,147,409)
Business-type activities:							
Water Pollution Control Authority	2,105,158	1,761,287	-	-	-	(343,871)	(343,871)
Total business-type activities	2,105,158	1,761,287	-	-	-	(343,871)	(343,871)
	<u>\$ 57,471,615</u>	<u>\$ 5,691,158</u>	<u>\$ 22,360,844</u>	<u>\$ 928,333</u>	<u>(28,147,409)</u>	<u>(343,871)</u>	<u>(28,491,280)</u>
General revenues:							
Property taxes					27,699,352	-	27,699,352
Grants and contributions not restricted to specific programs					762,968	-	762,968
Unrestricted investment earnings					76,390	(152,620)	(76,230)
Transfers					(200,000)	200,000	-
Total general revenues					28,338,710	47,380	28,386,090
					191,301	(296,491)	(105,190)
					60,539,134	9,059,351	69,598,485
					<u>\$ 60,730,435</u>	<u>\$ 8,762,860</u>	<u>\$ 69,493,295</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	School Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,257,019	\$ 19,325	\$ 1,126,851	\$ 13,403,195
Receivables:				
Property taxes, net of allowance of \$336,000	1,186,194	-	-	1,186,194
Property tax interest, net of allowance of \$461,000	346,920	-	-	346,920
Intergovernmental	17,970	-	227,629	245,599
Loans, net of allowance of \$586,000	-	-	228,627	228,627
Other	191,826	-	-	191,826
Due from other funds	7,164	-	32,774	39,938
Inventories	6,656	-	28,268	34,924
Total assets	<u>\$ 14,013,749</u>	<u>\$ 19,325</u>	<u>\$ 1,644,149</u>	<u>\$ 15,677,223</u>
LIABILITIES				
Accounts payable	\$ 1,212,954	\$ -	\$ 160,963	\$ 1,373,917
Accrued liabilities:				
Salaries and benefits payable	1,750,448	-	73,984	1,824,432
Other accrued liabilities	208,943	-	-	208,943
Unearned revenue	10,525	-	35,808	46,333
Due to other funds	202,880	-	7,164	210,044
Total liabilities	<u>3,385,750</u>	<u>-</u>	<u>277,919</u>	<u>3,663,669</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes and interest	<u>1,408,028</u>	<u>-</u>	<u>-</u>	<u>1,408,028</u>
FUND BALANCES				
Nonspendable:				
Inventories	6,656	-	28,268	34,924
Restricted for:				
Toys for tots	8,659	-	-	8,659
Andstrom fund	3,230	-	-	3,230
Social services	-	-	353,549	353,549
Committed to:				
Capital improvements	-	-	883,351	883,351
Public safety	-	-	4,115	4,115
Education	-	-	100,303	100,303
Assigned to:				
Conservation	300,000	-	-	300,000
Revaluation	32,542	-	-	32,542
Capital improvements	800,000	-	-	800,000
Debt service	200,000	-	-	200,000
Unassigned	7,868,884	19,325	(3,356)	7,884,853
Total fund balances	<u>9,219,971</u>	<u>19,325</u>	<u>1,366,230</u>	<u>10,605,526</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,013,749</u>	<u>\$ 19,325</u>	<u>\$ 1,644,149</u>	<u>\$ 15,677,223</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances for governmental funds	\$ 10,605,526
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$	3,201,836	
Land improvements		1,021,529	
Buildings and improvements		69,636,518	
Machinery and equipment		9,078,451	
Infrastructure		35,378,950	
Less: accumulated depreciation and amortization		<u>(47,411,413)</u>	
Total capital assets, net			70,905,871

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.	1,408,028
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Lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and is therefore not reported in the governmental funds.	75,000
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported 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	(9,320,351)		
Unamortized bond premium	(767,050)		
Deferred amount on refundings	541,982		
Obligations under capital lease	(163,978)		
Accrued interest payable	(208,965)		
Other long-term liabilities:			
Compensated absences	(1,375,212)		
Claims and judgments	(881,714)		
Contract payable	(97,624)		
Net pension liability	(4,125,504)		
Net OPEB obligation	<u>(6,220,439)</u>		
Total long-term liabilities			(22,618,855)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position.	<u>354,865</u>
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Net position of governmental activities	<u><u>\$ 60,730,435</u></u>
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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, 2017

	General Fund	School Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 27,589,741	\$ -	\$ -	\$ 27,589,741
Intergovernmental	18,555,601	620,699	2,529,938	21,706,238
State on-behalf payments	3,563,820	-	-	3,563,820
Licenses, permits and fees	1,604,005	-	522,569	2,126,574
Interest	69,327	1,614	5,449	76,390
Other	650,247	-	10,137	660,384
Total revenues	<u>52,032,741</u>	<u>622,313</u>	<u>3,068,093</u>	<u>55,723,147</u>
EXPENDITURES				
Current:				
General government	3,781,361	-	158,034	3,939,395
Public safety	2,466,245	-	27,841	2,494,086
Public works	1,504,909	-	-	1,504,909
Social services	611,657	-	88	611,745
Administration	855,095	-	-	855,095
Education	36,362,456	65,661	2,849,245	39,277,362
State on-behalf payments	3,563,820	-	-	3,563,820
Debt service:				
Principal payments	1,150,568	-	-	1,150,568
Interest and other charges	390,347	29,917	-	420,264
Capital outlays	642,948	345,968	-	988,916
Total expenditures	<u>51,329,406</u>	<u>441,546</u>	<u>3,035,208</u>	<u>54,806,160</u>
Excess of revenues over expenditures	703,335	180,767	32,885	916,987
OTHER FINANCING SOURCES (USES)				
Proceeds from refunded bonds issued	2,855,000	725,000	-	3,580,000
Premium on bonds issued	48,883	56,425	-	105,308
Payment to refunded bond escrow agent	(2,903,883)	-	-	(2,903,883)
Capital leases	230,404	-	-	230,404
Transfers in	18,412	-	-	18,412
Transfers out	(200,000)	-	(18,412)	(218,412)
Total other financing sources (uses)	<u>48,816</u>	<u>781,425</u>	<u>(18,412)</u>	<u>811,829</u>
Net change in fund balances	752,151	962,192	14,473	1,728,816
Fund balances - beginning	<u>8,467,820</u>	<u>(942,867)</u>	<u>1,351,757</u>	<u>8,876,710</u>
Fund balances - ending	<u>\$ 9,219,971</u>	<u>\$ 19,325</u>	<u>\$ 1,366,230</u>	<u>\$ 10,605,526</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - for governmental funds	\$	1,728,816
<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	\$	1,433,782
Depreciation and amortization expense	<u>(2,207,087)</u>	
Net adjustment		(773,305)
<p>The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets.</p>		
		(5,140)
<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>		
		109,611
<p>Revenues related to a lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the Town. In the government-wide financial statements, the revenues are recorded when earned.</p>		
		(75,000)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:</p>		
Debt issued or incurred:		
Capital lease financing	(230,404)	
Refunding bonds issued	(3,580,000)	
Premium on bonds issued	(105,308)	
Principal repayments:		
Bonds and notes payable	970,174	
Payment to refunded bond escrow agent	2,903,883	
Capital leases	<u>158,529</u>	
		116,874
<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	(47,826)	
Claims and judgments	110,851	
Contract payable	32,542	
Net pension obligation	1,346,353	
Net OPEB obligation	(960,818)	
Amortization of deferred charge on refunding	(52,263)	
Amortization of bond premium	27,938	
Accrued interest	<u>(13,117)</u>	
		443,660
<p>Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.</p>		
		<u>(1,354,215)</u>
Change in net position of governmental activities	\$	<u>191,301</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 26,570,963	\$ 26,570,963	\$ 27,589,741	\$ 1,018,778
Intergovernmental	17,370,921	17,370,921	17,170,690	(200,231)
Licenses, permits and fees	467,120	467,120	565,666	98,546
Interest	25,000	25,000	69,327	44,327
Out of town tuition	1,175,851	1,175,851	1,229,937	54,086
Other	673,279	673,279	650,116	(23,163)
Total revenues	<u>46,283,134</u>	<u>46,283,134</u>	<u>47,275,477</u>	<u>992,343</u>
EXPENDITURES				
General government	4,026,512	3,854,381	3,729,908	(124,473)
Public safety	2,317,658	2,274,791	2,248,739	(26,052)
Public works	1,546,508	1,512,509	1,443,254	(69,255)
Social services	449,214	558,214	536,696	(21,518)
Administration	924,454	901,975	854,995	(46,980)
Capital outlays	873,920	870,920	760,980	(109,940)
Education	35,146,882	35,372,358	35,372,338	(20)
Debt service	1,856,136	1,856,136	1,828,002	(28,134)
Total expenditures	<u>47,141,284</u>	<u>47,201,284</u>	<u>46,774,912</u>	<u>(426,372)</u>
(Deficiency) excess of revenues over expenditures	(858,150)	(918,150)	500,565	1,418,715
OTHER FINANCING SOURCES (USES)				
Town Revaluation - Fund Balance	32,542	32,542	-	(32,542)
Capital Fund - Road Construction	300,000	300,000	-	(300,000)
WPCA Bond Payment	247,444	247,444	247,444	-
Fund balance - school textbooks	100,000	100,000	-	(100,000)
Fund balance - Police cars & highway truck	178,164	178,164	-	(178,164)
Appropriation of fund balance	-	60,000	-	(60,000)
Total other financing sources (uses)	<u>858,150</u>	<u>918,150</u>	<u>247,444</u>	<u>(670,706)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>748,009</u>	<u>\$ 748,009</u>
Fund balances - beginning			<u>8,460,073</u>	
Fund balances - ending			<u>\$ 9,208,082</u>	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,144,708
Receivables:	
Sewer assessments	32,695
Usage receivable	64,766
Interest receivable	21,960
Due from other funds	170,106
Other current assets	6,722
Total current assets	<u>2,440,957</u>
Noncurrent assets:	
Sewer assessments receivable	43,384
Capital assets:	
Non-depreciable	4,590,972
Depreciable, net	7,743,030
Total noncurrent assets	<u>12,377,386</u>
Total assets	<u>14,818,343</u>
LIABILITIES	
Current liabilities:	
Accounts payable	102,012
Accrued liabilities:	
Accrued salaries and benefits payable	19,420
Accrued interest	43,688
Compensated absences - current	7,730
Bonds and note payable - current	402,931
Total current liabilities	<u>575,781</u>
Noncurrent liabilities:	
Compensated absences	69,569
Bonds and note payable	5,410,133
Total liabilities	<u>6,055,483</u>
NET POSITION	
Net investment in capital assets	6,520,938
Unrestricted	2,241,922
Total net position	<u>\$ 8,762,860</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 FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
OPERATING REVENUES	
Charges for services	\$ 1,761,287
Total operating revenues	<u>1,761,287</u>
OPERATING EXPENSES	
Personnel services	896,691
Operations and maintenance	709,299
Depreciation	499,168
Total operating expenses	<u>2,105,158</u>
Operating loss	(343,871)
NON-OPERATING REVENUES (EXPENSES)	
Interest income (expense), net	<u>(152,620)</u>
Total non-operating revenues (expenses)	<u>(152,620)</u>
OTHER FINANCING SOURCES (USES)	
Transfer In	<u>200,000</u>
	<u>200,000</u>
Change in net position	(296,491)
Net position - beginning	<u>9,059,351</u>
Net position - ending	<u>\$ 8,762,860</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for the following:	
Charges for services	\$ 1,769,972
Cash paid for the following:	
Personnel services	(879,283)
Operations and maintenance	(629,785)
Net cash provided by operating activities	<u>260,904</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,398,937)
Principal paid on capital debt	(416,264)
Interest paid on capital debt	(181,502)
Interfund activity	195,869
Net cash used in capital and related financing activities	<u>(1,800,834)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	26,881
Net cash provided by investing activities	<u>26,881</u>
Net decrease in cash and cash equivalents	(1,513,049)
Cash and cash equivalents, beginning of year	<u>3,657,757</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,144,708</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (343,871)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	499,168
Decrease in assets:	
Accounts receivable	1,962
Increase in liabilities:	
Accounts payable	86,236
Accrued liabilities	17,409
Net cash provided by operating activities	<u><u>\$ 260,904</u></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, 2017

	Pension Fund	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 162,562	\$ 1,340	\$ 7,787	\$ 206,625
Investments:				
Mutual funds	6,106,281	114,018	-	-
Equity securities	14,342,910	230,199	-	-
Fixed annuity contract	-	-	98,708	-
Contribution receivable	67,298	-	-	-
Total assets	<u>20,679,051</u>	<u>345,557</u>	<u>106,495</u>	<u>\$ 206,625</u>
LIABILITIES				
Due to student groups	-	-	-	\$ 206,625
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 206,625</u>
NET POSITION				
Held in trust for pension benefits and other purposes	<u>\$ 20,679,051</u>	<u>\$ 345,557</u>	<u>\$ 106,495</u>	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Pension Fund</u>	<u>Other Post Employment Benefits Trust Fund</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Contributions:			
Employer	\$ 1,153,732	\$ -	\$ -
Plan members	102,613	-	-
Total contributions	<u>1,256,345</u>	<u>-</u>	<u>-</u>
Investment income:			
Interest and dividends	339,833	7,921	1,751
Change in the fair value of investments	<u>2,078,705</u>	<u>25,905</u>	<u>(3,425)</u>
Total investment income	2,418,538	33,826	(1,674)
Less: investment expense	<u>(66,119)</u>	<u>(2,188)</u>	<u>(2,220)</u>
Net investment income	<u>2,352,419</u>	<u>31,638</u>	<u>(3,894)</u>
Total additions	<u>3,608,764</u>	<u>31,638</u>	<u>(3,894)</u>
DEDUCTIONS			
Benefit payments	929,579	-	-
Awards	-	-	4,000
Administrative expenses	<u>63,851</u>	<u>972</u>	<u>-</u>
Total deductions	<u>993,430</u>	<u>972</u>	<u>4,000</u>
Change in net position	2,615,334	30,666	(7,894)
Net position - beginning	<u>18,063,717</u>	<u>314,891</u>	<u>114,389</u>
Net position - ending	<u>\$ 20,679,051</u>	<u>\$ 345,557</u>	<u>\$ 106,495</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town 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.

The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

School Project Fund – This fund accounts for the construction projects occurring at all schools within the Town.

The Town reports the following major proprietary fund:

Water Pollution Control Authority Fund – This fund accounts for the activities of the sewer operations.

In addition, the Town reports the following fiduciary fund types:

Pension and Other Post-Employment Benefits Trust Fund - These funds are used to account for resources held in a trust for the members and beneficiaries of the Town's defined benefit pension plan and the Town's Other Post Employment Benefits (OPEB) Plan, which accumulates resources for benefit payments to qualified employees. These plans are discussed more fully in Notes K and L.

Private Purpose Trust Funds - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes private purpose trust funds to account for activities of the Scholarships Private Purpose Trust Fund.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds. The student activities funds account for monies generated by student activities in the Town's school system.

Measurement Focus and Basis of Accounting

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

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

Measurement Focus and Basis of Accounting (*Continued*)

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

The proprietary, pension, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary fund consist of charges to customers for services. Operating expenses of the fund consist of costs of operations, maintenance, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

Investments

The Town presents all investments at fair value, (generally based on quoted market prices), except for certain investments as described below.

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

Investments in fixed annuity contracts consist of group annuity contracts. Investments in these types of contracts are measured by the Town at contract value.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

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

Loans Receivable

The Town records loans receivable at the time the loan proceeds are advanced. Such amounts are reported net of an allowance for uncollectible amounts.

Property Taxes, Sewer Assessment and Usage Charges

All trade, 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 and metered fees. 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.

Capital Assets

Capital assets, which include construction in progress, land and land improvements, buildings and improvements, machinery and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

<u>Asset</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Infrastructure	75
Distribution and collection systems	50 - 65
Machinery and equipment	5 - 20

Capital assets acquired under a capital lease are amortized over the life of the lease term.

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

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

Deferred outflows of resources consists of deferred charges on refundings and deferred pension expenses reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension expenses are amortized as a component of pension expense on a systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

Compensated Absences

All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

Town employees accumulate vacation and/or sick leave hours for subsequent use or for payment upon termination or retirement.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

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

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

Compensated Absences (*Continued*)

All full time Board of Education employees (except teachers who are granted sick time only) are granted vacation and sick time based upon contractual provisions and may be carried over to subsequent years. In the event of termination, employees are reimbursed for accumulated vacation and sick time as allowed by the applicable contract.

Long-term Obligations

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

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

Net Position and Fund Balance

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

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

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

Unrestricted net position – This component of net position is the net amount of the assets, liabilities, and deferred outflows/inflows of resources which do not meet the definition of the two preceding categories.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Committed – Amounts 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.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over the use of fund balance. In practice, the Town uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

Use of Estimates

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE B - BUDGETARY INFORMATION

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 estimate 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, there were no appropriations made that required such an approval. However, additional appropriations of unrestricted fund balance totaling \$60,000 were made during the year.
- 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 (*see Note K*) are not recorded for budgetary purposes.
- 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 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.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE B - BUDGETARY INFORMATION (Continued)

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, 2017:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources - Transfers, net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 47,275,477	\$ 46,774,912	\$ 247,444	\$ 748,009
"On-behalf" payments - State Teachers Retirement Fund (see Note K)	3,563,820	3,563,820	-	-
Donations netted against expenditures	9,865	5,723	-	4,142
Capital leases not recorded for budgetary purposes	-	230,404	230,404	-
Various reimbursements netted against expenditures	978,220	978,220	-	-
Certain transfers recorded as expenditures for budgetary purposes	-	(429,032)	(429,032)	-
Intergovernmental grants netted against expenditures	205,359	205,359	-	-
GAAP basis	<u>\$ 52,032,741</u>	<u>\$ 51,329,406</u>	<u>\$ 48,816</u>	<u>\$ 752,151</u>

Deficit Fund Balances

The following fund has a deficit balances as of June 30, 2017, which does not constitute a violation of statutory provisions:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Day Care Fund	\$ 3,356

The deficit is expected to be eliminated by future revenues.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2017 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 15,547,903
Statement of fiduciary net position:	
Cash and cash equivalents	378,314
Less: cash equivalents considered investments for disclosure purposes	<u>(12,016,431)</u>
	<u>\$ 3,909,786</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, 2017, \$4,045,600 of the Town's bank balance of \$4,395,479 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,641,040
Uninsured and collateralized with securities held by the pledging bank's trust department or agent, but not in the Town's name	<u>404,560</u>
	<u>\$ 4,045,600</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 THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

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

Investments

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Statement of fiduciary net position:	
Investments	\$ 20,892,116
Plus: cash equivalents considered investments for disclosure purposes	12,016,431
	<u>\$ 32,908,547</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 funds discussed above. In addition, the plan strives to meet cash requirements for benefit payments.

Interest rate risk is the risk that changes in 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:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
<i>Governmental activities:</i>				
STIF	Net Asset Value	AAA	\$10,799,891	\$ 10,799,891
<i>Fiduciary:</i>				
Money market funds	Net Asset Value	Unrated	163,815	163,815
<i>Business Type activities:</i>				
STIF	Net Asset Value	AAA	1,052,725	1,052,725
			12,016,431	<u>\$ 12,016,431</u>
Other investments:				
<i>Fiduciary:</i>				
Fixed annuity contract	Contract Value		98,708	
Mutual funds	Fair Value		6,220,299	
Equity securities	Fair Value		14,573,109	
			<u>\$32,908,547</u>	

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

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.

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, 2017, more than 10% of the Town's governmental and business-type activities investments are invested in the Short-term Investment Fund (100%). As of June 30, 2017, more than 10% of the Town's fiduciary investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Vanguard	Vanguard 500 Index Fund	\$ 5,441,513	17%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE D - 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, 2017, 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	\$ 6,220,299	\$ -	\$ -	\$ 6,220,299
Equity securities	14,573,109	-	-	14,573,109
	<u>\$ 20,793,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,793,408</u>

NOTE E - RECEIVABLES

Loans Receivable

Loans receivable represents loans dispersed from Community Development Block Grant ("CDBG") proceeds and Economic Development Committee proceeds. These loans consist of deferred loans which are noninterest bearing and due on demand. Payment on the deferred loans will occur only in the event of default, which is upon the death of borrower, transfer of title of property or refinancing property-related debt. Loans receivable consist of the following as of June 30, 2017:

Deferred loans	\$ 814,939
Less allowance for collection losses	<u>586,312</u>
Total	<u>\$ 228,627</u>

Lease Receivable

On January 1, 2015, the Board of Education (the "Board") entered into an agreement with a contractor for purchased transportation services. The Board transferred, to the Contractor, all Board-owned vehicles for \$650,000, payable by the Contractor as follows: (i) \$350,000, which was paid to the Board prior to June 30, 2015, and (ii) \$75,000 payable annually in the second through fifth year of the term of the agreement, payable to the Board by means of a monthly credit against sums due to the Contractor for transportation services provided each month from September through June during each contract year. As of June 30, 2017, the Town anticipates receiving the last annual payment of \$75,000 during fiscal year 2018.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE F - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
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	69,249,539	386,979	-	69,636,518
Machinery and equipment	8,602,211	502,676	(26,436)	9,078,451
Infrastructure	34,834,823	544,127	-	35,378,950
Total capital assets, being depreciated	<u>113,708,102</u>	<u>1,433,782</u>	<u>(26,436)</u>	<u>115,115,448</u>
Less accumulated depreciation and amortization for:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	25,244,966	1,469,281	-	26,714,247
Machinery and equipment	7,634,164	272,473	(21,296)	7,885,341
Infrastructure	11,324,963	465,333	-	11,790,296
Total accumulated depreciation and amortization	<u>45,225,622</u>	<u>2,207,087</u>	<u>(21,296)</u>	<u>47,411,413</u>
Total capital assets, being depreciated, net	<u>68,482,480</u>	<u>(773,305)</u>	<u>(5,140)</u>	<u>67,704,035</u>
Governmental activities capital assets, net	<u>\$ 71,684,316</u>	<u>\$ (773,305)</u>	<u>\$ (5,140)</u>	<u>\$ 70,905,871</u>

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

Governmental Activities:	
Education	\$ 1,538,246
Public safety	56,697
Public works	585,004
Social services	<u>27,140</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,207,087</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE F - CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2017 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 31,740	\$ -	\$ -	\$ 31,740
Construction in progress	3,160,294	1,398,938	-	4,559,232
Total capital assets, not being depreciated	<u>3,192,034</u>	<u>1,398,938</u>	<u>-</u>	<u>4,590,972</u>
Capital assets, being depreciated:				
Buildings and improvements	2,713,818	-	-	2,713,818
Machinery and equipment	974,681	-	-	974,681
Infrastructure	19,003,499	-	-	19,003,499
Total capital assets, being depreciated	<u>22,691,998</u>	<u>-</u>	<u>-</u>	<u>22,691,998</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	1,748,905	60,307	-	1,809,212
Machinery and equipment	883,440	25,930	-	909,370
Infrastructure	11,817,455	412,931	-	12,230,386
Total accumulated depreciation and amortization	<u>14,449,800</u>	<u>499,168</u>	<u>-</u>	<u>14,948,968</u>
Total capital assets, being depreciated, net	<u>8,242,198</u>	<u>(499,168)</u>	<u>-</u>	<u>7,743,030</u>
Business-type activities capital assets, net	<u>\$ 11,434,232</u>	<u>\$ 899,770</u>	<u>\$ -</u>	<u>\$ 12,334,002</u>

NOTE G - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	<u>\$ 7,164</u>
Other Governmental Funds	General Fund	<u>32,774</u>
		<u>39,938</u>
Business-type Activities		
Water Pollution Control Fund	General Fund	<u>170,106</u>
Total due from/to other funds		<u>\$ 210,044</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.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE H - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	<u>\$ 18,412</u>
Business Type Activities		
Water Pollution Control Authority	General Fund	<u>200,000</u>
Total interfund transfers		<u><u>\$ 218,412</u></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.

NOTE I - SHORT-TERM LIABILITIES

The following is a summary of changes in short-term liabilities for the year end June 30, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation notes issued				
in March 2016, original amount \$2,000,000	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ (2,000,000)</u>	<u>\$ -</u>
	<u><u>\$ 2,000,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,000,000)</u></u>	<u><u>\$ -</u></u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 9,500,000	\$ 3,580,000	\$ (3,800,000)	\$ 9,280,000	\$ 1,145,000
Note payable	60,525	-	(20,174)	40,351	20,174
Unamortized bond premium	689,680	105,308	(27,938)	767,050	-
Total bonds and note payable	10,250,205	3,685,308	(3,848,112)	10,087,401	1,165,174
Other liabilities:					
Capital leases	92,103	230,404	(158,529)	163,978	68,513
Compensated absences	1,327,386	47,826	-	1,375,212	137,521
Claims and judgments	992,565	-	(110,851)	881,714	356,714
Contract payable	130,166	-	(32,542)	97,624	32,542
Net pension liability	5,471,858	-	(1,346,354)	4,125,504	-
Net OPEB obligation	5,259,621	960,818	-	6,220,439	-
Total governmental activities long-term liabilities	<u>\$ 23,523,904</u>	<u>\$ 4,924,356</u>	<u>\$ (5,496,388)</u>	<u>\$ 22,951,872</u>	<u>\$ 1,760,464</u>
Business-type Activities					
General obligation bonds	\$ 4,995,000	\$ -	\$ (280,000)	\$ 4,715,000	\$ 280,000
USDA bonds payable	376,414	-	(40,547)	335,867	42,270
Clean Water notes payable	591,970	-	(80,661)	511,309	80,661
Unamortized bond premium	265,943	-	(15,055)	250,888	-
Total bonds and notes payable	6,229,327	-	(416,263)	5,813,064	402,931
Other liabilities:					
Compensated absences	70,178	7,121	-	77,299	7,730
Total business-type activities long-term liabilities	<u>\$ 6,299,505</u>	<u>\$ 7,121</u>	<u>\$ (416,263)</u>	<u>\$ 5,890,363</u>	<u>\$ 410,661</u>

Long - term liabilities above typically have been liquidated by the General Fund for governmental activities and the Water Pollution Control Authority Fund for business-type activities.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable

A summary of bonds and notes payable outstanding at June 30, 2017 is as follows:

Description	Original Amount	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities				
Bonds Payable				
General purpose bonds, issued April 1, 2014	\$ 4,725,000	2026	2.0% - 5.0%	\$ 4,725,000
General refunding bonds, issued March 29, 2017	3,580,000	2022	2.0% - 5.0%	3,580,000
School bonds, issued July 1, 2007	16,295,000	2018	4.0% - 6.0%	975,000
				<u>\$ 9,280,000</u>
Note Payable				
DECD Note payable, issued October 1999	197,500	2019	0.00%	<u>\$ 40,351</u>
Business-type Activities				
Bonds Payable				
General purpose bonds, issued April 1, 2014	5,275,000	2034	2.0% - 4.0%	\$ 4,715,000
USDA bonds, issued August 2003	752,000	2023	4.25%	335,867
				<u>\$ 5,050,867</u>
Note Payable				
Clean Water note payable, issued November 2004	1,606,152	2024	2.00%	<u>\$ 511,309</u>

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2017:

Governmental Activities								
Year ending	General Obligation Bonds		Note Payable		Totals			
June 30:	Principal	Interest	Principal	Interest	Principal	Interest		
2018	\$ 1,145,000	\$ 309,260	\$ 20,174	\$ -	\$ 1,165,174	\$ 309,260		
2019	1,120,000	290,050	20,177	-	1,140,177	290,050		
2020	1,140,000	256,150	-	-	1,140,000	256,150		
2021	1,175,000	222,300	-	-	1,175,000	222,300		
2022	1,195,000	182,400	-	-	1,195,000	182,400		
2023-2027	3,505,000	273,075	-	-	3,505,000	273,075		
	<u>\$ 9,280,000</u>	<u>\$ 1,533,235</u>	<u>\$ 40,351</u>	<u>\$ -</u>	<u>\$ 9,320,351</u>	<u>\$ 1,533,235</u>		
Business-type Activities								
Year ending	General Obligation Bonds		USDA Bonds Payable		Clean Water Note Payable		Totals	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 280,000	\$ 161,844	\$ 42,270	\$ 14,296	\$ 80,661	\$ 9,478	\$ 402,931	\$ 185,618
2019	275,000	156,294	44,066	12,500	80,661	7,864	399,727	176,658
2020	280,000	149,344	45,939	10,627	80,661	6,251	406,600	166,222
2021	280,000	140,944	47,891	8,675	80,661	4,638	408,552	154,257
2022	280,000	131,144	49,927	6,639	80,661	3,025	410,588	140,808
2023-2027	1,395,000	491,829	105,774	6,822	108,004	1,524	1,608,778	500,175
2028-2032	1,375,000	241,657	-	-	-	-	1,375,000	241,657
2033-2034	550,000	22,000	-	-	-	-	550,000	22,000
	<u>\$ 4,715,000</u>	<u>\$ 1,495,056</u>	<u>\$ 335,867</u>	<u>\$ 59,559</u>	<u>\$ 511,309</u>	<u>\$ 32,780</u>	<u>\$ 5,562,176</u>	<u>\$ 1,587,395</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable (Continued)

Refundings

At June 30, 2017, approximately \$4,828,000 of the 2014 refunded bonds are considered defeased but still outstanding.

On March 29, 2017, the Town issued \$2,855,000 in general obligation bonds with an average interest rate of 3.0% to refund outstanding bonds with an average interest rate of 4.25%. The bonds refunded were \$2,850,000 of outstanding 2007 general obligation bonds. The net proceeds of \$2,903,883 were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds have been removed from the statement of net position. The transaction generated cash flow savings of \$100,466 and a present value loss of \$21,142.

At June 30, 2017, approximately \$2,904,000 of the 2017 refunded bonds are considered defeased but still outstanding.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$193,197,732 as of June 30, 2017. 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, 2017.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2017 totaled \$86,265 for general purposes and \$1,697,994 for sewer purposes.

Capital Leases

A summary of assets under capital leases as of June 30, 2017 are as follows:

	Governmental Activities
Equipment	\$ 563,067
Less: accumulated amortization	189,447
	<u>\$ 373,620</u>

Amortization expense relative to leased property under capital leases totaled \$56,466 for the year ended June 30, 2017 and is included in depreciation and amortization expense disclosed in Note F.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES (Continued)

Capital Leases (Continued)

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

	Governmental Activities
Year Ending June 30:	
2018	\$ 70,680
2019	70,680
2020	10,812
2021	10,812
2022	4,254
Total minimum lease payments	167,238
Less: amount representing interest	3,260
Present value of minimum lease payments	<u>\$ 163,978</u>

Contract Payable

The Town has entered into a long-term contract with the Northeastern Connecticut Council of Governments and other local Connecticut municipalities, in connection with revaluation services. The initial contract totaled \$162,708, with annual required payments of \$32,542 through 2020. As of June 30, 2017, the balance of the contract totaled \$97,624.

NOTE K - 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.

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 service and are at least age 21 and full-time employees of the Board of Education not covered by a collective bargaining agreement, and nurses, custodians, secretaries and 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 after October 16, 2012.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

The Plan consisted of the following as of the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	113
Inactive plan members entitled to but not yet receiving benefits	134
Active plan members	152
	<u>399</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, 2017, the Town contributed \$1,153,732 or 17.34% of covered annual payroll.

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. Fair value of other securities are determined by the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are value at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies (Continued)

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.

Concentrations – As of June 30, 2017, more than 10% of the Town Plan's investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Plan Investments</u>
Vanguard	Vanguard 500 Index Fund	\$ 5,441,513	27%
Artisan	Artisan International Value Fund	2,346,402	11%
Vanguard	Vanguard International Growth Fund	2,219,817	11%
Metropolitan West Funds	Metropolitan West Total Return Bond Fund	2,040,454	10%

Rate of return - For the year ended June 30, 2017 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.93%. 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, 2017, were as follows:

Total pension liability	\$ 24,737,257
Plan fiduciary net position	<u>20,611,753</u>
Town's net pension liability - Town Plan	<u>\$ 4,125,504</u>
 Plan fiduciary net position as a percentage of the total pension liability	 83.32%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE K - 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, 2017, were as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2016	\$ 23,415,665	\$ 17,943,807	\$ 5,471,858
Changes for the year:			
Service cost	601,924	-	601,924
Interest	1,649,247	-	1,649,247
Differences between expected and actual experience	-	-	-
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	1,153,732	(1,153,732)
Contributions - employee	-	102,613	(102,613)
Net investment income	-	2,341,480	(2,341,480)
Benefit payments, including refunds	(929,579)	(929,579)	-
Administrative expense	-	(300)	300
Net changes	<u>1,321,592</u>	<u>2,667,946</u>	<u>(1,346,354)</u>
Balance as of June 30, 2017	<u>\$ 24,737,257</u>	<u>\$ 20,611,753</u>	<u>\$ 4,125,504</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, including inflation	4.50%
Investment rate of return	7.00%
Discount rate	7.00%

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with scale MP-2015.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Net Pension Obligation Liability (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income Broad Core	25.00%	1.50%
Fixed Income Global	5.00%	2.00%
Domestic Equity Large Cap	31.50%	4.85%
Domestic Equity Small Cap	3.50%	5.00%
International Equity Developed	20.00%	5.25%
International Equity Emerging	7.50%	6.50%
Global REIT	3.75%	4.25%
Commodities	3.75%	2.25%

Discount rate - The discount rate used to measure the total pension liability was 7.0%. 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 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Town Plan's net pension liability as of June 30, 2017	\$ 6,965,934	\$ 4,125,504	\$ 1,721,732

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2017, the Town recognized pension expense related to the Town Plan of \$1,161,593. At June 30, 2017, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 339,723	\$ -
Changes of assumptions	374,609	-
Differences between expected and actual experience	-	(359,467)
Total	<u>\$ 714,332</u>	<u>\$ (359,467)</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,	
2018	\$ 280,035
2019	267,641
2020	22,025
2021	(214,836)
	<u>\$ 354,865</u>

Payable to the Town Plan

The Town has reported a liability of \$67,298 payable to the Town Plan as of June 30, 2017 for the outstanding amount of contributions to the Town Plan required for the year ended June 30, 2017.

Connecticut State Teachers' Retirement System

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 established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, 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 one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The Town has recognized on-behalf payments of \$3,563,820 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds. Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$52.037 million or approximately 0.365% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

The total pension liability as of June 30, 2017 was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	8.0%, net of investment related expense
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, mortality rates were based on the RPH White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic 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
Large Cap U.S. Equities	21.0%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Fixed Income (Core)	7.0%	1.30%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative investments	8.0%	4.10%
Inflation Linked Bonds	3.0%	1.00%
Cash	6.0%	0.40%
Real Estate	7.0%	5.10%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
	<u>100.0%</u>	

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
Town's proportionate share of the net pension liability	\$64.2 million	\$52.0 million	\$41.8 million

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

NOTE L - OTHER POST-EMPLOYMENT BENEFITS

Plan Administration

The Town of Plainfield Board of Education administers an other 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.

Plan Membership

Membership of the OPEB Plan consisted of the following as of July 1, 2016, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	-
Active members	305
Total members	<u>343</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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 \$61,401 for the year ended June 30, 2017 and represented 0.33% of covered payroll.

Summary of Significant Accounting Policies

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

Investments - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools consist of the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in STIF, which is permitted to measure its investment holdings at amortized costs, are measured by the OPEB Plan at the net asset value per share as determined by the fund.

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 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.

Concentrations - As of June 30, 2017, more than 10% of the Town OPEB Plan's investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Plan Investments</u>
Vanguard	Vanguard Total Stock Market Index Fund	122,189	35%
Vanguard	Vanguard Total Bond Market Index	114,018	33%
Vanguard	Vanguard Total International Stock Index Fund	91,748	27%

Rate of return - For the year ended June 30, 2017, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 9.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation:

Annual required contribution	\$ 1,104,300
Interest on net OPEB obligation	210,385
Adjustment to annual required contribution	<u>(292,466)</u>
Annual OPEB cost (expense)	1,022,219
Contributions made	<u>61,401</u>
Increase in net OPEB obligation	960,818
Net OPEB obligation, beginning of year	<u>5,259,621</u>
Net OPEB obligation, end of year	<u><u>\$ 6,220,439</u></u>

Three-Year Trend Information

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 960,542	27.0%	\$ 4,634,644
2016	1,020,219	39.0%	5,259,621
2017	1,022,219	6.0%	6,220,439

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2016 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) -	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2016	\$ 314,898	\$ 12,258,599	\$ 11,943,701	3.0%	\$ 17,952,071	66.5%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Net OPEB Liability

The components of the Town's net OPEB liability related to its OPEB Plan as of June 30, 2017, was as follows:

Total OPEB liability	\$ 9,679,892
Plan fiduciary net position	<u>345,321</u>
Town's net OPEB liability	<u><u>\$ 9,334,571</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	3.57%
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Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability was determined by an actuarial valuation date as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.21%, net of investment-related expenses
Inflation rate	2.75%
Salary increases	2.75%
Healthcare cost trend rate	8.75% initial 4.75% final

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

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

Actuarial Methods and Assumptions (*Continued*)

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed Income Broad Core	35.00%	1.75%
Domestic Equity Large Cap	24.50%	5.60%
Domestic Equity Small Cap	10.50%	5.90%
International Equity Developed	20.00%	5.80%
International Equity Emerging	5.00%	6.85%
REIT	5.00%	4.50%
	<u>100.00%</u>	

* Long-term returns are provided by Fiduciary Investment Advisors. The returns are geometric means.

Discount rate - The discount rate used to measure the total OPEB liability was 6.21%. 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.

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

	<u>Discount Rates</u>		
	<u>1% Decrease (5.21%)</u>	<u>Current (6.21%)</u>	<u>1% Increase (7.21%)</u>
Net OPEB liability as of June 30, 2017	\$ 10,530,886	\$ 9,334,571	\$ 8,324,278

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

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

	Healthcare Cost Trend Rates		
	1% Decrease (7.75%)	Current (8.75%)	1% Increase (9.75%)
Net OPEB liability as of June 30, 2017	\$ 8,209,859	\$ 9,334,571	\$ 10,669,576

NOTE M - 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 2017, 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.

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 of 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 benefits 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, 2017. 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 expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE M - RISK MANAGEMENT (Continued)

A summary the Town's portion of claims activity for the years ended June 30, 2017, 2016 and 2015 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2017	\$ 467,565	\$ 6,341,842	\$ 6,452,693	356,714
2016	484,141	6,778,486	6,795,062	467,565
2015	435,791	6,361,736	6,313,386	484,141

NOTE N - COMMITMENTS AND CONTINGENCIES

Grants and Contracts

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

There are several lawsuits pending against the Town. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for approximately \$525,000. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

NOTE O - IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The adoption of these statements did not have a material effect on the Town's financial statements.

NOTE P - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town has not yet determined the impact that this statement will have on its financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE P - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE (*Continued*)

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement addresses accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2017

NOTE P - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE (*Continued*)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (UNAUDITED)
PENSION PLAN
LAST FOUR FISCAL YEARS

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 601,924	\$ 598,576	\$ 572,800	\$ 548,134
Interest	1,649,247	1,660,359	1,561,263	1,467,462
Changes in benefit terms	-	17,758	-	-
Differences between expected and actual experience	-	(1,013,041)	-	-
Changes of assumptions	-	1,055,717	-	-
Benefit payments, including refunds	(929,579)	(870,763)	(807,487)	(772,316)
Net change in total pension liability	1,321,592	1,448,606	1,326,576	1,243,280
Total pension liability - beginning	23,415,665	21,967,059	20,640,483	19,397,203
Total pension liability - ending	24,737,257	23,415,665	21,967,059	20,640,483
Plan fiduciary net position				
Contributions - employer	1,153,732	1,125,405	1,174,169	706,969
Contributions - members	102,613	94,173	54,905	57,049
Net investment income	2,341,480	140,367	72,030	2,396,885
Benefit payments, including refunds	(929,579)	(870,763)	(807,487)	(772,316)
Administrative expense	(300)	(71,408)	(7,644)	(5,350)
Net change in plan fiduciary net position	2,667,946	417,774	485,973	2,383,237
Plan fiduciary net position - beginning	17,943,807	17,526,033	17,040,060	14,656,823
Plan fiduciary net position - ending	20,611,753	17,943,807	17,526,033	17,040,060
Town's net pension liability	\$ 4,125,504	\$ 5,471,858	\$ 4,441,026	\$ 3,600,423
Plan fiduciary net position as a percentage of total pension liability	83.32%	76.63%	79.78%	82.56%
Covered employee payroll	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889	\$ 6,273,578
Town's net pension liability as a percentage of covered employee payroll	62.02%	85.96%	67.74%	57.39%

NOTES TO SCHEDULE:

The Town began to report the schedule of changes in net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

Benefit Changes - No significant changes.

Assumption Changes - No significant changes.

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS (UNAUDITED)
PENSION PLAN
LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,472,606	\$ 1,472,606	\$ 1,448,874	\$ 1,448,874
Contributions in relation to the actuarially determined contribution	<u>1,153,732</u>	<u>1,125,405</u>	<u>1,174,169</u>	<u>706,969</u>
Contribution deficiency	<u>\$ 318,874</u>	<u>\$ 347,201</u>	<u>\$ 274,705</u>	<u>\$ 741,905</u>
Covered employee payroll	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889	\$ 6,273,578
Contributions as a percentage of covered employee payroll	17.34%	17.68%	17.91%	11.27%
Annual money-weighted rate of return, net of investment expense	12.93%	0.79%	0.41%	16.27%

NOTES TO SCHEDULE:

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

Actuarially determined contribution rates are calculated as of December 31, prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	10 years remaining as of July 1, 2011
Asset valuation method	Market value of assets less unrecognized returns in each of the last four years
Inflation	2.75%
Investment rate of return	7.0%
Salary increases	4.5%
Retirement age	Age 62 for Town Employees; Age 55 for Police
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST THREE FISCAL YEARS
(Dollar amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.365%	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	52,038	40,551	37,482
Total	<u>\$ 52,038</u>	<u>\$ 40,551</u>	<u>\$ 37,482</u>
Town's covered payroll	\$ 14,588	\$ 12,917	\$ 14,388
Town's proportionate share of the net pension liability as a percentage of its covered payroll	28.03%	31.85%	38.39%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

NOTES TO SCHEDULE:

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

Benefit Changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Assumption changes: Since the prior valuation in 2015, new assumptions were adopted. Specifically:

- Inflation assumption was reduced from 3.00% to 2.75%
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (UNAUDITED)
JUNE 30, 2017

Other Post-Employment Benefits Program

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2010	\$ -	\$ 10,515,600	\$ 10,515,600	0.0%	\$ 19,604,338	53.6%
July 1, 2012	-	11,964,800	11,964,800	0.0%	23,612,118	50.7%
July 1, 2014	-	14,122,809	14,122,809	0.0%	17,769,914	79.5%
July 1, 2016	314,898	12,258,599	11,943,701	2.6%	17,952,071	66.5%

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (UNAUDITED)
OTHER POST-EMPLOYMENT BENEFITS PROGRAMS
LAST FISCAL YEAR

	2017
Total pension liability	
Service cost	\$ 194,502
Interest	492,015
Changes in benefit terms	-
Differences between expected and actual experience	(185,789)
Changes of assumptions	(2,956,730)
Benefit payments, including refunds	(122,705)
Net change in total pension liability	(2,578,707)
Total pension liability - beginning	12,258,599
Total pension liability - ending	9,679,892
Plan fiduciary net position	
Contributions - employer	61,401
Contributions - members	61,304
Net investment income	31,395
Benefit payments, including refunds	(122,705)
Administrative expense	(972)
Net change in plan fiduciary net position	30,423
Plan fiduciary net position - beginning	314,898
Plan fiduciary net position - ending	345,321
Town's net pension liability	\$ 9,334,571
Plan fiduciary net position as a percentage of total pension liability	3.57%
Covered employee payroll	\$ 18,445,753
Town's net pension liability as a percentage of covered employee payroll	50.61%

NOTES TO SCHEDULE:

The Town began to report the schedule of changes in net OPEB liability when it implemented GASB Statement No. 74 in fiscal year 2017.

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS (UNAUDITED)
OTHER POST-EMPLOYMENT BENEFIT PROGRAMS
LAST FISCAL YEAR

	<u>2017</u>
Actuarially determined contribution	\$ 1,104,300
Contributions in relation to the actuarially determined contribution	<u>61,401</u>
Contribution deficiency	<u><u>\$ 1,042,899</u></u>
Covered employee payroll	\$ 18,445,753
Contributions as a percentage of covered employee payroll	0.33%
Annual money-weighted rate of return, net of investment expense	9.99%

NOTES TO SCHEDULE:

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 74 in fiscal year 2017.

Actuarial determined contribution for fiscal year ending June 30, 2017 was determined with the July 1, 2014 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Asset valuation method	Market value of assets
Inflation	2.75%
Investment rate of return	6.21%
Salary increases	2.75%
Healthcare trend rates	8.75% current 4.75% final
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016

See accompanying Independent Auditor's Report.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF REVENUES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PROPERTY TAXES				
Property taxes	\$ 26,420,963	\$ 26,420,963	\$ 27,310,322	\$ 889,359
Interest and lien fees	150,000	150,000	279,419	129,419
Total property taxes	26,570,963	26,570,963	27,589,741	1,018,778
INTERGOVERNMENTAL				
Educational equalization	15,436,567	15,436,567	15,349,475	(87,092)
Special education grant	548,900	548,900	684,799	135,899
Town aid road	289,613	289,613	288,831	(782)
Telephone access lines	45,254	45,254	50,385	5,131
Local capital improvements	270,756	270,756	18,769	(251,987)
Mohegan/Pequot grant	122,847	122,847	122,528	(319)
PILOT - State-owned property	1,270	1,270	1,260	(10)
PILOT - Hospitals	34,680	34,680	34,410	(270)
PILOT - Elderly freeze	125,103	125,103	108,144	(16,959)
Reimbursement disability	3,715	3,715	2,942	(773)
PILOT - Veterans exemption	6,914	6,914	6,801	(113)
MRSA - Grant Municipal	-	-	144,803	144,803
Emergency Mgt. Asst.	7,715	7,715	7,684	(31)
Distressed enterprise zone	6,820	6,820	6,837	17
MRSA - Additional sales tax	325,767	325,767	325,767	-
Other state revenue	145,000	145,000	17,255	(127,745)
Total intergovernmental revenues	17,370,921	17,370,921	17,170,690	(200,231)
LICENSES, PERMITS AND FEES				
Pool receipts	60,000	60,000	69,813	9,813
Recreation receipts	30,000	30,000	49,189	19,189
Building permits	80,000	80,000	141,109	61,109
Planning and zoning fees	25,000	25,000	25,922	922
Town clerk fees	193,100	193,100	188,362	(4,738)
Town clerk - copies	16,500	16,500	15,187	(1,313)
Assessor - copies	1,500	1,500	863	(637)
Police - other duty	20,000	20,000	38,135	18,135
F/M Services - Canterbury	5,670	5,670	4,780	(890)
Town Hall rental	2,500	2,500	2,312	(188)
Cell Tower rental	32,850	32,850	29,994	(2,856)
Total licenses, permits and fees	467,120	467,120	565,666	98,546

(Continued)

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF REVENUES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
INVESTMENT - INTEREST	\$ 25,000	\$ 25,000	\$ 69,327	\$ 44,327
OUT OF TOWN TUITION	1,175,851	1,175,851	1,229,937	54,086
OTHER				
Tuition - special education	470,779	470,779	477,896	7,117
Other local revenue	100,000	100,000	160,581	60,581
Industrial park lot sales	90,000	90,000	-	(90,000)
Police - miscellaneous revenue	12,500	12,500	11,639	(861)
Total other	673,279	673,279	650,116	(23,163)
Total revenues	\$ 46,283,134	\$ 46,283,134	\$ 47,275,477	\$ 992,343

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
GENERAL GOVERNMENT				
First Selectman	\$ 136,743	\$ 135,743	\$ 133,625	\$ (2,118)
Finance	241,651	239,654	229,257	(10,397)
Assessor	163,002	162,002	161,443	(559)
Tax Collector	166,259	165,259	162,940	(2,319)
Town Clerk	182,144	179,144	177,846	(1,298)
Election and registrars	47,098	47,098	43,793	(3,305)
Employee benefits	3,089,615	2,925,481	2,821,004	(104,477)
Total general government	<u>4,026,512</u>	<u>3,854,381</u>	<u>3,729,908</u>	<u>(124,473)</u>
PUBLIC SAFETY				
Fire Marshal	54,311	53,311	51,846	(1,465)
Police Department	1,956,621	1,926,621	1,903,265	(23,356)
Building Inspector	100,412	98,412	97,647	(765)
Planning and engineering	159,314	159,314	159,592	278
Animal control	47,000	37,133	36,389	(744)
Total public safety	<u>2,317,658</u>	<u>2,274,791</u>	<u>2,248,739</u>	<u>(26,052)</u>
PUBLIC WORKS				
Building and grounds	349,640	340,640	305,356	(35,284)
Highway	907,255	882,256	849,589	(32,667)
Town aid road	289,613	289,613	288,309	(1,304)
Total public works	<u>1,546,508</u>	<u>1,512,509</u>	<u>1,443,254</u>	<u>(69,255)</u>
SOCIAL SERVICES				
Economic Development	52,694	48,694	48,519	(175)
Recreation	329,683	442,683	421,340	(21,343)
Libraries	66,837	66,837	66,837	-
Total social services	<u>449,214</u>	<u>558,214</u>	<u>536,696</u>	<u>(21,518)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
ADMINISTRATION				
Telephone	\$ 40,000	\$ 40,000	\$ 40,608	\$ 608
Legal fees	100,000	125,000	125,740	740
Postage	30,000	27,524	22,187	(5,337)
Computer	143,375	143,375	145,680	2,305
Computer salary	41,300	41,300	42,129	829
Probate	7,115	7,115	6,798	(317)
Copy machines	35,000	35,000	32,990	(2,010)
Claims	2,000	2,000	-	(2,000)
Tax refunds	15,000	15,000	9,404	(5,596)
Board and commissions	28,600	28,600	20,779	(7,821)
Purchased services	417,918	402,915	383,996	(18,919)
Contributions	4,146	4,146	4,146	-
Contingency	60,000	30,000	20,538	(9,462)
Total administration	<u>924,454</u>	<u>901,975</u>	<u>854,995</u>	<u>(46,980)</u>
CAPITAL OUTLAYS	<u>873,920</u>	<u>870,920</u>	<u>760,980</u>	<u>(109,940)</u>
EDUCATION	<u>35,146,882</u>	<u>35,372,358</u>	<u>35,372,338</u>	<u>(20)</u>
DEBT SERVICE				
Principal payments	1,402,252	1,402,252	1,272,039	(130,213)
Interest and fiscal charges	453,884	453,884	555,963	102,079
Total debt service	<u>1,856,136</u>	<u>1,856,136</u>	<u>1,828,002</u>	<u>(28,134)</u>
 Total expenditures	<u>\$ 47,141,284</u>	<u>\$ 47,201,284</u>	<u>\$ 46,774,912</u>	<u>\$ (426,372)</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2017

Grand List Year	Balance Uncollected June 30, 2016	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2017
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2015	\$ -	\$ 27,430,788	\$ 121,890	\$ 100,321	\$ 43,971	\$ 27,408,386	\$ 26,694,313	\$ 106,842	\$ 124	\$ 26,801,279	\$ 714,073
2014	608,763	-	766	4,367	39,975	565,187	332,730	77,764	2,513	413,007	232,457
2013	254,917	-	-	93	6,743	248,081	104,213	30,027	768	135,008	143,868
2012	145,498	-	-	-	147	145,351	30,253	17,808	264	48,325	115,098
2011	96,102	-	-	-	-	96,102	22,332	16,438	168	38,938	73,770
2010	68,825	-	-	-	-	68,825	10,230	12,881	72	23,183	58,595
2009	49,558	-	-	-	-	49,558	10,168	9,377	24	19,569	39,390
2008	33,813	-	-	-	-	33,813	7,369	2,051	-	9,420	26,444
2007	20,075	-	-	-	-	20,075	-	-	-	-	20,075
2006	19,925	-	-	-	-	19,925	-	277	-	277	19,925
2005	16,870	-	-	-	-	16,870	610	1,916	-	2,526	16,260
2004	22,416	-	-	-	-	22,416	-	-	-	-	22,416
2003	22,834	-	-	-	-	22,834	-	-	-	-	22,834
2002	17,159	-	-	-	-	17,159	-	-	-	-	17,159
2001	16,206	-	-	16,206	-	-	-	-	-	-	-
	<u>\$ 1,392,961</u>	<u>\$ 27,430,788</u>	<u>\$ 122,656</u>	<u>\$ 120,987</u>	<u>\$ 90,836</u>	<u>\$ 28,734,582</u>	<u>\$ 27,212,218</u>	<u>\$ 275,381</u>	<u>\$ 3,933</u>	<u>\$ 27,491,532</u>	<u>\$ 1,522,364</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2017

Total cash collections for the year ended
June 30, 2017:

Taxes	\$ 27,212,218
Interest and lien fees	279,314
Total	<u>27,491,532</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	108,144
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Base	<u><u>\$ 27,599,676</u></u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 62,099,271	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	124,198,542	-	-	-
3-3/4 times base	-	-	103,498,785	-	-
3-1/4 times base	-	-	-	89,698,947	-
3 times base	-	-	-	-	82,799,028
Total debt limitation	<u>62,099,271</u>	<u>124,198,542</u>	<u>103,498,785</u>	<u>89,698,947</u>	<u>82,799,028</u>
Indebtedness:					
Bonds and notes payable	5,517,151	3,803,200	5,562,176	-	-
Authorized, unissued bonds	86,265	-	1,697,994	-	-
	<u>5,603,416</u>	<u>3,803,200</u>	<u>7,260,170</u>	<u>-</u>	<u>-</u>
Less: sewer assessments receivable	-	-	76,079	-	-
Total indebtedness	<u>5,603,416</u>	<u>3,803,200</u>	<u>7,184,091</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 56,495,855</u></u>	<u><u>\$ 120,395,342</u></u>	<u><u>\$ 96,314,694</u></u>	<u><u>\$ 89,698,947</u></u>	<u><u>\$ 82,799,028</u></u>
Total capacity of borrowing (7 times base)	\$ 193,197,732				
Total present indebtedness	<u>16,590,707</u>				
Margin for additional borrowing	<u><u>\$ 176,607,025</u></u>				

See accompanying Independent Auditor's Report.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

Nonmajor Special Revenue Funds

	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	CDBG Fund	Probate Court Fund	Police Fund	Total
ASSETS								
Cash and cash equivalents	\$ 13,404	\$ -	\$ 101,248	\$ -	\$ 125,858	-	\$ 2,990	\$ 243,500
Receivables:								
Intergovernmental	-	-	103,850	123,779	-	-	-	227,629
Loans, net	-	-	-	-	228,627	-	-	228,627
Due from other funds	-	-	-	32,774	-	-	-	32,774
Inventories	-	-	28,268	-	-	-	-	28,268
Total assets	<u>\$ 13,404</u>	<u>\$ -</u>	<u>\$ 233,366</u>	<u>\$ 156,553</u>	<u>\$ 354,485</u>	<u>\$ -</u>	<u>\$ 2,990</u>	<u>\$ 760,798</u>
LIABILITIES								
Accounts payable	\$ 8,471	\$ -	\$ 104,795	\$ 47,697	\$ -	\$ -	\$ -	\$ 160,963
Accrued liabilities	-	-	-	73,984	-	-	-	73,984
Unearned revenue	-	-	-	34,872	936	-	-	35,808
Due to other funds	3,808	3,356	-	-	-	-	-	7,164
Total liabilities	<u>12,279</u>	<u>3,356</u>	<u>104,795</u>	<u>156,553</u>	<u>936</u>	<u>-</u>	<u>-</u>	<u>277,919</u>
FUND BALANCES (DEFICIT)								
Nonspendable:								
Inventories	-	-	28,268	-	-	-	-	28,268
Restricted for:								
Social services	-	-	-	-	353,549	-	-	353,549
Committed to:								
Capital improvements	-	-	-	-	-	-	-	-
Public safety	1,125	-	-	-	-	-	2,990	4,115
Education	-	-	100,303	-	-	-	-	100,303
Unassigned	-	(3,356)	-	-	-	-	-	(3,356)
Total fund balances (deficit)	<u>1,125</u>	<u>(3,356)</u>	<u>128,571</u>	<u>-</u>	<u>353,549</u>	<u>-</u>	<u>2,990</u>	<u>482,879</u>
Total liabilities and fund balances (deficit)	<u>\$ 13,404</u>	<u>\$ -</u>	<u>\$ 233,366</u>	<u>\$ 156,553</u>	<u>\$ 354,485</u>	<u>\$ -</u>	<u>\$ 2,990</u>	<u>\$ 760,798</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2017

	Nonmajor Capital Projects Funds					
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	Brownfield Fund	Total	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 20,545	\$ 400,544	\$ 462,262	\$ -	\$ 883,351	\$ 1,126,851
Receivables:						
Intergovernmental	-	-	-	-	-	227,629
Loans, net	-	-	-	-	-	228,627
Due from other funds	-	-	-	-	-	32,774
Inventories	-	-	-	-	-	28,268
Total assets	<u>\$ 20,545</u>	<u>\$ 400,544</u>	<u>\$ 462,262</u>	<u>\$ -</u>	<u>\$ 883,351</u>	<u>\$ 1,644,149</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,963
Accrued liabilities	-	-	-	-	-	73,984
Unearned revenue	-	-	-	-	-	35,808
Due to other funds	-	-	-	-	-	7,164
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,919</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	-	-	-	-	-	28,268
Restricted for:						
Social services	-	-	-	-	-	353,549
Committed to:						
Capital improvements	20,545	400,544	462,262	-	883,351	883,351
Public safety	-	-	-	-	-	4,115
Education	-	-	-	-	-	100,303
Unassigned	-	-	-	-	-	(3,356)
Total fund balances (deficit)	<u>20,545</u>	<u>400,544</u>	<u>462,262</u>	<u>-</u>	<u>883,351</u>	<u>1,366,230</u>
Total liabilities and fund balances (deficit)	<u>\$ 20,545</u>	<u>\$ 400,544</u>	<u>\$ 462,262</u>	<u>\$ -</u>	<u>\$ 883,351</u>	<u>\$ 1,644,149</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds							
	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	CDBG Fund	Probate Court Fund	Police Fund	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 652,934	\$ 1,840,252	\$ -	\$ -	\$ -	\$ 2,493,186
Licenses, permits and fees	14,190	142,056	359,219	-	-	-	7,104	522,569
Interest	24	-	-	-	59	-	-	83
Other	-	-	-	-	3,637	-	-	3,637
Total revenues	14,214	142,056	1,012,153	1,840,252	3,696	-	7,104	3,019,475
EXPENDITURES								
General government	-	121,282	-	-	-	-	-	121,282
Public safety	21,102	-	-	-	-	-	6,739	27,841
Social services	-	-	-	-	88	-	-	88
Education	-	-	1,008,993	1,840,252	-	-	-	2,849,245
Total expenditures	21,102	121,282	1,008,993	1,840,252	88	-	6,739	2,998,456
Excess (deficiency) of revenues over expenditures	(6,888)	20,774	3,160	-	3,608	-	365	21,019
OTHER FINANCING USES								
Transfers out	-	-	-	-	-	(18,412)	-	(18,412)
Total other financing uses	-	-	-	-	-	(18,412)	-	(18,412)
Net change in fund balances	(6,888)	20,774	3,160	-	3,608	(18,412)	365	2,607
Fund balances (deficit) - beginning	8,013	(24,130)	125,411	-	349,941	18,412	2,625	480,272
Fund balances (deficit) - ending	\$ 1,125	\$ (3,356)	\$ 128,571	\$ -	\$ 353,549	\$ -	\$ 2,990	\$ 482,879

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	Nonmajor Capital Projects Funds					
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	Brownfield Fund	Total	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 36,752	\$ 36,752	\$ 2,529,938
Licenses, permits and fees	-	-	-	-	-	522,569
Interest	124	2,429	2,813	-	5,366	5,449
Other	-	6,500	-	-	6,500	10,137
Total revenues	<u>124</u>	<u>8,929</u>	<u>2,813</u>	<u>36,752</u>	<u>48,618</u>	<u>3,068,093</u>
EXPENDITURES						
General government	-	-	-	36,752	36,752	158,034
Public safety	-	-	-	-	-	27,841
Social services	-	-	-	-	-	88
Education	-	-	-	-	-	2,849,245
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,752</u>	<u>36,752</u>	<u>3,035,208</u>
Excess (deficiency) of revenues over expenditures	124	8,929	2,813	-	11,866	32,885
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	(18,412)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,412)</u>
Net change in fund balances	124	8,929	2,813	-	11,866	14,473
Fund balances (deficit) - beginning	<u>20,421</u>	<u>391,615</u>	<u>459,449</u>	<u>-</u>	<u>871,485</u>	<u>1,351,757</u>
Fund balances (deficit) - ending	<u>\$ 20,545</u>	<u>\$ 400,544</u>	<u>\$ 462,262</u>	<u>\$ -</u>	<u>\$ 883,351</u>	<u>\$ 1,366,230</u>

See accompanying Independent Auditor's Report.

PROPRIETARY FUND

TOWN OF PLAINFIELD CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL -
BUDGETARY BASIS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Sewer use charges	\$ 1,581,895	\$ 1,581,895	\$ 1,588,425	\$ 6,530
Lien charges	750	750	1,896	1,146
Interest charges	15,000	15,000	16,431	1,431
Investment income	-	-	7,521	7,521
Sewer permits	100	100	60	(40)
Sewer assessments	35,000	35,000	27,974	(7,026)
Re-energy industrial treatment	10,000	10,000	-	(10,000)
Pre industrial treatment	105,000	105,000	75,198	(29,802)
Other revenue	30,000	30,000	67,734	37,734
Total revenues	<u>1,777,745</u>	<u>1,777,745</u>	<u>1,785,239</u>	<u>7,494</u>
EXPENDITURES				
Personnel costs	1,009,751	1,009,751	896,692	(113,059)
Administration	87,182	87,182	75,300	(11,882)
Operations	382,000	382,000	359,397	(22,603)
Utilities	220,000	223,000	205,290	(17,710)
Vehicles	42,000	39,000	33,992	(5,008)
Equipment replacement	36,597	36,597	35,320	(1,277)
Interest expense	-	-	12,057	12,057
Total expenditures	<u>1,777,530</u>	<u>1,777,530</u>	<u>1,618,048</u>	<u>(159,482)</u>
Excess of revenues over expenditures	215	215	167,191	166,976
OTHER FINANCING USES				
Transfers out	(215)	(215)	-	215
Total other financing uses	<u>(215)</u>	<u>(215)</u>	<u>-</u>	<u>215</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,191</u>	<u>\$ 167,191</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2017

	Uncollected Assessments July 1, 2016	Current Assessments	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments June 30, 2017
			Additions	Deductions		Assessments Collected	Interest and Lien Fees	Total	
Special Assessments	\$ 95,641	\$ -	\$ 27,974	\$ -	\$ 123,615	\$ 47,536	\$ 3,564	\$ 51,100	\$ 76,079

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER USAGE COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2017

Grand List Year	Uncollected Charges July 1, 2016	Current Billings	Lawful Corrections		Transfer to Suspense	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2017
			Additions	Deductions			Charges Collected	Interest and Lien Fees	Total	
2015	\$ -	\$ 1,508,890	\$ 79,535	\$ 8,163	\$ -	\$ 1,580,262	\$ 1,554,225	\$ 4,411	\$ 1,558,636	\$ 32,014
2014	32,437	-	-	1,259	-	31,178	19,977	4,868	24,845	11,286
2013	14,059	-	-	694	-	13,365	5,053	1,812	6,865	8,312
2012	8,770	-	-	240	-	8,530	1,903	1,493	3,396	6,627
2011	5,376	-	-	240	-	5,136	1,801	978	2,779	3,335
2010	2,990	-	-	230	-	2,760	478	283	761	2,282
2009	1,840	-	-	230	-	1,610	920	1,138	2,058	690
2008	611	-	-	220	-	391	171	9	180	220
2007	220	-	-	220	-	-	-	-	-	-
2006	220	-	-	220	-	-	-	-	-	-
2005	210	-	-	210	-	-	-	-	-	-
2004	189	-	95	284	-	-	-	-	-	-
2003	189	-	-	189	-	-	-	-	-	-
2002	95	-	-	190	-	(95)	-	-	-	(95)
2001	284	-	-	189	-	95	-	-	-	95
	<u>\$ 67,490</u>	<u>\$ 1,508,890</u>	<u>\$ 79,630</u>	<u>\$ 12,778</u>	<u>\$ -</u>	<u>\$ 1,643,232</u>	<u>\$ 1,584,528</u>	<u>\$ 14,992</u>	<u>\$ 1,599,520</u>	<u>\$ 64,766</u>

See accompanying Independent Auditor's Report.

FIDUCIARY FUNDS

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2017</u>
Student Activities				
Assets				
Cash and cash equivalents	\$ 183,017	\$ 502,435	\$ 478,827	\$ 206,625
Total assets	<u>\$ 183,017</u>	<u>\$ 502,435</u>	<u>\$ 478,827</u>	<u>\$ 206,625</u>
Liabilities				
Due to student groups	\$ 183,017	\$ 502,435	\$ 478,827	\$ 206,625
Total liabilities	<u>\$ 183,017</u>	<u>\$ 502,435</u>	<u>\$ 478,827</u>	<u>\$ 206,625</u>

See accompanying Independent Auditor's Report.