

TOWN OF PLAINFIELD, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2018**

TOWN OF PLAINFIELD, CONNECTICUT
TABLE OF CONTENTS
AS OF FOR THE YEAR ENDED JUNE 30, 2018

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)	3
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Proprietary Fund Financial Statements:	
Statement of Net Position	20
Statement of Revenues, Expenses and Changes in Fund Net Position	21
Statement of Cash Flows	22
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
Notes to Financial Statements	25
REQUIRED SUPPLEMENTARY INFORMATION: (Unaudited)	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund – Budgetary Basis	63
Schedule of Revenues and Other Financing Sources – Budget and Actual – Budgetary Basis	64
Schedule of Expenditures and Other Financing Uses – Budget and Actual – Budgetary Basis	66
Schedule of the Town’s Proportionate Share of Net Pension Liability – Connecticut State Teachers’ Retirement System	68
Schedule of Changes in Net Pension Liability – Town Employee Retirement Plan	69
Schedule of Contributions and Investment Returns – Town Employee Retirement Plan	70
Schedule of Changes in Net OPEB Liability – Other Post-Employment Benefits Program	71
Schedule of Contributions and Investment Returns – Other Post-Employment Benefits Program	72
Schedule of the Town’s Proportionate Share of Net OPEB Liability – Connecticut State Teachers’ Retirement System	73
Notes to Required Supplementary Information	74

TOWN OF PLAINFIELD, CONNECTICUT
TABLE OF CONTENTS *(Continued)*
AS OF FOR THE YEAR ENDED JUNE 30, 2018

	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Governmental Funds:	
General Fund:	
Schedule of Property Taxes Levied, Collected and Outstanding	78
Schedule of Debt Limitation	79
Nonmajor Governmental Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82
Proprietary Fund:	
Statement of Reveues, Expenses and Changes in Net Position - Budget and Actual	
Budgetary Basis - Proprietary Fund	84
Schedule of Sewer Assessments Collections	85
Schedule of Sewer Usage Collections	86
Fiduciary Funds:	
Combining Statement of Changes in Fiduciary Assets and Liabilities	87

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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Changes in Accounting Principle

As discussed in Note 1 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, and the information on pages 63 through 77 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 78 through 87 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 28, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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, 2018.

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 \$66,873,473 (net position).
- The Town's total net position decreased by \$1,197,936 during the current fiscal year.
- The beginning net position of the Town was decreased by \$3,114,132 as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. This decrease represented the difference between the net other post-employment benefits obligation previously recognized in accordance with GASB Statement No. 45 and the net other post-employment liability recognized in accordance with GASB Statement No.75.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,146,856, an increase of \$541,330 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$8,369,188 or 17.6% of the fiscal year 2019 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.1 months of operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$1,568,108 or 10.54% 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.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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 14 and 15 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 16 through 19 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 20 through 22 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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 23 and 24 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 25 through 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 through 87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

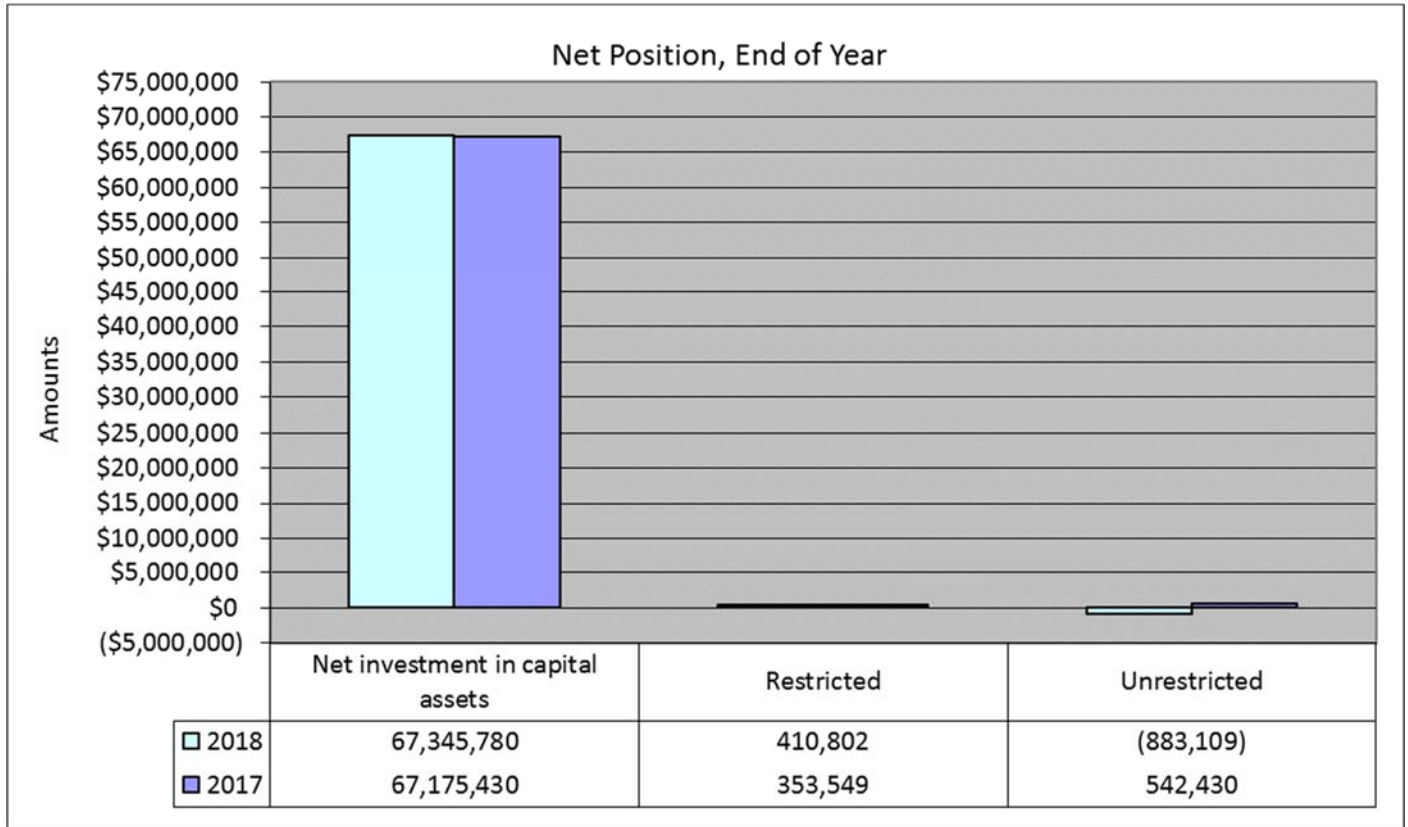
Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$66,873,473 as of June 30, 2018 and \$68,071,409 as of June 30, 2017, as adjusted for the implementation of GASB Statement No. 75, and is summarized as follows:

	June 30, 2018			June 30, 2017 (As Adjusted)		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Current and other assets	\$ 17,467,327	\$ 1,657,279	\$ 19,124,606	\$ 19,718,766	\$ (594,160)	-3.0%
Capital assets	68,854,437	12,416,373	81,270,810	83,239,873	(1,969,063)	-2.4%
Total assets	86,321,764	14,073,652	100,395,416	102,958,639	(2,563,223)	-2.5%
Deferred outflows of resources	1,046,494	-	1,046,494	1,256,314	(209,820)	-16.7%
Long-term liabilities	23,976,159	5,488,532	29,464,691	31,956,367	(2,491,676)	-7.8%
Other liabilities	3,706,591	129,101	3,835,692	3,827,710	7,982	0.2%
Total liabilities	27,682,750	5,617,633	33,300,383	35,784,077	(2,483,694)	-6.9%
Deferred inflows of resources	1,268,054	-	1,268,054	359,467	908,587	252.8%
Net Position:						
Net investment in capital assets	60,324,489	7,021,291	67,345,780	67,175,430	170,350	0.3%
Restricted	410,802	-	410,802	353,549	57,253	16.2%
Unrestricted	(2,317,837)	1,434,728	(883,109)	542,430	(1,425,539)	-262.8%
Total net position	\$ 58,417,454	\$ 8,456,019	\$ 66,873,473	\$ 68,071,409	(1,197,936)	-1.8%

TOWN OF PLAINFIELD, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2018, 100.7% 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.

Restricted net position represents amounts restricted for social services which is equal to 0.6% of the Town's net position. Amounts restricted for social services are to be used for the Town's rehabilitation loan programs.

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 \$1,197,936 in comparison to the prior year.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

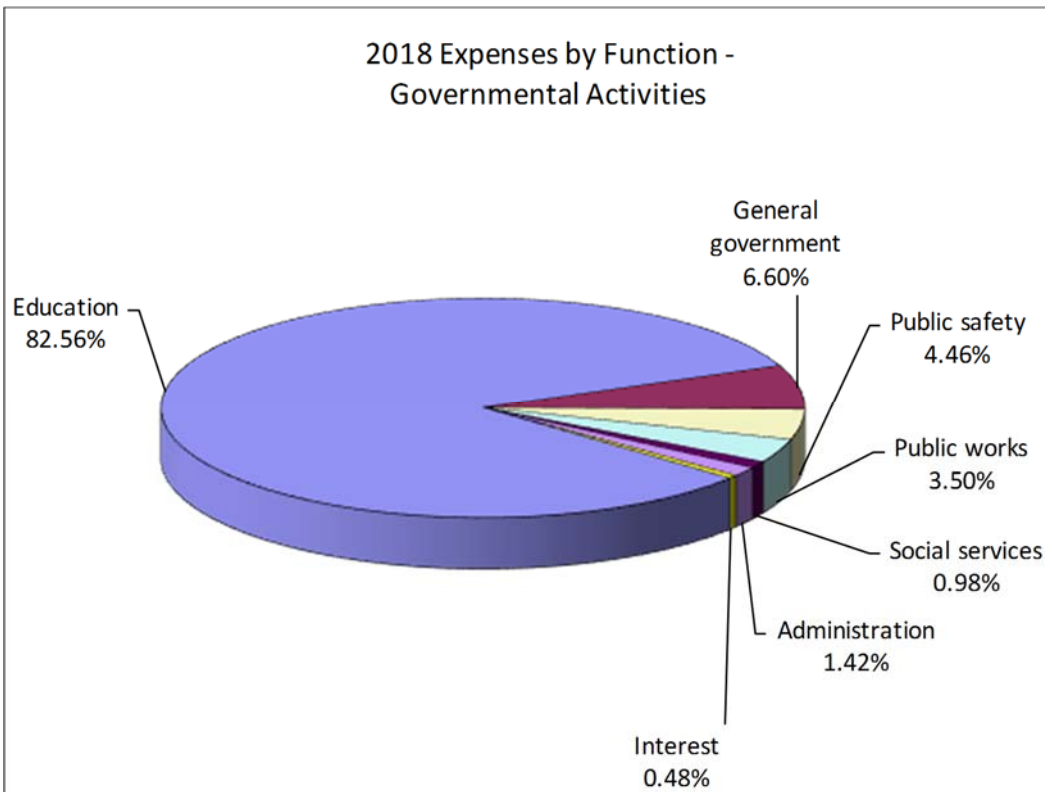
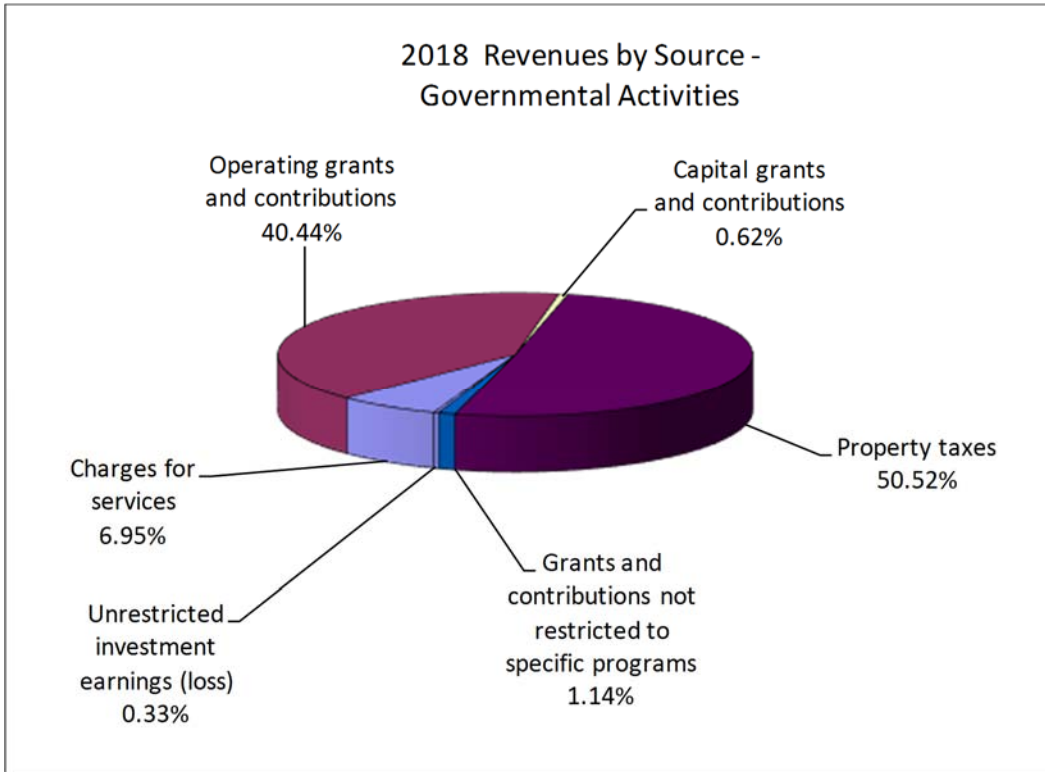
Changes in net position for the years ended June 30, 2017 and 2016 are as follows. Certain reclassifications have been made to the amounts reported for the year ended June 30, 2017 to conform with the current year presentation. The amounts reported for the year ended June 30, 2017 have not been adjusted for the implementation of GASB Statement No. 75, since the effects of the adjustments on the statements of changes in net position are not readily determinable.

	June 30, 2018			June 30, 2017		\$ Variance	% Variance
	Governmental Activities	Business-type Activities	Total	Total			
Revenues							
Program revenues:							
Charges for services	\$ 3,913,213	\$ 1,765,583	\$ 5,678,796	\$ 5,691,158	\$ (12,362)		-0.2%
Operating grants and contributions	22,772,413	-	22,772,413	22,360,844	411,569		1.8%
Capital grants and contributions	351,689	-	351,689	928,333	(576,644)		-62.1%
General revenues:							
Property taxes	28,450,084	-	28,450,084	27,699,352	750,732		2.7%
Grants and contributions not restricted to specific programs	644,233	-	644,233	762,968	(118,735)		-15.6%
Unrestricted investment earnings (loss)	185,654	(143,380)	42,274	(76,230)	118,504		-155.5%
Total revenues	<u>56,317,286</u>	<u>1,622,203</u>	<u>57,939,489</u>	<u>57,366,425</u>	<u>573,064</u>		1.0%
Program expenses:							
Education	47,047,631	-	47,047,631	44,404,736	2,642,895		6.0%
General government	3,759,502	-	3,759,502	4,434,659	(675,157)		-15.2%
Public safety	2,543,632	-	2,543,632	2,806,431	(262,799)		-9.4%
Public works	1,995,043	-	1,995,043	1,760,024	235,019		13.4%
Social services	559,124	-	559,124	617,343	(58,219)		-9.4%
Administration	811,065	-	811,065	863,694	(52,629)		-6.1%
Interest	271,459	-	271,459	479,570	(208,111)		-43.4%
Sewer	-	2,149,969	2,149,969	2,105,158	44,811		2.1%
Total expenses	<u>56,987,456</u>	<u>2,149,969</u>	<u>59,137,425</u>	<u>57,471,615</u>	<u>1,665,810</u>		2.9%
Change in net position before transfers	(670,170)	(527,766)	(1,197,936)	(105,190)	(1,092,746)		1038.8%
Transfers	(220,925)	220,925	-	-	-		0.0%
Change in net position	<u>\$ (891,095)</u>	<u>\$ (306,841)</u>	<u>\$ (1,197,936)</u>	<u>\$ (105,190)</u>	<u>\$ (1,092,746)</u>		1038.8%

TOWN OF PLAINFIELD, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*

Governmental activities decreased the Town's net position by \$891,095. Business-type activities decreased the Town's net position by \$306,841.

Total revenues generated by the Town increased by \$573,064 or 1.0% in comparison to revenues reported in the prior year. The increase in revenues was primarily related to increases in property tax revenues and operating grants, offset by a reduction in capital grants.

Expenses incurred by the Town increased \$1,665,810 or 2.9% in comparison to expenses reported the prior year. The increase is driven by an increase in education expenses relating to OPEB benefits, including the current year recognition of on-behalf expenses for OPEB relating to the State Teachers' Retirement System.

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 \$11,146,856. Of this amount, \$8,369,188 is unassigned and available for spending at the discretion of the Town.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,369,188. 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 17.6% of the fiscal year 2019 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.1 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$500,149 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund did not contemplate the use of fund balance. The final budget provided for the use of fund balance in the amount of \$1,000,000 and included reductions in the Education budgetary appropriation in the amount of \$689,364 as a result of changes in how education funding was received by the Town from the State.

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$503,085. Expenditures were \$958,238 less than budgeted and revenues were \$952,108 more than budgeted. Reductions in State-aid were offset by favorable property tax collections.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 there were no additional appropriations made to the budget. The budget for 2018 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 \$89,995. Expenditures were \$36,344 less than budgeted and revenues were \$34,128 higher than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2018 and 2017 totaled \$81,270,810 and \$82,239,873, 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 decrease in the Town's investment in capital assets for the current fiscal year was \$1,969,063 or 2.37%. This decrease consisted of capital asset additions of \$800,598 offset by current year depreciation expense of \$2,769,661. Major capital asset events during the current fiscal year consisted of approximately \$160,000 in educational equipment and \$60,000 for the purchase of police vehicles. The Town's sewer improvement project was still ongoing resulting in additional increases to construction in progress in the amount of \$581,591.

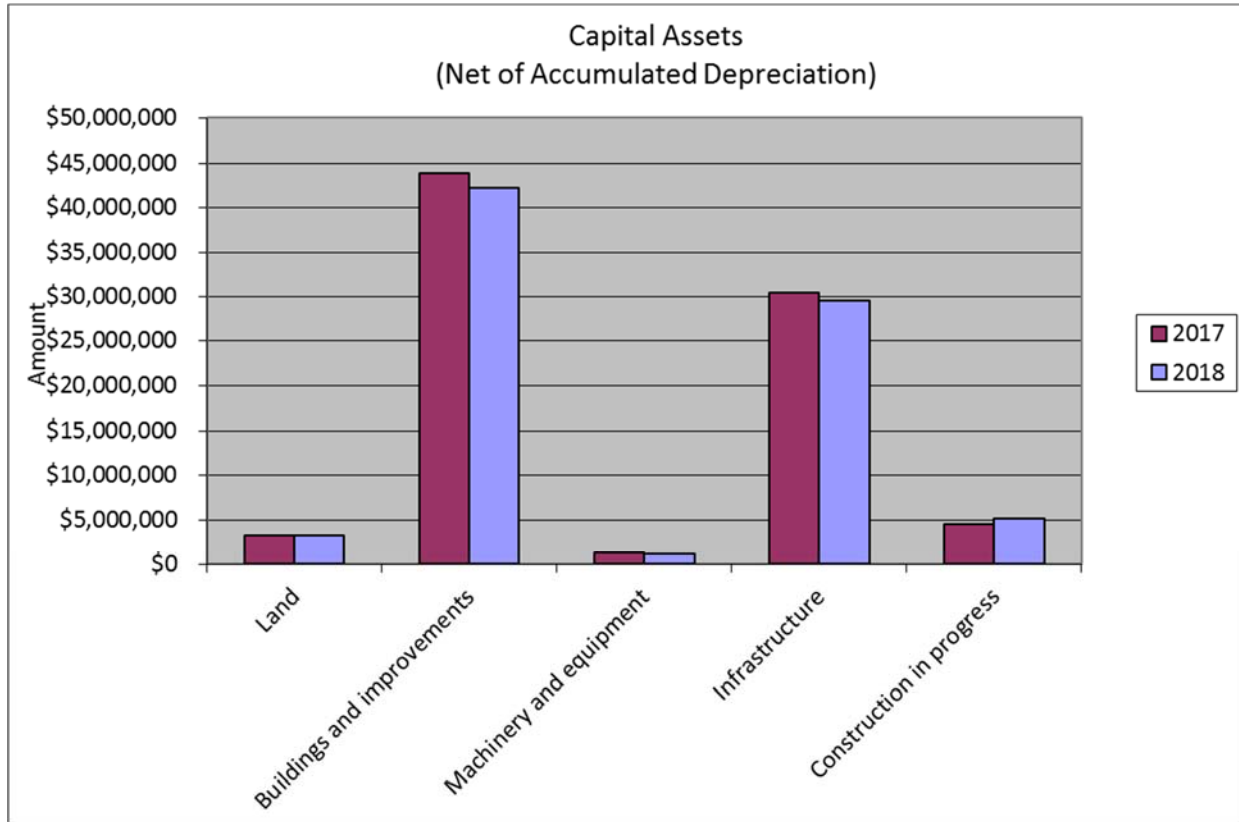
The following table is a two year comparison of the investment in capital assets:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,201,836	\$ 3,201,836	\$ 31,740	\$ 31,740	\$ 3,233,576	\$ 3,233,576
Buildings and improvements	41,443,959	42,922,271	844,299	904,606	42,288,258	43,826,877
Machinery and equipment	1,091,707	1,193,110	39,381	65,311	1,131,088	1,258,421
Infrastructure	23,116,935	23,588,654	6,360,130	6,773,113	29,477,065	30,361,767
Construction in progress	-	-	5,140,823	4,559,232	5,140,823	4,559,232
Total	<u>\$ 68,854,437</u>	<u>\$ 70,905,871</u>	<u>\$ 12,416,373</u>	<u>\$ 12,334,002</u>	<u>\$ 81,270,810</u>	<u>\$ 83,239,873</u>

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Additional information on the Town's capital assets can be found in Note 5 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

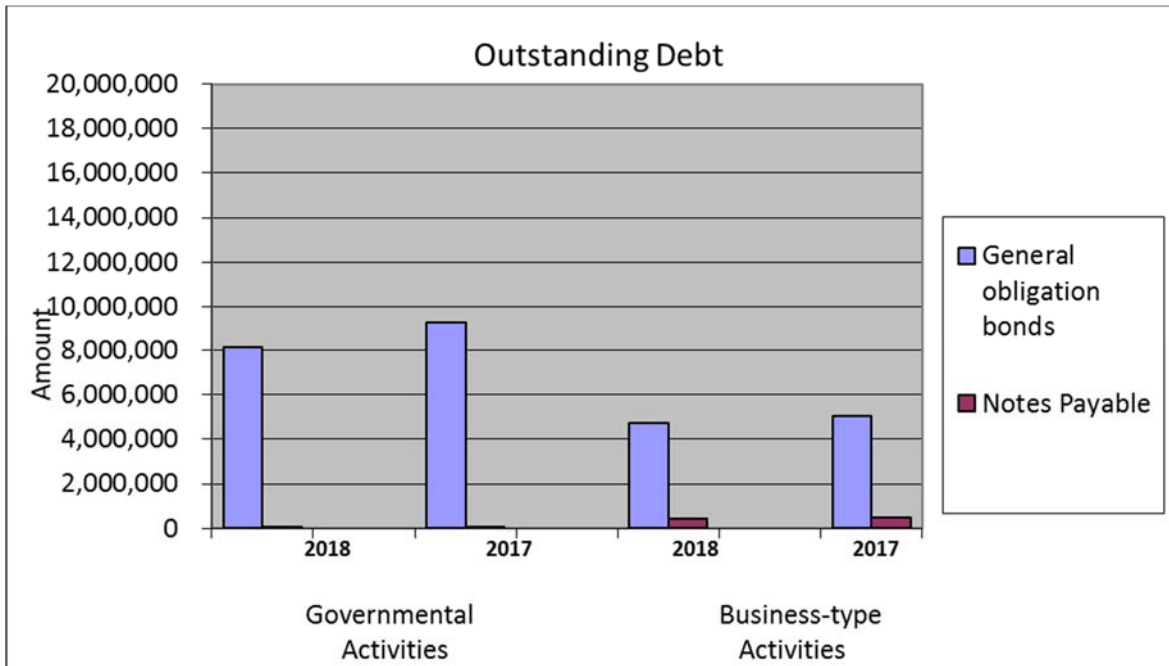
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$13,314,419. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$1,568,108 or 10.54% during the current fiscal year due to current year principal payments.

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

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 8,135,000	\$ 9,280,000	\$ 4,728,597	\$ 5,050,867	\$ 12,863,597	\$ 14,330,867
Notes Payable	20,174	40,351	430,648	511,309	450,822	551,660
Total	\$ 8,155,174	\$ 9,320,351	\$ 5,159,245	\$ 5,562,176	\$ 13,314,419	\$ 14,882,527



Additional information on the Town's long-term debt can be found in Note 7 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- For purposes of calculating property tax revenues for fiscal year 2019, 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 2019. The Town's fiscal year 2019 General Fund budget was approved on May 21, 2018. The approved General Fund budgetary expenditure appropriation totaled \$47,608,464, an increase of \$948,006 over 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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,015,391	\$ 1,325,471	\$ 15,340,862
Receivables:			
Property taxes and interest, net	1,828,951	-	1,828,951
Grants and contracts	287,350	-	287,350
Usage charges	-	100,553	100,553
Sewer assessments	-	71,317	71,317
Other	197,291	-	197,291
Loans, net	212,058	-	212,058
Inventories	23,835	-	23,835
Internal balances	(154,909)	154,909	-
Insurance escrow	1,057,360	-	1,057,360
Other assets	-	5,029	5,029
Capital assets:			
Non-depreciable	3,201,836	5,172,563	8,374,399
Depreciable, net	65,652,601	7,243,810	72,896,411
Total assets	<u>86,321,764</u>	<u>14,073,652</u>	<u>100,395,416</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	480,302	-	480,302
Deferred charges on pension expense	566,192	-	566,192
Total deferred outflows of resources	<u>1,046,494</u>	<u>-</u>	<u>1,046,494</u>
LIABILITIES			
Accounts payable	1,550,679	69,904	1,620,583
Accrued liabilities:			
Salaries and benefits payable	1,817,968	18,801	1,836,769
Accrued interest	153,425	40,396	193,821
Other	107,878	-	107,878
Unearned revenue	76,641	-	76,641
Noncurrent liabilities:			
Due within one year	1,766,402	409,072	2,175,474
Due in more than one year	22,209,757	5,079,460	27,289,217
Total liabilities	<u>27,682,750</u>	<u>5,617,633</u>	<u>33,300,383</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on OPEB expense	779,756	-	779,756
Deferred charges on pension expense	488,298	-	488,298
Total deferred inflows of resources	<u>1,268,054</u>	<u>-</u>	<u>1,268,054</u>
NET POSITION			
Net investment in capital assets	60,324,489	7,021,291	67,345,780
Restricted	410,802	-	410,802
Unrestricted	(2,317,837)	1,434,728	(883,109)
Total net position	<u>\$ 58,417,454</u>	<u>\$ 8,456,019</u>	<u>\$ 66,873,473</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, 2018

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	\$ 47,047,631	\$ 3,043,468	\$ 22,676,601	\$ 10,319	\$ (21,317,243)	\$ -	\$ (21,317,243)
General government	3,759,502	562,149	80,808	-	(3,116,545)	-	(3,116,545)
Public safety	2,543,632	95,495	15,004	-	(2,433,133)	-	(2,433,133)
Public works	1,995,043	-	-	341,370	(1,653,673)	-	(1,653,673)
Social services	559,124	212,101	-	-	(347,023)	-	(347,023)
Administration	811,065	-	-	-	(811,065)	-	(811,065)
Interest expense	271,459	-	-	-	(271,459)	-	(271,459)
Total governmental activities	56,987,456	3,913,213	22,772,413	351,689	(29,950,141)	-	(29,950,141)
Business-type activities:							
Water Pollution Control Authority	2,149,969	1,765,583	-	-	-	(384,386)	(384,386)
Total business-type activities	2,149,969	1,765,583	-	-	-	(384,386)	(384,386)
	\$ 59,137,425	\$ 5,678,796	\$ 22,772,413	\$ 351,689	(29,950,141)	(384,386)	(30,334,527)
General revenues:							
Property taxes					28,450,084	-	28,450,084
Grants and contributions not restricted to specific programs					644,233	-	644,233
Unrestricted investment earnings					185,654	(143,380)	42,274
Transfers					(220,925)	220,925	-
Total general revenues					29,059,046	77,545	29,136,591
			Change in net position		(891,095)	(306,841)	(1,197,936)
			Net position - beginning, as originally reported		60,730,435	8,762,860	69,493,295
			Cumulative effect of implementing new accounting standard (<i>see Note 1</i>)		(1,421,886)	-	(1,421,886)
			Net position - beginning, as adjusted		59,308,549	8,762,860	68,071,409
			Net position - ending		\$ 58,417,454	\$ 8,456,019	\$ 66,873,473

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

TOWN OF PLAINFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 12,882,066	\$ 1,133,325	\$ 14,015,391
Receivables:			
Property taxes, net	1,451,367	-	1,451,367
Property tax interest, net	377,584	-	377,584
Grants and contracts	57,379	229,971	287,350
Loans, net	-	212,058	212,058
Other	197,291	-	197,291
Due from other funds	4,174	131,102	135,276
Inventories	6,080	17,755	23,835
Total assets	<u>\$ 14,975,941</u>	<u>\$ 1,724,211</u>	<u>\$ 16,700,152</u>
LIABILITIES			
Accounts payable	\$ 1,399,935	\$ 150,744	\$ 1,550,679
Accrued liabilities:			
Salaries and benefits payable	1,742,671	75,297	1,817,968
Other	107,878	-	107,878
Unearned revenue	9,550	67,091	76,641
Due to other funds	285,842	4,343	290,185
Total liabilities	<u>3,545,876</u>	<u>297,475</u>	<u>3,843,351</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes and interest	<u>1,709,945</u>	<u>-</u>	<u>1,709,945</u>
FUND BALANCES			
Nonspendable	6,080	17,755	23,835
Restricted	12,310	398,492	410,802
Committed	-	1,010,489	1,010,489
Assigned	1,332,542	-	1,332,542
Unassigned	8,369,188	-	8,369,188
Total fund balances	<u>9,720,120</u>	<u>1,426,736</u>	<u>11,146,856</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,975,941</u>	<u>\$ 1,724,211</u>	<u>\$ 16,700,152</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, 2018

Total fund balances for governmental funds		\$ 11,146,856
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	9,284,458	
Infrastructure	35,378,950	
Less: accumulated depreciation and amortization	<u>(49,668,854)</u>	
Total capital assets, net		68,854,437
Cash reserve held by ECHIP is not recorded as an asset within the governmental funds.		
		1,057,360
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.		
		1,709,945
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	(8,155,174)	
Unamortized bond premium	(720,885)	
Deferred amount on refundings	480,302	
Obligations under capital lease	(134,191)	
Accrued interest payable	(153,425)	
Other long-term liabilities:		
Compensated absences	(1,428,918)	
Claims and judgments	(887,202)	
Contract payable	(65,082)	
Net pension liability	(3,849,382)	
Net OPEB liability	<u>(8,735,325)</u>	
Total long-term liabilities		(23,649,282)
Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are reported in the statement of net position.		
		<u>(701,862)</u>
Net position of governmental activities		<u>\$ 58,417,454</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 28,148,167	\$ -	\$ 28,148,167
Grants and contracts	20,283,224	2,304,012	22,587,236
Licenses, permits and fees	1,576,856	478,474	2,055,330
Interest	173,254	12,400	185,654
Other	539,041	51,405	590,446
Total revenues	<u>50,720,542</u>	<u>2,846,291</u>	<u>53,566,833</u>
EXPENDITURES			
Current:			
General government	3,826,294	-	3,826,294
Public safety	2,371,018	16,726	2,387,744
Public works	1,391,154	-	1,391,154
Social services	535,694	-	535,694
Administration	803,480	-	803,480
Education	39,487,737	2,796,740	42,284,477
Debt service:			
Principal payments	1,254,150	-	1,254,150
Interest and other charges	311,488	-	311,488
Capital outlays	69,291	-	69,291
Total expenditures	<u>50,050,306</u>	<u>2,813,466</u>	<u>52,863,772</u>
Excess of revenues over expenditures	670,236	32,825	703,061
OTHER FINANCING SOURCES (USES)			
Capital lease financing	59,191	-	59,191
Transfers in	-	8,356	8,356
Transfers out	(229,278)	-	(229,278)
Total other financing sources (uses)	<u>(170,087)</u>	<u>8,356</u>	<u>(161,731)</u>
Net change in fund balances	500,149	41,181	541,330
Fund balances - beginning	<u>9,219,971</u>	<u>1,385,555</u>	<u>10,605,526</u>
Fund balances - ending	<u>\$ 9,720,120</u>	<u>\$ 1,426,736</u>	<u>\$ 11,146,856</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, 2018

Net change in fund balances - for governmental funds	\$	541,330
<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	\$ 219,007	
Depreciation and amortization expense	<u>(2,270,441)</u>	
Net adjustment		(2,051,434)
<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>		
		301,917
<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	(59,191)	
Principal repayments:		
Bonds and notes payable	1,165,177	
Capital leases	<u>88,978</u>	
		1,194,964
<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	(53,706)	
Claims and judgments	(5,488)	
Contract payable	32,542	
Net pension liability	276,123	
Net OPEB liability	599,246	
Amortization of deferred charge on refunding	(61,679)	
Amortization of bond premium	46,164	
Accrued interest	<u>55,539</u>	
		888,741
<p>Changes in cash reserve held by ECHIP.</p>		
		(634,886)
<p>Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities.</p>		
		<u>(1,056,727)</u>
Change in net position of governmental activities	\$	<u><u>(891,095)</u></u>

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2018

	Business-type Activities - Enterprise Fund
	Water Pollution Control Authority
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,325,471
Receivables:	
Sewer assessments	32,695
Usage charges	76,125
Interest	24,428
Due from other funds	154,909
Other current assets	5,029
Total current assets	1,618,657
Noncurrent assets:	
Sewer assessments receivable	38,622
Capital assets:	
Non-depreciable	5,172,563
Depreciable, net	7,243,810
Total noncurrent assets	12,454,995
Total assets	14,073,652
LIABILITIES	
Current liabilities:	
Accounts payable	69,904
Accrued liabilities:	
Accrued salaries and benefits payable	18,801
Accrued interest	40,396
Compensated absences	9,345
Bonds and note payable	399,727
Total current liabilities	538,173
Noncurrent liabilities:	
Compensated absences	84,105
Bonds and note payable	4,995,355
Total liabilities	5,617,633
NET POSITION	
Net investment in capital assets	7,021,291
Unrestricted	1,434,728
Total net position	\$ 8,456,019

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, 2018

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
OPERATING REVENUES	
Charges for services	\$ 1,765,583
OPERATING EXPENSES	
Personnel services	939,629
Operations and maintenance	711,120
Depreciation	499,220
Total operating expenses	2,149,969
Operating loss	(384,386)
NONOPERATING REVENUES (EXPENSES)	
Interest expense, net	(143,380)
Loss before transfers	(527,766)
TRANSFER IN	220,925
Change in net position	(306,841)
Net position - beginning	8,762,860
Net position - ending	\$ 8,456,019

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, 2018

	Business-type Activities - Enterprise Fund
	Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for the following:	
Charges for services	\$ 1,756,518
Cash paid for the following:	
Personnel services	(924,097)
Operations and maintenance	(741,535)
Net cash provided by operating activities	90,886
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund activity	236,122
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(581,591)
Principal paid on capital debt	(417,982)
Interest paid on capital debt	(177,155)
Net cash used in capital and related financing activities	(1,176,728)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	30,483
Net decrease in cash and cash equivalents	(819,237)
Cash and cash equivalents, beginning of year	2,144,708
Cash and cash equivalents, end of year	\$ 1,325,471
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (384,386)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	499,220
Decrease (increase) in assets:	
Accounts receivable	(9,065)
Other assets	1,693
Increase (decrease) in liabilities:	
Accounts payable	(32,108)
Accrued liabilities	15,532
Net cash provided by operating activities	\$ 90,886

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 137,331	\$ 8,596	\$ 193,684
Investments:			
Mutual funds	6,622,512	-	-
Equity securities	16,215,079	-	-
Fixed annuity contract	-	95,219	-
Contribution receivable	22,902	-	-
Total assets	<u>22,997,824</u>	<u>103,815</u>	<u>\$ 193,684</u>
LIABILITIES			
Due to student groups	-	-	\$ 193,684
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 193,684</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 22,997,824</u>	<u>\$ 103,815</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, 2018

	Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 1,251,600	\$ -
Plan members	92,183	-
Total contributions	<u>1,343,783</u>	<u>-</u>
Investment income:		
Interest and dividends	388,264	1,701
Change in the fair value of investments, net	<u>1,322,202</u>	<u>1,519</u>
Net investment income	<u>1,710,466</u>	<u>3,220</u>
Total additions	<u>3,054,249</u>	<u>3,220</u>
DEDUCTIONS		
Benefit payments	1,067,718	5,900
Administrative expenses	<u>13,315</u>	<u>-</u>
Total deductions	<u>1,081,033</u>	<u>5,900</u>
Change in net position	1,973,216	(2,680)
Net position - beginning	<u>21,024,608</u>	<u>106,495</u>
Net position - ending	<u>\$ 22,997,824</u>	<u>\$ 103,815</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - 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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

Government-wide and Fund Financial Statements (*Continued*)

Fund Financial Statements (*Continued*)

The Town reports the following major 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 Trust Funds - 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 9 and 10.

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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - 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.

Implementation of Accounting Standards

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The adoption of these statements did not have a material effect on the Town's financial statements.

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures for postemployment benefits other than pensions. This standard identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, this statement provides for certain required supplementary information and note disclosures about postemployment benefits other than pensions.

The Town has reported the following cumulative effect of applying GASB Statement No. 75 as an adjustment of beginning net position as of July 1, 2017 (see Note 13). The adjustment does not include deferred outflows of resources or deferred inflows of resources related to OPEB.

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

Cash and Cash Equivalents

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

Cash and 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.

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.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

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.

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 and 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 charges on 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 charges on 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 charges on pension and OPEB expenses. 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 charges on pension and OPEB expenses are reported in the government-wide statement of net position and are amortized as a component of pension and OPEB expenses on a systematic and rational basis.

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

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

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.

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 and inflows of resources which do not meet the definition of the two preceding categories.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

Net Position and Fund Balance (*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.

NOTE 1 - 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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2018 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 15,340,862
Statement of fiduciary net position:	
Cash and cash equivalents	339,611
Less: cash equivalents considered investments for disclosure purposes	<u>(12,857,182)</u>
	<u>\$ 2,823,291</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, 2018, \$2,973,644 of the Town's bank balance of \$3,520,350 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,676,280
Uninsured and collateralized with securities held by the pledging bank's trust department or agent, but not in the Town's name	<u>297,364</u>
	<u>\$ 2,973,644</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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (*Continued*)

Investments

A reconciliation of the Town's investments as of June 30, 2018 is as follows:

Statement of fiduciary net position:	
Investments	\$ 22,932,810
Plus: cash equivalents considered investments for disclosure purposes	
	<u>12,857,182</u>
	<u>\$ 35,789,992</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>				
Short-term Investment Fund	Net Asset Value	AAA	\$ 11,753,497	\$ 11,753,497
<i>Business-type activities:</i>				
Short-term Investment Fund	Net Asset Value	AAA	966,542	966,542
<i>Fiduciary:</i>				
Money market mutual funds	Net Asset Value	Unrated	137,143	137,143
			<u>12,857,182</u>	<u>\$ 12,857,182</u>
Other investments:				
<i>Fiduciary:</i>				
Fixed annuity contract	Contract Value		95,219	
Mutual funds	Fair Value		6,622,512	
Equity securities	Fair Value		16,215,079	
			<u>\$ 35,789,992</u>	

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 - 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, 2018, 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, 2018, 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	\$ 4,949,717	22%
Vanguard	Vanguard International Growth Fund	2,663,641	12%
Artisan	Artisan International Value Fund	2,411,364	11%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2018, by level within the fair value hierarchy are presented in the table below.

<u>Financial Assets Measured at Fair Value</u>	<u>Prices in Active Market (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Mutual funds	\$ 6,622,512	\$ -	\$ -	\$ 6,622,512
Equity securities	16,215,079	-	-	16,215,079
	<u>\$ 22,837,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,837,591</u>

NOTE 4 - RECEIVABLES

Loans Receivable

Loans receivable represents loans dispersed from Community Development Block Grants ("CDBG") and Economic Development Committee proceeds. The loans are noninterest bearing and payment is due only a) in the event of default, which is upon the death of borrower, b) transfer of title of property or c) refinancing property-related debt. Loans receivable consist of the following as of June 30, 2018:

Deferred loans	\$ 759,058
Less allowance for collection losses	<u>547,000</u>
Total	<u>\$ 212,058</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 5 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2018 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,201,836	\$ -	\$ -	\$ 3,201,836
Total capital assets, not being depreciated	3,201,836	-	-	3,201,836
Capital assets, being depreciated:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	69,636,518	-	-	69,636,518
Machinery and equipment	9,078,451	219,007	(13,000)	9,284,458
Infrastructure	35,378,950	-	-	35,378,950
Total capital assets, being depreciated	115,115,448	219,007	(13,000)	115,321,455
Less accumulated depreciation and amortization for:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	26,714,247	1,478,312	-	28,192,559
Machinery and equipment	7,885,341	320,410	(13,000)	8,192,751
Infrastructure	11,790,296	471,719	-	12,262,015
Total accumulated depreciation and amortization	47,411,413	2,270,441	(13,000)	49,668,854
Total capital assets, being depreciated, net	67,704,035	(2,051,434)	-	65,652,601
Governmental activities capital assets, net	\$ 70,905,871	\$(2,051,434)	\$ -	\$ 68,854,437

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

Governmental Activities:	
Education	\$ 1,542,286
Public safety	90,430
Public works	609,877
Social services	27,848
Total depreciation and amortization expense - governmental activities	\$ 2,270,441

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 5 - CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2018 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	4,559,232	581,591	-	5,140,823
Total capital assets, not being depreciated	<u>4,590,972</u>	<u>581,591</u>	<u>-</u>	<u>5,172,563</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	1,809,212	60,307	-	1,869,519
Machinery and equipment	909,370	25,930	-	935,300
Infrastructure	12,230,386	412,983	-	12,643,369
Total accumulated depreciation and amortization	<u>14,948,968</u>	<u>499,220</u>	<u>-</u>	<u>15,448,188</u>
Total capital assets, being depreciated, net	<u>7,743,030</u>	<u>(499,220)</u>	<u>-</u>	<u>7,243,810</u>
Business-type activities capital assets, net	<u>\$ 12,334,002</u>	<u>\$ 82,371</u>	<u>\$ -</u>	<u>\$ 12,416,373</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	<u>\$ 4,174</u>
Other Governmental Funds	General Fund	130,933
	Other Governmental Funds	<u>169</u>
		<u>131,102</u>
		<u>135,276</u>
Business-type Activities		
Water Pollution Control Fund	General Fund	<u>154,909</u>
Total due from/to other funds		<u>\$ 290,185</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)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
Other Governmental Funds	General Fund	\$ 8,356
Business Type Activities		
Water Pollution Control Authority	General Fund	220,922
Total interfund transfers		\$ 229,278

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 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Beginning Balance <i>(As Adjusted)</i>	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 9,280,000	\$ -	\$ (1,145,000)	\$ 8,135,000	\$ 1,120,000
Note payable	40,351	-	(20,177)	20,174	20,174
Unamortized bond premium	767,050	-	(46,165)	720,885	-
Total bonds and note payable	10,087,401	-	(1,211,342)	8,876,059	1,140,174
Other liabilities:					
Capital leases	163,978	59,191	(88,978)	134,191	88,592
Compensated absences	1,375,212	53,706	-	1,428,918	142,892
Claims and judgments	881,714	5,488	-	887,202	362,202
Contract payable	97,624	-	(32,542)	65,082	32,542
Net pension liability	4,125,504	-	(276,122)	3,849,382	-
Net OPEB liability	9,334,571	-	(599,246)	8,735,325	-
Total governmental activities long-term liabilities	\$ 26,066,004	\$ 118,385	\$ (2,208,230)	\$ 23,976,159	\$ 1,766,402
Business-type Activities					
General obligation bonds	\$ 4,715,000	\$ -	\$ (280,000)	\$ 4,435,000	\$ 275,000
USDA bonds payable	335,867	-	(42,270)	293,597	44,066
Clean Water notes payable	511,309	-	(80,661)	430,648	80,661
Unamortized bond premium	250,888	-	(15,051)	235,837	-
Total bonds and notes payable	5,813,064	-	(417,982)	5,395,082	399,727
Other liabilities:					
Compensated absences	77,299	16,151	-	93,450	9,345
Total business-type activities long-term liabilities	\$ 5,890,363	\$ 16,151	\$ (417,982)	\$ 5,488,532	\$ 409,072

The 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)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable

A summary of bonds and notes payable outstanding at June 30, 2018 is as follows:

Description	Original Amount	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities				
Bonds Payable				
General purpose bonds, issued April 2014	\$ 4,725,000	2026	2.0% - 5.0%	\$ 4,725,000
General refunding bonds, issued March 2017	3,580,000	2022	2.0% - 5.0%	3,410,000
				<u>\$ 8,135,000</u>
Note Payable				
DECD Note payable, issued October 1999	197,500	2019	0.00%	<u>\$ 20,174</u>
Business-type Activities				
Bonds Payable				
General purpose bonds, issued April 2014	5,275,000	2034	2.0% - 4.0%	\$ 4,435,000
USDA bonds, issued August 2003	752,000	2023	4.25%	293,597
				<u>\$ 4,728,597</u>
Note Payable				
Clean Water note payable, issued November 2004	1,606,152	2024	2.00%	<u>\$ 430,648</u>

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2018:

Year ending June 30:	Governmental Activities						Totals	
	General Obligation Bonds		Note Payable		Principal	Interest		
	Principal	Interest	Principal	Interest				
2019	\$ 1,120,000	\$ 290,050	\$ 20,174	\$ -	\$ 1,140,174	\$ 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	1,040,000	138,450	-	-	1,040,000	138,450		
2024-2026	2,465,000	134,625	-	-	2,465,000	134,625		
	<u>\$ 8,135,000</u>	<u>\$ 1,223,975</u>	<u>\$ 20,174</u>	<u>\$ -</u>	<u>\$ 8,155,174</u>	<u>\$ 1,223,975</u>		
Year ending June 30:	Business-type Activities						Totals	
	General Obligation Bonds		USDA Bonds Payable		Clean Water Note Payable			
	Principal	Interest	Principal	Interest	Principal	Interest		
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	280,000	119,944	52,049	4,517	80,661	1,412	412,710	125,873
2024-2028	1,390,000	440,635	53,725	2,305	27,343	112	1,471,068	443,052
2029-2033	1,375,000	189,407	-	-	-	-	1,375,000	189,407
2034	275,000	5,500	-	-	-	-	275,000	5,500
	<u>\$ 4,435,000</u>	<u>\$ 1,333,212</u>	<u>\$ 293,597</u>	<u>\$ 45,263</u>	<u>\$ 430,648</u>	<u>\$ 23,302</u>	<u>\$ 5,159,245</u>	<u>\$ 1,401,777</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

Bonds and Notes Payable (*Continued*)

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts. 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, 2018.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2018 totaled \$86,265 for general purposes, \$2,494,805 for school purposes, and \$1,697,994 for sewer purposes.

Capital Leases

A summary of assets under capital leases as of June 30, 2018 are as follows:

	Governmental Activities
Equipment	\$ 568,707
Less: accumulated amortization	211,824
	\$ 356,883

Amortization expense relative to leased property under capital leases totaled \$74,984 for the year ended June 30, 2018 and is included in depreciation and amortization expense disclosed in Note 5.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

	Governmental Activities
Year Ending June 30:	
2019	\$ 91,145
2020	31,276
2021	10,812
2022	4,254
Total minimum lease payments	137,487
Less: amount representing interest	3,296
Present value of minimum lease payments	\$ 134,191

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, 2018, the balance of the contract totaled \$65,082.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - FUND BALANCE

The various components of fund balance at June 30, 2018 are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Inventories	\$ 6,080	\$ 17,755	\$ 23,835
Restricted for:			
Donor restrictions	12,310	-	12,310
Social services	-	398,492	398,492
Committed for:			
Public safety	-	6,712	6,712
Capital outlays	-	931,822	931,822
Education	-	71,955	71,955
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	8,369,188	-	8,369,188
	\$ 9,720,120	\$ 1,426,736	\$ 11,146,856

NOTE 9 - 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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - 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	126
Inactive plan members entitled to but not yet receiving benefits	119
Active plan members	161
	<hr/>
	406
	<hr/>

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, 2018, the Town contributed \$1,151,600 or 15.79% 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.

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Concentrations - As of June 30, 2018, more than 10% of the Town Plan's investments are invested in the following:

Issuer	Investment	Value	% of Plan Investments
Vanguard	Vanguard 500 Index Fund	\$ 4,949,717	22%
Vanguard	Vanguard International Growth Fund	2,663,641	12%
Artisan	Artisan International Value Fund	2,411,364	11%
Metropolitan West Funds	Metropolitan West Total Return Bond Fund	2,140,266	10%

Rate of return - For the year ended June 30, 2018 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.25%. 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, 2018, were as follows:

Total pension liability	\$ 26,352,355
Plan fiduciary net position	<u>22,502,973</u>
Town's net pension liability - Town Plan	<u>\$ 3,849,382</u>
 Plan fiduciary net position as a percentage of the total pension liability	 85.39%

Net Pension Liability

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2018, were as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2017	\$ 24,737,257	\$ 20,611,753	\$ 4,125,504
Changes for the year:			
Service cost	629,011	-	629,011
Interest	1,738,901	-	1,738,901
Differences between expected and actual experience	774,017	-	774,017
Changes of assumptions	(459,113)	-	(459,113)
Contributions - employer	-	1,151,600	(1,151,600)
Contributions - employee	-	92,183	(92,183)
Net investment income	-	1,715,655	(1,715,655)
Benefit payments, including refunds	(1,067,718)	(1,067,718)	-
Administrative expense	-	(500)	500
Net changes	<u>1,615,098</u>	<u>1,891,220</u>	<u>(276,122)</u>
Balance as of June 30, 2018	<u>\$ 26,352,355</u>	<u>\$ 22,502,973</u>	<u>\$ 3,849,382</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Net Pension Liability (*Continued*)

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

Inflation	2.75%
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-2017.

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, 2018 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	22.50%	1.75%
Fixed Income Global	7.50%	2.00%
Domestic Equity Large Cap	27.00%	5.60%
Domestic Equity Small Cap	8.00%	5.90%
International Equity Developed	22.00%	5.80%
International Equity Emerging	5.50%	6.85%
Global REIT	3.75%	4.50%
Commodities	3.75%	2.25%
	<u>100.00%</u>	

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.

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Net Pension Liability (*Continued*)

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, 2018	\$ 6,843,930	\$ 3,849,382	\$ 1,311,282

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, the Town recognized pension expense related to the Town Plan of \$1,152,449. At June 30, 2018, 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	\$ -	\$ (139,978)
Changes of assumptions	34,055	(315,640)
Differences between expected and actual experience	532,137	(32,680)
Total	\$ 566,192	\$ (488,298)

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,			
2019	\$	312,690	
2020		67,074	
2021		(248,511)	
2022		(53,359)	
	\$	77,894	

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of change in fiduciary net position for the Plan as of and for the year ended June 30, 2018:

Statement of Fiduciary Net Position	
	Town Pension Plan
ASSETS	
Cash and cash equivalents	\$ 135,653
Investments	22,367,320
Contribution receivable	22,902
Total assets	22,525,875
 NET POSITION	
Restricted for pension benefits	\$ 22,525,875

Statement of Changes in Fiduciary Net Position	
	Town Pension Plan
ADDITIONS	
Contributions:	
Employers	\$ 1,151,600
Plan members	92,183
Total contributions	1,243,783
Investment earnings:	
Net change in the fair value of investments, net of investment fees	1,295,810
Total investment earnings, net	1,684,074
Total additions	2,927,857
 DEDUCTIONS	
Benefit payments	1,067,718
Administrative expenses	13,315
Total deductions	1,081,033
Changes in net position	1,846,824
Net position - beginning	20,679,051
Net position - ending	\$ 22,525,875

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE RETIREMENT PLANS (*Continued*)

Defined Benefit Plan (*Continued*)

Payable to the Town

The Town has reported a liability of \$22,902 payable to the Town Plan as of June 30, 2018 for the outstanding amount of contributions to the Town Plan required for the year ended June 30, 2018.

Connecticut State Teachers' Retirement System

Plan Description

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

Benefit Provisions

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

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

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - PENSION PLANS (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Contributions

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

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

Administrative Expenses

Administrative costs of the plan are funded by the State.

Basis of Presentation

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measure as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2018.

Allocation Methodology

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2017 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$3,697,462 or 0.365% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective pension expense allocated to the Town totaled \$5,705,396. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

The total collective net pension liability of participating employers for the TRS was approximately \$13.502 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$49,324,435 or approximately 0.365% of the total collective net pension liability.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - PENSION PLANS (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

Long-Term Rate of Return

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

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - PENSION PLANS (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Long-Term Rate of Return (*Continued*)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative Investments	8.0%	4.1%
Fixed Income (Core)	7.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bond	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100.0%</u>	

Discount Rate

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

Proportionate Share of the Collective Net Pension Liability

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's proportionate share of the net pension liability	\$ 61,739,648	\$ 49,324,435	\$ 38,828,150

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Board of Education Plan

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	343

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 \$381,666 for the year ended June 30, 2018 and represented 2.01% of covered payroll.

Net OPEB Liability

The Town’s net OPEB liability reported as of June 30, 2018 totaled \$8,735,325. The net OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2016.

Actuarial assumptions - The total OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.00%, 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*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

Board of Education Plan (Continued)

Net OPEB Liability (*Continued*)

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	100.00%	

Discount rate - The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2017	\$ 9,679,892	\$ 345,321	\$ 9,334,571
Changes for the year:			
Service cost	122,205	-	122,205
Interest	598,463	-	598,463
Differences between expected and actual experience	(45,625)	-	(45,625)
Changes of assumptions	(812,951)	-	(812,951)
Contributions - employer	-	381,666	(381,666)
Contributions - TRB subsidy	-	53,394	(53,394)
Net investment income	-	26,278	(26,278)
Benefit payments, including refunds	(335,060)	(335,060)	-
Net changes	(472,968)	126,278	(599,246)
Balance as of June 30, 2018	\$ 9,206,924	\$ 471,599	\$ 8,735,325

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

Board of Education Plan (*Continued*)

Changes in OPEB Liability (*Continued*)

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rates		
	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 9,782,671	\$ 8,735,325	\$ 7,842,890

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 (7.75% decreasing to 3.75%) or 1-percentage-point higher (9.75% decreasing to 5.75%) than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease (7.75% decreasing to 3.75%)	Current (8.75% decreasing to 4.75%)	1% Increase (9.75% decreasing to 5.75%)
Net OPEB liability	\$ 7,660,686	\$ 8,735,325	\$ 10,005,800

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, the Town recognized OPEB expense of \$562,176. At June 30, 2018, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ (1,421)
Changes of assumptions	(736,974)
Differences between expected and actual experience	(41,361)
Total	<u>\$ (779,756)</u>

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

Year ended June 30,	
2019	\$ (80,596)
2020	(80,596)
2021	(80,596)
2022	(80,597)
2023	(80,241)
Thereafter	<u>(377,130)</u>
	<u>\$ (779,756)</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

Board of Education Plan (*Continued*)

OPEB Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB Plan as of and for the year ended June 30, 2018:

Statement of Fiduciary Net Position	
	OPEB Trust Fund Plan
ASSETS	
Cash and cash equivalents	\$ 1,678
Investments	470,271
Total assets	471,949
 NET POSITION	
Restricted for pension benefits	\$ 471,949

Statement of Changes in Fiduciary Net Position	
	OPEB Trust Fund Plan
ADDITIONS	
Contributions:	
Employers	\$ 100,000
Plan members	-
Total contributions	100,000
Investment earnings:	
Net change in the fair value of investments, net of investment fees	26,392
Total investment earnings, net	26,392
Total additions	126,392
 DEDUCTIONS	
Benefit payments	-
Administrative expenses	-
Total deductions	-
Changes in net position	126,392
Net position - beginning	345,557
Net position - ending	\$ 471,949

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

Connecticut State Teachers' Retirement System

Plan Description

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

Benefit Provisions

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

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

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

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

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

Contributions

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Contributions (*Continued*)

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

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

Administrative Expenses

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

Basis of Presentation

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2018.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2017.

Allocation Methodology

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2017.

For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$72,776 or 0.365% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective OPEB expense allocated to the Town totaled \$588,375. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Allocation Methodology (*Continued*)

The total collective net OPEB liability of participating employers for the TRS was approximately \$3.475 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$12,695,536 or approximately 0.365% of the total collective net OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.75%
Salary increases		3.25% - 6.50%, including inflation
Investment rate of return	2.75%, net of investment related expense	
Healthcare cost trend rates:		
Pre- Medicare	7.25% for 2017 decreasing to an ultimate rate of 5.00% by 2022	
Medicare	7.25% for 2017 decreasing to an ultimate rate of 5.00% by 2022	

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Long-Term Rate of Return

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%

TOWN OF PLAINFIELD, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (*Continued*)

Connecticut State Teachers' Retirement System (*Continued*)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate.
- Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Proportionate Share of the Collective Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 3.56%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount (3.56%)	1% Increase (4.56%)
Town's proportionate share of the net OPEB liability	\$ 15,300,154	\$ 12,695,536	\$ 10,647,556

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Currnet Trend Rates	1% Increase in Trend Rates
Town's proportionate share of the net OPEB liability	\$ 10,435,007	\$ 12,695,536	\$ 15,714,827

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 11 - 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 2018, 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, 2018. 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.

A summary the Town's portion of claims activity for the years ended June 30, 2018, 2017 and 2016 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2018	\$ 356,714	\$ 6,184,975	\$ 6,179,487	\$ 362,202
2017	467,565	6,341,842	6,452,693	356,714
2016	484,141	6,778,486	6,795,062	467,565

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12 - 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 13 - ADJUSTMENT TO NET POSITION

The Town has reported the following cumulative effect of applying GASB Statement No. 75 as an adjustment of beginning net position as of July 1, 2017. The adjustment does not include deferred outflows of resources or deferred inflows of resources related to OPEB.

In addition, the Town has adjusted the beginning net position of the government-wide financial statements for the correction of an error. The effects of the adjustments on the changes in net position and fund balances for the prior year have not been determined.

	Governmental Activities
Net position - beginning, as originally reported	\$ 60,730,435
Adjustment to remove net other post-employment benefit obligation recognized under GASB Statement No. 45	6,220,439
Adjustment to record net other post-employment liability recognized under GASB Statement No. 75	(9,334,571)
	(3,114,132)
Adjustment to record health insurance escrow not recognized in prior years	1,692,246
Net position - beginning, as adjusted	\$ 59,308,549

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

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 is currently evaluating the potential impact of adopting the Statement on its financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE (*Continued*)

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 is currently evaluating the potential impact of adopting the Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting the Statement on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2018. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 27,330,711	\$ 27,330,711	\$ 28,148,167	\$ 817,456
Intergovernmental	16,905,498	15,214,516	15,078,824	(135,692)
Licenses, permits and fees	744,290	744,290	677,865	(66,425)
Interest	45,000	45,000	173,254	128,254
Out of town tuition	1,323,388	1,323,388	1,372,467	49,079
Other	587,604	587,604	533,806	(53,798)
Total revenues	<u>46,936,491</u>	<u>45,245,509</u>	<u>45,984,383</u>	<u>738,874</u>
EXPENDITURES				
General government	4,040,420	4,041,678	3,822,294	(219,384)
Public safety	2,358,299	2,364,960	2,312,635	(52,325)
Public works	1,526,353	1,528,122	1,391,154	(136,968)
Social services	637,434	645,395	447,598	(197,797)
Administration	905,480	886,211	803,480	(82,731)
Capital outlays	414,780	414,780	149,682	(265,098)
Education	35,550,777	34,861,415	34,859,098	(2,317)
Debt service	1,916,279	1,916,279	1,916,279	-
Total expenditures	<u>47,349,822</u>	<u>46,658,840</u>	<u>45,702,220</u>	<u>(956,620)</u>
(Deficiency) excess of revenues over expenditures	(413,331)	(1,413,331)	282,163	1,695,494
OTHER FINANCING SOURCES (USES)				
Fund Balance - Town revaluation	32,542	32,542	-	(32,542)
WPCA Bond Payment	220,922	220,922	220,922	-
Fund balance - Police cars & highway truck	79,867	79,867	-	(79,867)
Fund balance - Chipper	80,000	80,000	-	(80,000)
Appropriation of fund balance	-	1,000,000	-	(1,000,000)
Total other financing sources (uses)	<u>413,331</u>	<u>1,413,331</u>	<u>220,922</u>	<u>(1,192,409)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 503,085</u>	<u>\$ 503,085</u>

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
PROPERTY TAXES				
Property taxes	\$ 27,155,711	\$ 27,155,711	\$ 27,875,349	\$ 719,638
Interest and lien fees	175,000	175,000	272,818	97,818
Total property taxes	<u>27,330,711</u>	<u>27,330,711</u>	<u>28,148,167</u>	<u>817,456</u>
INTERGOVERNMENTAL				
Educational equalization	11,050,395	13,331,630	13,378,423	46,793
Adult education	105,120	102,479	-	(102,479)
Special education grant - State Budget	4,831,895	537,523	713,695	176,172
Town aid road	288,831	288,831	279,043	(9,788)
Telephone access lines	50,385	50,385	37,777	(12,608)
Local capital improvements	230,913	230,913	62,328	(168,585)
Mohegan/Pequot grant	-	-	81,291	81,291
PILOT - State-owned property	40,986	40,986	16,625	(24,361)
PILOT - Elderly freeze	108,143	108,143	-	(108,143)
Reimbursement disability	3,748	3,747	2,926	(821)
PILOT - Veterans exemption	6,496	6,496	6,594	98
MRSA - Grant Municipal	-	-	144,803	144,803
Emergency Mgt. Asst.	7,715	7,715	-	(7,715)
Hospital Property Tax	135,871	135,871	-	(135,871)
Municipal stabilization grant	-	324,797	343,543	18,746
Other state revenue	45,000	45,000	11,776	(33,224)
Total intergovernmental revenues	<u>16,905,498</u>	<u>15,214,516</u>	<u>15,078,824</u>	<u>(135,692)</u>
LICENSES, PERMITS AND FEES				
Pool receipts	112,000	112,000	97,867	(14,133)
Recreation receipts	30,000	30,000	48,206	18,206
Daycare receipts	220,000	220,000	21,163	(198,837)
Building permits	80,000	80,000	140,301	60,301
Planning and zoning fees	25,000	25,000	28,273	3,273
Town clerk fees	193,100	193,100	240,070	46,970
Town clerk - copies	16,500	16,500	16,490	(10)
Assessor - copies	1,500	1,500	762	(738)
Police - other duty	25,000	25,000	48,655	23,655
F/M Services - Canterbury	5,840	5,840	4,780	(1,060)
Town Hall rental	2,500	2,500	1,185	(1,315)
Cell Tower rental	32,850	32,850	30,113	(2,737)
Total licenses, permits and fees	<u>744,290</u>	<u>744,290</u>	<u>677,865</u>	<u>(66,425)</u>

(Continued)

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Concluded)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
INVESTMENT - INTEREST	\$ 45,000	\$ 45,000	\$ 173,254	\$ 128,254
OUT OF TOWN TUITION	1,323,388	1,323,388	1,372,467	49,079
OTHER				
Tuition - special education	432,604	432,604	382,824	(49,780)
Other local revenue	100,000	100,000	123,686	23,686
Industrial park lot sales	45,000	45,000	-	(45,000)
Police - miscellaneous revenue	10,000	10,000	27,296	17,296
Total other	<u>587,604</u>	<u>587,604</u>	<u>533,806</u>	<u>(53,798)</u>
Total revenues	<u>46,936,491</u>	<u>45,245,509</u>	<u>45,984,383</u>	<u>738,874</u>
OTHER FINANCING SOURCES				
Fund Balance - Town Revaluation	32,542	32,542	-	(32,542)
WPCA Bond Payment	220,922	220,922	220,922	-
Fund balance - Police cars & highway truck	79,867	79,867	-	(79,867)
Fund balance - Chipper	80,000	80,000	-	(80,000)
Appropriation of fund balance	-	1,000,000	-	(1,000,000)
Total other financing sources	<u>413,331</u>	<u>1,413,331</u>	<u>220,922</u>	<u>(1,192,409)</u>
Total revenues and other financing sources	<u>\$ 47,349,822</u>	<u>\$ 46,658,840</u>	<u>\$ 46,205,305</u>	<u>\$ (453,535)</u> <i>(Concluded)</i>

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
First Selectman	\$ 137,300	\$ 138,018	\$ 131,815	\$ (6,203)
Finance	243,292	245,057	238,991	(6,066)
Assessor	162,002	163,393	158,548	(4,845)
Tax Collector	166,340	168,015	132,352	(35,663)
Town Clerk	181,950	183,660	177,138	(6,522)
Election and registrars	46,098	46,098	39,983	(6,115)
Employee benefits	3,103,438	3,097,437	2,943,467	(153,970)
Total general government	<u>4,040,420</u>	<u>4,041,678</u>	<u>3,822,294</u>	<u>(219,384)</u>
PUBLIC SAFETY				
Fire Marshal	54,311	55,229	53,440	(1,789)
Police Department	1,999,280	1,999,280	1,961,170	(38,110)
Building Inspector	99,262	101,184	99,904	(1,280)
Planning and engineering	158,313	161,409	151,479	(9,930)
Animal control	47,133	47,858	46,642	(1,216)
Total public safety	<u>2,358,299</u>	<u>2,364,960</u>	<u>2,312,635</u>	<u>(52,325)</u>
PUBLIC WORKS				
Building and grounds	313,742	315,510	258,663	(56,847)
Highway	923,780	923,781	843,695	(80,086)
Town aid road	288,831	288,831	288,796	(35)
Total public works	<u>1,526,353</u>	<u>1,528,122</u>	<u>1,391,154</u>	<u>(136,968)</u>
SOCIAL SERVICES				
Recreation	568,592	576,553	378,756	(197,797)
Libraries	68,842	68,842	68,842	-
Total social services	<u>637,434</u>	<u>645,395</u>	<u>447,598</u>	<u>(197,797)</u>

(Continued)

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Concluded)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
ADMINISTRATION				
Telephone	\$ 41,250	\$ 41,250	\$ 36,146	\$ (5,104)
Legal fees	100,000	110,000	118,753	8,753
Postage	30,000	30,000	20,228	(9,772)
Computer	148,580	148,580	147,631	(949)
Computer salary	41,300	42,126	42,126	-
Probate	7,689	7,689	7,689	-
Copy machines	37,000	37,000	26,181	(10,819)
Claims	1,000	1,000	-	(1,000)
Tax refunds	13,000	13,000	8,783	(4,217)
Board and commissions	23,400	23,400	19,494	(3,906)
Purchased services	393,639	393,639	361,692	(31,947)
Contributions	4,146	4,146	2,487	(1,659)
Contingency	64,476	34,381	12,270	(22,111)
Total administration	<u>905,480</u>	<u>886,211</u>	<u>803,480</u>	<u>(82,731)</u>
CAPITAL OUTLAYS	<u>414,780</u>	<u>414,780</u>	<u>149,682</u>	<u>(265,098)</u>
EDUCATION	<u>35,550,777</u>	<u>34,861,415</u>	<u>34,859,098</u>	<u>(2,317)</u>
DEBT SERVICE				
Principal payments	1,445,174	1,445,174	1,445,174	-
Interest and fiscal charges	471,105	471,105	471,105	-
Total debt service	<u>1,916,279</u>	<u>1,916,279</u>	<u>1,916,279</u>	<u>-</u>
Total expenditures	<u>\$ 47,349,822</u>	<u>\$ 46,658,840</u>	<u>\$ 45,702,220</u>	<u>\$ (956,620)</u> <i>(Concluded)</i>

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FOUR FISCAL YEARS
(Rounded to Nearest Thousand)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.365%	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	<u>49,324,000</u>	<u>52,038,000</u>	<u>40,551,000</u>	<u>37,482,000</u>
Total	<u>\$ 49,324,000</u>	<u>\$ 52,038,000</u>	<u>\$ 40,551,000</u>	<u>\$ 37,482,000</u>
Town's covered payroll	\$ 14,679,000	\$ 14,588,000	\$ 12,917,000	\$ 14,388,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	29.76%	28.03%	31.85%	38.39%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

See the accompanying notes to the required supplementary information.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	629,011	\$ 601,924	\$ 598,576	\$ 572,800	\$ 548,134
Interest	1,738,901	1,649,247	1,660,359	1,561,263	1,467,462
Changes in benefit terms	-	-	17,758	-	-
Differences between expected and actual experience	774,017	-	(1,013,041)	-	-
Changes of assumptions	(459,113)	-	1,055,717	-	-
Benefit payments, including refunds	<u>(1,067,718)</u>	<u>(929,579)</u>	<u>(870,763)</u>	<u>(807,487)</u>	<u>(772,316)</u>
Net change in total pension liability	1,615,098	1,321,592	1,448,606	1,326,576	1,243,280
Total pension liability - beginning	<u>24,737,257</u>	<u>23,415,665</u>	<u>21,967,059</u>	<u>20,640,483</u>	<u>19,397,203</u>
Total pension liability - ending	<u>26,352,355</u>	<u>24,737,257</u>	<u>23,415,665</u>	<u>21,967,059</u>	<u>20,640,483</u>
Plan fiduciary net position					
Contributions - employer	1,151,600	1,153,732	1,125,405	1,174,169	706,969
Contributions - members	92,183	102,613	94,173	54,905	57,049
Net investment income	1,715,655	2,341,480	140,367	72,030	2,396,885
Benefit payments, including refunds	(1,067,718)	(929,579)	(870,763)	(807,487)	(772,316)
Administrative expense	(500)	(300)	(71,408)	(7,644)	(5,350)
Net change in plan fiduciary net position	1,891,220	2,667,946	417,774	485,973	2,383,237
Plan fiduciary net position - beginning	<u>20,611,753</u>	<u>17,943,807</u>	<u>17,526,033</u>	<u>17,040,060</u>	<u>14,656,823</u>
Plan fiduciary net position - ending	<u>22,502,973</u>	<u>20,611,753</u>	<u>17,943,807</u>	<u>17,526,033</u>	<u>17,040,060</u>
Town's net pension liability	<u>\$ 3,849,382</u>	<u>\$ 4,125,504</u>	<u>\$ 5,471,858</u>	<u>\$ 4,441,026</u>	<u>\$ 3,600,423</u>
Plan fiduciary net position as a percentage of total pension liability	85.39%	83.32%	76.63%	79.78%	82.56%
Covered payroll	\$ 7,294,248	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889	\$ 6,273,578
Town's net pension liability as a percentage of covered payroll	52.77%	62.02%	85.96%	67.74%	57.39%

See the accompanying notes to the required supplementary information.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,472,606	\$ 1,472,606	\$ 1,472,606	\$ 1,448,874	\$ 1,448,874
Contributions in relation to the actuarially determined contribution	<u>1,151,600</u>	<u>1,153,732</u>	<u>1,125,405</u>	<u>1,174,169</u>	<u>706,969</u>
Contribution deficiency	<u>\$ 321,006</u>	<u>\$ 318,874</u>	<u>\$ 347,201</u>	<u>\$ 274,705</u>	<u>\$ 741,905</u>
Covered employee payroll	\$ 7,294,248	\$ 6,652,362	\$ 6,365,897	\$ 6,555,889	\$ 6,273,578
Contributions as a percentage of covered employee payroll	15.79%	17.34%	17.68%	17.91%	11.27%
Annual money-weighted rate of return, net of investment expense	8.25%	12.93%	0.79%	0.41%	16.27%

See the accompanying notes to the required supplementary information.

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

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 122,205	\$ 194,502
Interest	598,463	492,015
Changes in benefit terms	-	-
Differences between expected and actual experience	(45,625)	(185,789)
Changes of assumptions	(812,951)	(2,956,730)
Benefit payments, including refunds	(335,060)	(122,705)
Net change in total OPEB liability	<u>(472,968)</u>	<u>(2,578,707)</u>
Total OPEB liability - beginning	<u>9,679,892</u>	<u>12,258,599</u>
Total OPEB liability - ending	<u>9,206,924</u>	<u>9,679,892</u>
 Plan fiduciary net position		
Contributions - employer	381,666	61,401
Contributions - members	53,394	61,304
Net investment income	26,278	31,395
Benefit payments, including refunds	(335,060)	(122,705)
Administrative expense	-	(972)
Net change in plan fiduciary net position	<u>126,278</u>	<u>30,423</u>
Plan fiduciary net position - beginning	<u>345,321</u>	<u>314,898</u>
Plan fiduciary net position - ending	<u>471,599</u>	<u>345,321</u>
 Town's net OPEB liability	 <u>\$ 8,735,325</u>	 <u>\$ 9,334,571</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 5.12%	 3.57%
 Covered payroll	 \$ 18,953,011	 \$ 18,445,753
 Town's net OPEB liability as a percentage of covered payroll	 46.09%	 50.61%

See the accompanying notes to the required supplementary information.

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

	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 908,368	\$ 1,104,300
Contributions in relation to the actuarially determined contribution	<u>381,666</u>	<u>61,401</u>
Contribution deficiency	<u>\$ 526,702</u>	<u>\$ 1,042,899</u>
Covered employee payroll	\$ 18,953,011	\$ 18,445,753
Contributions as a percentage of covered employee payroll	2.01%	0.33%
Annual money-weighted rate of return, net of investment expense	6.02%	9.99%

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FISCAL YEAR
(Rounded to Nearest Thousand)

	2018
Proportion of the net OPEB liability attributed to the Town	0.365%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	12,696,000
Total	\$ 12,696,000
Town's covered payroll	\$ 14,679,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	115.62%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

See the accompanying notes to the required supplementary information.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

- Other than the Education Department, which submits estimates directly to the Board of Finance, department heads submit their estimated budget to the Board of Selectmen, who review and may revise the budget before submitting to the Board of Finance for review and consideration. Expenditures are controlled at the department level.
- After one or more public hearings, the Board of Finance may revise the 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, no additional appropriations were authorized.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.
- 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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (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, 2018:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other</u> <u>Financing Sources -</u> <u>Sources (Uses)</u>	<u>Net Change</u> <u>in</u> <u>Fund Balance</u>
Budgetary basis	\$ 45,984,383	\$ 45,702,220	\$ 220,922	\$ 503,085
"On-behalf" payments - State Teachers Retirement Fund	3,770,238	3,770,238	-	-
Capital leases not recorded for budgetary purposes	-	59,191	59,191	-
Various reimbursements netted against expenditures	772,698	772,698	-	-
Certain transfers recorded as expenditures for budgetary purposes	-	(446,844)	(446,844)	-
Intergovernmental grants netted against expenditures	104,707	104,707	-	-
Other	88,516	88,096	(3,356)	(2,936)
GAAP basis	<u>\$ 50,720,542</u>	<u>\$ 50,050,306</u>	<u>\$ (170,087)</u>	<u>\$ 500,149</u>

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

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

Assumption Changes - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2018.

- the inflation assumption was reduced from 3.00% to 2.75%,
- the real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%,
- the payroll growth assumption was reduced from 3.75% to 3.25%, and
- various demographic assumption changes including the utilization of the RPH-2014 mortality tables.

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

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

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

Assumptions Changes - The following assumption change had a significant effect on the measurement of the total pension liability reported as of June 30, 2018.

- the mortality improvement assumption was updated from MP-2015 to MP-2017

NOTE 4 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN EMPLOYEE RETIREMENT PLAN

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

Actuarial determined contribution rates are calculated as of July 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial contributions for fiscal year ending June 30, 2018 were determined from the July 1, 2015 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of Salary
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	2.75%
Investment rate of return	7.00%
Salary increases	4.50%
Retirement age	Age 62 for Town employees Age 55 for Police

Mortality based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN

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

The July 1, 2016 actuarial valuation directly calculated the July 1, 2016 total OPEB liability. The July 1, 2016 total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the total OPEB liability as of June 30, 2018.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2018:

Actuarial cost method	Entry Age
Amortization method	Level percentage of Salary
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	2.75%
Investment rate of return	7.00%
Healthcare cost trend rates	8.75%, current 4.75%, final

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

NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2018

Grand List Year	Balance Uncollected June 30, 2017	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2018
			Additions	Deductions			Taxes	Interest	Lien	Total	
									Fees		
2016	\$ -	\$ 28,282,053	\$ 42,690	\$ 92,710	\$ 3,030	\$ 28,229,003	\$ 27,403,664	\$ 119,112	\$ 264	\$ 27,523,040	\$ 825,339
2015	714,073	-	1,986	3,893	19,390	692,776	364,721	80,515	2,493	447,729	328,055
2014	232,457	-	49	316	4,427	227,763	65,068	16,782	576	82,426	162,695
2013	143,868	-	54	-	3,050	140,872	25,518	14,759	168	40,445	115,354
2012	115,098	-	9	-	2,316	112,791	17,079	11,730	168	28,977	95,712
2011	73,770	-	7	-	2,612	71,165	9,205	8,853	48	18,106	61,960
2010	58,595	-	8	-	2,524	56,079	9,834	11,175	72	21,081	46,245
2009	39,390	-	-	-	2,451	36,939	10,580	11,451	72	22,103	26,359
2008	26,444	-	-	-	-	26,444	4,035	6,824	48	10,907	22,409
2007	20,075	-	4	-	-	20,079	1,294	835	-	2,129	18,785
2006	19,925	-	9	-	-	19,934	-	296	-	296	19,934
2005	16,260	-	361	-	-	16,621	355	2,437	-	2,792	16,266
2004	22,416	-	468	-	-	22,884	468	49	-	517	22,416
2003	22,834	-	800	-	-	23,634	796	86	-	882	22,838
2002	17,159	-	-	17,159	-	-	-	-	-	-	-
	<u>\$ 1,522,364</u>	<u>\$ 28,282,053</u>	<u>\$ 46,445</u>	<u>\$ 114,078</u>	<u>\$ 39,800</u>	<u>\$ 29,696,984</u>	<u>\$ 27,912,617</u>	<u>\$ 284,904</u>	<u>\$ 3,909</u>	<u>\$ 28,201,430</u>	<u>\$ 1,784,367</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, 2018

Total cash collections for the year ended
June 30, 2018:

Taxes	\$ 27,912,617
Interest and lien fees	288,813
Total	<u>28,201,430</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	2,926
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Base	<u><u>\$ 28,204,356</u></u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 63,459,801	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	126,919,602	-	-	-
3-3/4 times base	-	-	105,766,335	-	-
3-1/4 times base	-	-	-	91,664,157	-
3 times base	-	-	-	-	84,613,068
Total debt limitation	<u>63,459,801</u>	<u>126,919,602</u>	<u>105,766,335</u>	<u>91,664,157</u>	<u>84,613,068</u>
Indebtedness:					
Bonds and notes payable	5,461,274	2,693,900	5,159,245	-	-
Authorized, unissued bonds	86,265	2,494,805	1,697,994	-	-
	<u>5,547,539</u>	<u>5,188,705</u>	<u>6,857,239</u>	<u>-</u>	<u>-</u>
Less: sewer assessments receivable	-	-	71,317	-	-
Total indebtedness	<u>5,547,539</u>	<u>5,188,705</u>	<u>6,785,922</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 57,912,262</u></u>	<u><u>\$ 121,730,897</u></u>	<u><u>\$ 98,980,413</u></u>	<u><u>\$ 91,664,157</u></u>	<u><u>\$ 84,613,068</u></u>
Total capacity of borrowing (7 times base)	\$ 197,430,492				
Total present indebtedness	<u>17,522,166</u>				
Margin for additional borrowing	<u><u>\$ 179,908,326</u></u>				

See accompanying Independent Auditor's Report.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF PLAINFIELD, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Nonmajor Special Revenue Funds							Total Nonmajor Special Revenue Funds
	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	Afterschool Program Fund	CDBG Fund	Police Fund	
ASSETS								
Cash and cash equivalents	\$ 11,090	\$ -	\$ 11,873	\$ -	\$ -	\$ 187,369	\$ 1,490	\$ 211,822
Receivables:								
Grants and contracts	-	-	135,809	94,162	-	-	-	229,971
Loans, net	-	-	-	-	-	212,058	-	212,058
Due from other funds	-	-	-	120,614	169	-	-	120,783
Inventories	-	-	17,755	-	-	-	-	17,755
Total assets	<u>\$ 11,090</u>	<u>\$ -</u>	<u>\$ 165,437</u>	<u>\$ 214,776</u>	<u>\$ 169</u>	<u>\$ 399,427</u>	<u>\$ 1,490</u>	<u>\$ 792,389</u>
LIABILITIES								
Accounts payable	\$ 1,694	\$ -	\$ 75,896	\$ 73,154	\$ -	\$ -	\$ -	\$ 150,744
Accrued liabilities	-	-	-	75,297	-	-	-	75,297
Unearned revenue	-	-	-	66,156	-	935	-	67,091
Due to other funds	4,174	-	-	169	-	-	-	4,343
Total liabilities	<u>5,868</u>	<u>-</u>	<u>75,896</u>	<u>214,776</u>	<u>-</u>	<u>935</u>	<u>-</u>	<u>297,475</u>
FUND BALANCES								
Nonspendable:								
Inventories	-	-	17,755	-	-	-	-	17,755
Restricted for:								
Social service programs	-	-	-	-	-	398,492	-	398,492
Committed to:								
Capital improvements	-	-	-	-	-	-	-	-
Public safety	5,222	-	-	-	-	-	1,490	6,712
Education	-	-	71,786	-	169	-	-	71,955
Total fund balances	<u>5,222</u>	<u>-</u>	<u>89,541</u>	<u>-</u>	<u>169</u>	<u>398,492</u>	<u>1,490</u>	<u>494,914</u>
Total liabilities and fund balances	<u>\$ 11,090</u>	<u>\$ -</u>	<u>\$ 165,437</u>	<u>\$ 214,776</u>	<u>\$ 169</u>	<u>\$ 399,427</u>	<u>\$ 1,490</u>	<u>\$ 792,389</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2018

	Nonmajor Capital Projects Funds					Total Nonmajor Governmental Funds
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	School Project Fund	Total Nonmajor Capital Projects Funds	
ASSETS						
Cash and cash equivalents	\$ 20,820	\$ 412,643	\$ 468,676	\$ 19,364	\$ 921,503	\$ 1,133,325
Receivables:						
Grants and contracts	-	-	-	-	-	229,971
Loans, net	-	-	-	-	-	212,058
Due from other funds	-	-	-	10,319	10,319	131,102
Inventories	-	-	-	-	-	17,755
Total assets	<u>\$ 20,820</u>	<u>\$ 412,643</u>	<u>\$ 468,676</u>	<u>\$ 29,683</u>	<u>\$ 931,822</u>	<u>\$ 1,724,211</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,744
Accrued liabilities	-	-	-	-	-	75,297
Unearned revenue	-	-	-	-	-	67,091
Due to other funds	-	-	-	-	-	4,343
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,475</u>
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	17,755
Restricted for:						
Social service programs	-	-	-	-	-	398,492
Committed for:						
Capital improvements	20,820	412,643	468,676	29,683	931,822	931,822
Public safety	-	-	-	-	-	6,712
Education	-	-	-	-	-	71,955
Total fund balances	<u>20,820</u>	<u>412,643</u>	<u>468,676</u>	<u>29,683</u>	<u>931,822</u>	<u>1,426,736</u>
Total liabilities and fund balances	<u>\$ 20,820</u>	<u>\$ 412,643</u>	<u>\$ 468,676</u>	<u>\$ 29,683</u>	<u>\$ 931,822</u>	<u>\$ 1,724,211</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, 2018

	Nonmajor Special Revenue Funds							Total Nonmajor Special Revenue Funds
	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	Afterschool Program Fund	CDBG Fund	Police Fund	
REVENUES								
Grants and contracts	\$ -	\$ -	\$ 698,642	\$ 1,595,051	\$ -	\$ -	\$ -	\$ 2,293,693
Licenses, permits and fees	14,288	-	355,848	-	108,338	-	-	478,474
Interest	35	-	-	-	-	78	-	113
Other	-	-	-	-	-	44,865	-	44,865
Total revenues	<u>14,323</u>	<u>-</u>	<u>1,054,490</u>	<u>1,595,051</u>	<u>108,338</u>	<u>44,943</u>	<u>-</u>	<u>2,817,145</u>
EXPENDITURES								
Public safety	15,226	-	-	-	-	-	1,500	16,726
Education	-	-	1,093,520	1,595,051	108,169	-	-	2,796,740
Total expenditures	<u>15,226</u>	<u>-</u>	<u>1,093,520</u>	<u>1,595,051</u>	<u>108,169</u>	<u>-</u>	<u>1,500</u>	<u>2,813,466</u>
Excess (deficiency) of revenues over expenditures	(903)	-	(39,030)	-	169	44,943	(1,500)	3,679
OTHER FINANCING SOURCES								
Transfers in	5,000	3,356	-	-	-	-	-	8,356
Total other financing sources	<u>5,000</u>	<u>3,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,356</u>
Net change in fund balances	4,097	3,356	(39,030)	-	169	44,943	(1,500)	12,035
Fund balances - beginning	1,125	(3,356)	128,571	-	-	353,549	2,990	482,879
Fund balances - ending	<u>\$ 5,222</u>	<u>\$ -</u>	<u>\$ 89,541</u>	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 398,492</u>	<u>\$ 1,490</u>	<u>\$ 494,914</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 FOR THE YEAR ENDED JUNE 30, 2018

	Nonmajor Capital Projects Funds					Total Nonmajor Governmental Funds
	Construction Fund	Open Space & Land Trust Fund	Medical Building Fund	School Project Fund	Total Nonmajor Capital Projects Funds	
REVENUES						
Grants and contracts	\$ -	\$ -	\$ -	\$ 10,319	\$ 10,319	\$ 2,304,012
Licenses, permits and fees	-	-	-	-	-	478,474
Interest	275	5,559	6,414	39	12,287	12,400
Other	-	6,540	-	-	6,540	51,405
Total revenues	<u>275</u>	<u>12,099</u>	<u>6,414</u>	<u>10,358</u>	<u>29,146</u>	<u>2,846,291</u>
EXPENDITURES						
Public safety	-	-	-	-	-	16,726
Education	-	-	-	-	-	2,796,740
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,813,466</u>
Excess (deficiency) of revenues over expenditures	275	12,099	6,414	10,358	29,146	32,825
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	8,356
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,356</u>
Net change in fund balances	275	12,099	6,414	10,358	29,146	41,181
Fund balances - beginning	<u>20,545</u>	<u>400,544</u>	<u>462,262</u>	<u>19,325</u>	<u>902,676</u>	<u>1,385,555</u>
Fund balances - ending	<u>\$ 20,820</u>	<u>\$ 412,643</u>	<u>\$ 468,676</u>	<u>\$ 29,683</u>	<u>\$ 931,822</u>	<u>\$ 1,426,736</u>

(Concluded)

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sewer use charges	\$ 1,570,945	\$ 1,570,945	\$ 1,563,913	\$ (7,032)
Lien charges	750	750	-	(750)
Interest charges	15,000	15,000	22,680	7,680
Investment income	-	-	14,322	14,322
Sewer permits	100	100	440	340
Sewer assessments	35,000	35,000	32,924	(2,076)
Pre industrial treatment	95,000	95,000	106,693	11,693
Other	45,000	45,000	54,951	9,951
Total revenues	<u>1,761,795</u>	<u>1,761,795</u>	<u>1,795,923</u>	<u>34,128</u>
EXPENDITURES				
Personnel costs	980,890	970,758	939,629	(31,129)
Administration	89,882	87,182	69,096	(18,086)
Operations	385,000	394,900	370,128	(24,772)
Utilities	215,000	217,132	207,499	(9,633)
Vehicles	35,000	35,800	29,615	(6,185)
Equipment replacement	36,500	36,500	33,394	(3,106)
Interest expense	-	-	56,567	56,567
Total expenditures	<u>1,742,272</u>	<u>1,742,272</u>	<u>1,705,928</u>	<u>(36,344)</u>
Excess of revenues over expenditures	19,523	19,523	89,995	70,472
OTHER FINANCING USES				
Transfers out	(19,523)	(19,523)	-	19,523
Total other financing uses	<u>(19,523)</u>	<u>(19,523)</u>	<u>-</u>	<u>19,523</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,995</u>	<u>\$ 89,995</u>

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2018

	Uncollected Assessments July 1, 2017	Current Assessments	Lawful Corrections		Adjusted Assessments Collectible	Collections		Uncollected Assessments June 30, 2018	
			Additions	Deductions		Assessments Collected	Interest and Lien Fees		Total
Special Assessments	\$ 76,079	\$ -	\$ 28,662	\$ -	\$ 104,741	\$ 33,424	\$ 10,814	\$ 44,238	\$ 71,317

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER USAGE COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Grand List Year	Uncollected Charges July 1, 2017	Current Billings	Lawful Corrections		Transfer to Suspense	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2018
			Additions	Deductions			Charges Collected	Interest and Lien Fees	Total	
2016	\$ -	\$ 1,497,458	\$ 75,025	\$ 3,612	\$ -	\$ 1,568,871	\$ 1,531,450	\$ 5,133	\$ 1,536,583	\$ 37,421
2015	32,014	-	4	2,691	-	29,327	14,625	4,442	19,067	14,702
2014	11,286	-	-	1,723	-	9,563	653	1,513	2,166	8,910
2013	8,312	-	-	-	-	8,312	2,340	1,504	3,844	5,972
2012	6,627	-	-	-	-	6,627	1,554	2,411	3,965	5,073
2011	3,335	-	25	-	-	3,360	480	534	1,014	2,880
2010	2,282	-	-	-	-	2,282	1,250	1,804	3,054	1,032
2009	690	-	-	-	-	690	460	659	1,119	230
2008	220	-	-	-	-	220	220	351	571	-
2007	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2002	(95)	-	-	-	-	(95)	-	-	-	(95)
2001	95	-	-	95	-	-	-	-	-	-
	<u>\$ 64,766</u>	<u>\$ 1,497,458</u>	<u>\$ 75,054</u>	<u>\$ 8,121</u>	<u>\$ -</u>	<u>\$ 1,629,157</u>	<u>\$ 1,553,032</u>	<u>\$ 18,351</u>	<u>\$ 1,571,383</u>	<u>\$ 76,125</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, 2018

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2018</u>
Student Activity Funds				
Assets				
Cash and cash equivalents	\$ 206,625	\$ 499,643	\$ 512,584	\$ 193,684
Total assets	<u>\$ 206,625</u>	<u>\$ 499,643</u>	<u>\$ 512,584</u>	<u>\$ 193,684</u>
Liabilities				
Due to student groups	\$ 206,625	\$ 499,643	\$ 512,584	\$ 193,684
Total liabilities	<u>\$ 206,625</u>	<u>\$ 499,643</u>	<u>\$ 512,584</u>	<u>\$ 193,684</u>

See accompanying Independent Auditor's Report.